Assignment 1: Retailer Relationships, Consumers, and Innovation

**Feedback:** Super job on this assignment- You really get it! ﻿﻿﻿I can tell you read your chapter assignments or at least the sections that appeal to you!  Thanks for a great effort- I did think your third point was a bit weak- You still earned  an "A"  - I am proud of you!

**See the assignment 1 below:**

**Walmart Incorporation**

Walmart Incorporation is one of the leading retail stores around the world. The American based retail store has a chain of hypermarkets, grocery stores, and department stores in the United States as well as other regions across the world. Founded in 1962 by Sam Walton, the company was incorporated in 1969. Since its establishment, Walmart incorporation has grown significantly over time and today. It operates as the leading retail store in both United States as well as around the globe. The company offers products such as electronics, home furniture, grocery products such as vegetables, and home appliances, among others. Proper and effective management of the retail store has seen its perform well hence leading to its growth in the industry. The excellent performance of the company increased its competitiveness in the industry hence promoting its growth and expansion significantly. Today, Walmart incorporation is the largest retail store in the world by revenue according to the 2018 Fortune Global 500 list. Walmart is one of the best companies in designing and implementing effective strategies. The company is also very effective in building good relationships with its various stakeholders in the industry.

**Strategic planning and building relationships**

The Operations of Walmart are managed effectively under its current CEO, Dough McMillon. The management of the company designs and implements effective strategies in the company. Strategic planning enables the company to gain some competitive edge over its competitors in the industry. The performance of the company is also improved by implementing quality strategies. One of the key strategies used by the company is the training and development of its employees to improve their performance in the firm (Smith, 5). The management of the company has also been at the forefront of promoting and embracing the new technology in its operations. Through adoption and use of the new technology, the innovation in the company has been increased significantly. The use of the new technology in the operations of the company lowers its costs of operation as well as increases the efficiency of the company.

The use of the new technology by Walmart Incorporation, for example, has led to its venturing in e-commerce hence increasing its revenue generation through improved performance. This entailed the company to sell its goods and services online. Increased revenues generated by the company make its operations to be smooth. The management of Walmart incorporation uses the strategy of expanding its operations in the market through opening new retail stores in different regions in the United States as well as across the world (Smith, 5). The use of this strategy has led to the company increasing its market share around the world. The increased market share in the industry further increases the revenues generated by the company hence significantly boosting its profitability. The strategic plans of Walmart have therefore been very useful in helping the company to improve its performance in the industry.

Walmart is usually at the forefront of building a good relationship with various stakeholders in the market. The company, for instance, has a very effective corporate social responsibility which aims at supporting the community around the company premises. The company, for instance, offers equal employment opportunities to people in society regardless of their race and religion. Walmart also supports environmental conservation through the use of strategic plans that support the environment. Walmart, for example, set a goal to be powered 100% by renewables energy and reduce waste to the environment. The company maintains a good relationship with its customers in the market. An effective customer support system has been established in the company to respond to customers’ challenges and complains appropriately. Customers are usually attracted by firms that value.

For this reason, the use of this strategy, Walmart has been able to attract and retain more customers in the market hence significantly increasing its competitiveness. Through building good relationships, the company has been able to build a good brand and reputation in the industry. Maintaining a good relationship with some of the stakeholders, such as suppliers, employees, and customers in the market has increased the competitiveness of Walmart in such an industry (Smith, 5). This way, the company has been able to outcompete its rivals in the market as well all as grow its operations. The corporate social responsibility culture built by the company has been beneficial in building good relationships with its various stakeholders.

**Three recommendations for the company**

Customers are very crucial to any firm in the industry. Building and maintaining a good relationship with customers in the market is essential as it leads to a company attracting and retaining more customers in the market. Walmart should also maintain good customer relationships to maintain its top position in the industry. Maintaining a good relationship with customers will enable Walmart incorporation to build an effective brand in the market. Creating a good brand makes it very easy for a company to market its products. To create a good relationship with its customers, Walmart should communicate frequently with customers, reward loyal customers, and build wide network with the company stakeholders. The use of these strategies will boost the ability of the company to build a good relationship with customers in the market. Maintaining quality customer relationship will, in turn, increase its performance in the industry.

Communicating with customers regularly, for instance, will enable customers to stay up to date with the developments of the company. Any new product offered by the company will be easily communicated to customers in the market. Through keeping in touch with customers, Walmart incorporation will be able to maintain a good relationship with customers in the market. The company can communicate with their customers by sending them emails regularly to inform them of the progress of the company. The use of social media is yet another effective way of communication with customers in the market (Pope, 3). The use of customer support centers is yet another effective way the company can maintain communication with its customers hence boost its relationship with the company. Rewarding loyal customers is yet another way Walmart can create and maintain a good relationship with its customers in the market. Customers feel valued by firms that reward them for their loyalty. For this reason, rewarding loyal customers will make them more loyal as well as refer other customers to the firm. And besides maintaining a good relationship with customers, the company will also attract and retain more customers in the market.

Building a wide network in the industry is also another effective way Walmart Incorporation can maintain a good relationship with its customers. The company can build its network by extending its relationship with other businesses, suppliers, and professional acquaintances. These stakeholders often turn to customers through maintaining a good relationship with them. This way, the company will be able to build a good relationship with its customers. Companies with a good relationship with their customers in the market attract more customers through referrals. Satisfied customers usually refer their friends to a company hence maintaining a good relationship with customers is one of the best strategies that can promote the good performance of a company in the industry. Besides, through maintaining good customer relations, Walmart will be able to get customers complains quickly and respond to them appropriately (Pope, 3). For all these reasons, maintaining good customer relationship is very crucial for Walmart Incorporation.

**Characteristics of ownership**

Walmart Incorporation is a family-owned business that is publicly traded in New York Stock Exchange. Walton family owns 51 % shares of Walmart, and other investors in the industry own the rest of the shares. Walmart started as a family business, and the Walton family fully owned it. Sam Walton began with a small retail store, Walton 5& 10 in 1950 that offered a variety of products to its customers. The success of the business inspired Sam Walton to open the first Walmart Store in 1962. The growth and expansion of the business were greatly contributed to the low prices it charged for its customers in the market. In 1969, the company was officially incorporated. After incorporation, the company went public in 1970, and in 1972 it was listed in New York Stock Exchange. Since then, the company has been publicly-traded, and this changed its ownership structure. Various investors have bought Walmart Incorporation shares hence becoming its owners. The Walton family owns, however, more than 50% of the company shares; hence, it controls its operations. Even though shareholders benefit from the good performance of the company, the Walton Family enjoys most of the success of the company.

Walmart Incorporation is, therefore, a family-owned company. Since the Walton family owns more than 50% of the company shares, it controls its operations in the industry and makes critical decisions for the firm. The single major shareholder of the world`s largest retail store is, therefore, the Walton family. In any company, if a person owns more than 50% of the shares of a company, they become the owners of it since they have the controlling power (Schmalz, 4). No decision can be passed during the annual general meeting of shareholders to the company without the support of the major shareholder. It is because such people have more than 50% of the votes. Their decisions are, therefore, very influential in the companies they own. The Walton family, therefore, makes key decisions and strategies that are used by Walmart since they are the owners of the firm. They oversee the running of the business as well as make key decisions for the firm.

**Non-traditional forms of retailing**

The advancement of new technology has changed the way business organizations conduct their business operations. In the retail industry, several non-traditional retail strategies are used. These strategies have greatly boosted the competitiveness of retail stores in the industry. In a bid to increase its competitiveness in the market, Walmart has started using nontraditional forms of retailing. Electronic shopping is one of the nontraditional forms of the retailing strategy used by the company to gain some competitive edge over its rivals in the industry (Williams, 6). Electronic shopping entails online selling of goods and services, which is facilitated by the internet. Customers can order and pay for products and services offered by Walmart online. The e-commerce strategy used by Walmart incorporation has greatly boosted the performance of the company. Besides, through the use of electronic shopping, Walmart can effectively compete with a retail firm that has adopted the use of the new technology in its operations such as Amazon.com. Walmart Incorporation started electronic shopping and saw the company improved its performance in the recent past. Through embracing and adopting the use of the new technology in its operations, Walmart has been able to improve its competitiveness as well as its financial stability in the industry. The revenues generated by the company are used to finance the operation of the company in the industry.

Customers of retail stores are turning to electronic shopping and other nontraditional forms of retailing to purchase goods and services since they are more convenient for them. Online shopping, for instance, enables customers to shop anytime they wish, and goods are delivered to them. Online shopping is, therefore, not only convenient to customers but also an efficient way for customers in the market. Walmart incorporation should, therefore, adopt the use of new technology to respond appropriately to the changing business environment. Some of the actions that the company can take are: adopting the use of the latest technology in its operation, such as using video kiosks and embracing innovativeness in its operations (Williams, 6). Since most customers in the market have turned to the internet to shop various goods and services, Walmart will be able to attract and retain more customers by introducing video kiosks in its operations. Video kiosks are internet supported website where a company displays the products and services it offers to its customers. Customers can also place orders online. Video kiosks are, therefore, not only efficient but also time-saving. Through the use of new technology such as the use of video kiosks, Walmart will be able to improve its performance as well as increase its competitiveness in the market. Embracing innovativeness in the company is yet another way Walmart can respond to the changing business environment. Innovativeness will see the company use new strategies to market as well as sell its products to the market. Through innovation, new strategies will also be invented hence boosting the performance of the company in the industry.

**Target customers**

Every business organization has its target market in the industry. Walmart incorporation has its target customers or rather market in the industry. Since Walmart operates different branches across the world, its market is distributed in different regions of the globe. The target consumers for Walmart incorporation are people from all social statuses in the market. The online shopping department of the company targets middle-class people and the affluent in society since they can afford devices that can access the internet. Both young and aged are targeted since a variety of products are offered by the retail store. The company offers its products and services to different consumers in the market since it operates in different regions across the world.

The buying process of the various products and services offered by Walmart Incorporation to its customers is through visiting different retail store outlets located in different regions in the United States as well as in other parts across the world. Walmart practices the traditional ways of buying goods and services where customers pay for the goods over the counter in its operations. Customers visit various Walmart retail outlet stores in different regions and purchase the products they want. Through the adoption of new technology, customers can purchase various products online (McArthur, 2). The recent move by Walmart to introduce the use of the new technology through e-commerce has provided customers with an opportunity to shop different products online.

**Conclusion**

Walmart Incorporation is the world`s largest retail store by revenues. It was incorporated in 1969 after a few years of operations. The company uses very effective strategies that have led to it performing well in the market hence gaining some competitive edge over its rivals in the industry. The company also maintains good relationships with its various stakeholders in the market. Through the use of these strategies, the company can boost its performance in the industry. Even though Walmart Incorporation is a publicly-traded company, it is considered a family business. Through effective management, Walmart has been able to maintain its top position in the industry.

Sources

1. <https://corporate.walmart.com/>
2. McArthur. E. 2016. The evolution of retailing: a meta review of the literature. Journal of Macromarketing, 36(3), 272-286.
3. Pope. D. G. 2015. When Walmart comes to town: Always low housing prices? Always?. Journal of Urban Economics, 87, 1-13.
4. Schmalz. M. C. 2018. Common-ownership concentration and corporate conduct. Annual Review of Financial Economics, 10, 413-448.
5. Smith. N. C. 2019. Walmart: love, earth (A). In Managing Sustainable Business (pp. 243-267). Springer, Dordrecht.
6. Williams. A. 2018. Integrations of Management Information Systems and The Division of Labor in Apparel Retail Operations.