

Wal-Mart Generic Strategies

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Wal-Mart is one of the world's leading discount retailing organization with a chain of outlets all over the world. According to Wal-Mart's history, its business secret is to provide customers with quality merchandise, lowest prices, friendly service and guaranteed satisfaction, convenient hours and a pleasant shopping experience. However, as a result of competitive forces in the market, Wal-Mart has adopted three main generic strategies to succeed and become the market leader. These strategies include Porter's strategy, focus and differentiation strategies. The Porter's strategy focuses on the provision of low cost prices. The differentiation strategy is driven by the delivery of customized and unique products. In addition to these two, the focus strategy looks at the future of the organization through acquisition of the larger market share (Hill, 2005).

The greatest challenge facing Wal-Mart is competition from other significant players such as Kmart, Giant Tiger and Costco. In spite of the competition, Wal-Mart has adopted a low cost strategy in the marketing and selling of its products. In order to realize a lead in the market, the company has been able to increase its profits through reduced operating costs while maintaining the average industry prices. The supermarket industry is becoming very competitive these days. Customer satisfaction is becoming a great challenge in the face of changing customers' needs and emerging realities in the market. However, Wal-Mart has managed to develop a proper and efficient supply chain process, which certainly brings the right products to the shelf (Coe, 2009).

It is also imperative to realize that Wal-Mart has effectively adopted the full use of online technology as a cheaper way of selling its products. Online shopping has become a very popular method of retail shopping that greatly helps the large retailers to reduce their operating costs. As a general characteristic of companies that achieve cost leadership strategies, Wal-Mart has developed a very efficient supply chain management in its operations. Its efficient logistics services also ensure that supplies and materials arrive to their destination in the appropriate time. In that regard, a lot of wastage is normally reduced in terms of unnecessary delays and lost revenue (Hill, 2005).

In regard to the focus strategy, Wal-Mart has been at the forefront in promoting healthy living and decreased consumption of sugar and fats. This is achieved through the advice offered on healthy living and nutrition through the Internet or in the stores. The strategy clearly puts the organization apart from its competitors as it helps in attracting a healthy lifestyle-oriented segment of the market. Indeed, the growth of Wal-Mart's market share in the recent past is partly attributed to its strategies on the promotion of healthy living in terms of dietary change and exercise. In light of the emerging challenges, Wal-Mart is developing very practical cost minimization strategies in order to survive in the competitive market.

As a result of the challenging dynamic in the retail industry, Wal-Mart has strategically positioned itself to capture markets in new areas such North America. Through its stores commonly referred to as "Sam's Club", Wal-Mart has the began the process of customizing and designing its products to reflect the local community needs, hence giving people prices and products that match their lifestyles. In this regard, the company also has the opportunity of retaining its market leadership status by forming a partnership with other stores for easier distribution of its products (Coe, 2009).

References

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