A Brief Overview of Wal-Mart

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Sam Walton’s Philosophy

• “the secret of successful retailing is to give your customers what they want. And, really if you think about it from the point of view of the customer, you want everything: a wide assortment of good quality merchandise; the lowest possible prices; guaranteed satisfaction; pleasant shopping experience” (Walmart.com)

A Brief History

• 1962: Company founded with opening of first Wal-Mart in Rogers, Arkansas.
• 1969: Company incorporated as Wal-Mart Stores, Inc. on October 31.
• 1970: Wal-Mart stock first traded over the counter as publicly-held company.
• 1972: Wal-Mart was approved and listed on the New York Stock Exchange.
• 1978: Pharmacy, auto service center, and jewelry divisions introduced.
• 1979: First billion dollar year in sales, total sales: $1,248,000,000.

http://asms.k12.ar.us/armem/clark/timeline.htm

The Wal-Mart Store Concepts

• Wal-Mart Discount Stores
• Wal-Mart Supercenters
• Neighborhood Markets
• Sam’s Club
Two main competitors

- Target
  - Wal-Mart's Main competitor. They sell higher quality goods at a low price.
  - Better customer service
  - Possess many of the same things as Wal-Mart such as a garden center and a pharmacy.

Two Main Competitors Continued...

- Kmart
  - What can we say about Kmart....
    - Bankruptcy
    - Poor customer service/store design
    - Dominated by Wal-Mart and Target

Nature of the Industry

- Highly Competitive
  - Wal-Mart competes not only with general discounters but also with specialty retailers
  - Many points of competition
  - Consumers expect more value from their dollar
  - Very low profit margins
  - Emphasis on high volume

How To Stay Number 1

- One of the largest Teradata Warehouses
- Point of sale terminals
- Automatic Replenishment System
- Extensive supplier extranets
- Extensive Centralized Intranet called Pipeline
Electronic Data Interchange Applications called Retail Linka

Owns a Satellite Network

A Cisco Base infrastructure that allows its associates to access company information via the internet

In Store TV advertisements

RFID tags to replace bar codes