The Walmart Case Study

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**Introduction**

Various global retailers have ventured their businesses in the Indian market with this number rising over the previous years. This growth has been caused by several factors which include the rise in the middle class and a change in the lifestyle of the population. Both the urban and rural retail markets in the country are anticipated to grow exponentially in the coming years with key investors digging much into their pockets so that they can be able to meet the various customer's needs and preferences. Different companies have integrated digital platforms into their operations. Today many people are using bank online services, smartphone applications and credit cards to pay for goods and services. However, the political, cultural and economic environment creates a great impact on Indian market opportunities for companies such as Walmart. Some of these elements are discussed below.

**Political environment**

India is considered among the biggest democracies globally. Its government is centralized and the political structure largely influences the business environment. Some of the political factors that affect the retail market are tax policies, government regulations, and laws, tariffs, and trade restrictions. In the past years, there was a law barring those enterprises which were dealing with multiple brands but a change in this law in 2012 allowed retailers such as Walmart to directly participate in the market with their different brands (Gopalakrishna et al., 2016). However, the Indian government has given the different Indian states the right to ban or approve foreign retailers and this can lead to comprise of the already designed laws by the central government.

**Cultural Environment**

The culture of consumers in a particular locality determines their taste and preference for various products. Children draw their culture from their parents and this mostly governs their way of living. In India, there is a high value to joint family ties and systems. Children usually stay in their homes until they get married hence most of these families purchase a variety of products from retailers such as Walmart causing a greater profit margin for the company.

**Economic Environment**

Walmart has managed to transform the agricultural sector in India. This has boosted the country’s economy since most of the farm produce sold in Walmarts stores is grown locally. These farmers are paid well and can continue with farming practice hence contributing to the country’s economic growth.

**Challenges Facing Walmart and Other Foreign Retailers in India**

Walmart has faced diverse challenges from other small retailers in India. These retailers have been selling their products at lower prices thereby posing a market challenge to Walmart and other foreign retailers in the country. The infrastructure in India is also poor and this has made foreign retailers put much of their investment in improving it and also the supply chain (Lee, & Kang, 2015). The government has also imposed heavy taxes for foreign investors as it plans to improve the various infrastructure challenges in the country.

**The Quadrant ofthe Matrix That Applies Most Directly to India**

In my view, quadrant B has a direct application to the Indian economy. It has become difficult for any foreign retail company to enter the country’s market due to the high taxes charged by the federal government. The government has also directed most of the foreign retailers to operate on a wholesale basis which has made the operations of these ventures difficult in the country.

**Leadership and Teamwork**

Having selected Egypt as a potential Walmart destination, several factors will influence its growth and expansion in the Northern African country. These factors are the country’s political, cultural and economic environment.

**Political environment**

The Egyptian government supports foreign investors who may develop an interest to start businesses in the country. Tax evasion is a major offense both to domestic and foreign investors hence it is important for any company to pay these taxes to the government authorities. Since the community in Egypt highly depends on their leaders' decision, the support of a foreign company by a local leader influences its reach to the population (Ebaid, 2016).

**Cultural environment**

The majority of Egypt’s population feeds on spices and vegetables. This will see most people visit Walmart groceries to purchase these commodities hence the company would experience huge sales and greater profit margins.

**Economic environment**

A major economic threat to Walmart’s entry in Egypt is the higher number of local retailers and wholesalers. It would be important for the institution to standardize its prices so that it can be on a better competitive edge with these retailers.

**Market Expansion Strategy for Walmart In Egypt**

For the company to expand its market, it needs to design a strategy that is unique and unfamiliar but its competitors. One of these strategies could be the packing of vegetables and fruits in uniform packages which are well preserved instead of presenting them in open stalls which is the case for most retailers (Hampel, 2015). Most people prefer commodities which are appealing and those which seem to have been handled in a careful and hygiene way.

**Utilities Applicable For Walmart inEgypt**

**Place utility**

This is an important aspect to consider for Walmart to obtain a competitive advantage in Egypt. Since the population in the country has a great taste for vegetables and fruits, setting such an enterprise in populated cities such as Cairo would be an added advantage.

**Time utility**

Market research for those commodities which are mainly purchased would make it possible for the enterprise to source for more so that they are available to customers when they need them.

**Form utility**

Due to the high-temperature levels in the country, fruit juices are highly preferred. When these products are offered according to the consumer’s taste and preference, the enterprise can fetch huge profits.

**Information utility**

The use of digital communication platforms would make it possible for Walmart to transmit information concerning the health advantages of their products. Advertisements on local television networks are also a proper channel to transmit this information.

**SWOT Analysis for Walmart**

Walmart’s entrance in Egypt will require it to conduct a SWOT analysis so that it can manage to improve on certain key operational areas. It must utilize the strengths to enable it to exploit available opportunities also working on its weaknesses and threats in the retail environment.

Strengths

The global presence of Walmart enables it to easily fund its new expansions since these ventures generate huge income for the company. Technological advancements have also been used by the company to monitor the product movement. Incorporation of these advancements to its new environment poses an added advantage.

**Weaknesses**

The minimization of prices for commodities has made the company make low-profit margins. However, this has been caused by the actions of local retailers lowering prices for similar commodities hence forcing the company to also lower its prices.

**Opportunities**

With the move to expand its operation to developing countries such as Egypt, Walmart is likely to make more sales since the economic conditions in these regions is are growing exponentially.

**Threats**

After consumers have been used to some of the products, they probably shift to their originally locally produced commodities. In other countries, people have considered Walmart’s products as being unhealthy and non-organic. This issue can also arise after it has gained its ground in Egypt.

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