

Journey of Walmart

Aj hum ek aise bache ke baare mein baat karenge who started his life by doing petty jobs like selling milk, newspapers etc. and grew up to be the richest man of America. Eighth grade mein wo Missouri ke youngest Eagle Scout bne, During World War II unhone military join karke apne desh ki seva bhi ki. He was none other than Sam Walton, the founder of the retail giant, Walmart.

Wo ek poor farmer family mein paida hue. Great Depression ke era mein bade hue Sam ko apne family ke financial need ko fulfil karne ke liye baut kuch karna pda. 8 saal ki umar mein unko apna pehla job mila, where he had to sell newspaper subscriptions to consumers. Kuchi samay mein Sam ne us company ko ek \$5000/year venture mein transform kar diya. Sam ko apna business mind apni mom se genes mein mila tha. Wo bhi family ki income increase karne ke liye naye naye ideas implement karti rehti thi.

Walton baut hi hard working the, graduation khatam hone ke 3 din baad hi unhone JC Penney ko join kiya, ek management trainee ki position pe. JC Penney was a department store. 18 months wahan kaam karne ke baad unhone military join ki. Military ki duties se relieve hone ke baad shuru hui Walton ki **retail stores** ki journey.

26 saal ki umar mein unhone apne father in law se \$20,000 ka loan liya aur ek Ben Franklin variety store start kiya Arkansas mein. 1960 tk, Sam owned 9 Ben Franklin stores and was doing a business of a million dollars each year. Is store ke working ke dauran hi Sam ne ye jaan liya ki **Discounting is the future**. Par is sab mein sabse badi problem impose ki Ben Franklin franchisee ke rules ne.

- He had the right to distribute only Ben Franklin merchandise in exchange of rent equal to 5% of monthly sales, which was very very high.
- Walton could sell only those merchandise which were approved by the company.

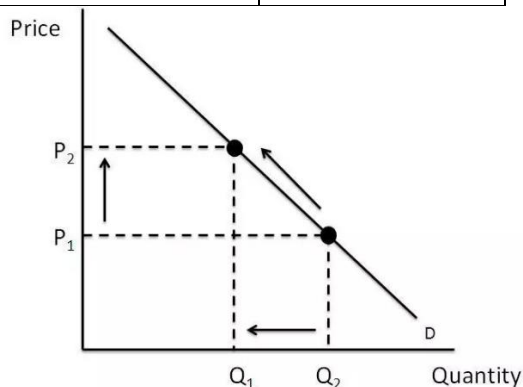
Sam ne in rules ko break karke lowest prices ke apne vision ko implement kiya. He searched around for less expensive suppliers and he found suppliers who sold at prices lesser than the Butler Brothers . Aur unhone apni is saving ko apne pass rakhne ki jagah, usko consumers ko transfer kiya. **He made his profit on volume rather than on margin**. Obviously, Butler Brothers ko Walton ki ye harkaten bilkul pasand nahi aa rahi thi. Par Sam ke store ki sales 45% se increase ki, in the 1st year itself. He became the leading variety store operator in Arkansas. Fir kuch aisa hua jisse Sam ne ye sab kuch kho diya. Jo lease agreement Sam ne sign kiya tha, it came with a **No Renewal Clause**. Iska mtlb ye tha ki ek baar lease khatam hone ke baad usko renew nahi kiya ja sakta tha. Is mein Sam ki sabse badi galati ye thi ki unhone agreement ko thoroughly study kiye bina hi use sign kar diya, aur unki iss galati se unke father in law bhi bahut shock hue. Iske repercussion Sam ki wife Helen aur teen bachon ko bhi face karne pade. Newport, jo ki unka hometown tha, aur jahan unki poori life thi usse chod kar jana pda. Agar Sam ke words mein sune to –“ It was the lowest point in my life. I felt sick to my stomach. I couldn’t believe it was happening to me. It was like a nightmare.”

But all this could not stop him from following his heart. Thus in 1962, Sam opened his first **Wal-Mart Discount City** in Rogers, Arkansas. 2 saal baad hi unhone 2 aur Walmart start kiye, ek Harrison mein aur ek Springdale mein fir Missouri, Oklahoma tk ke underserved logon tk, unhone apne lowest prices ka benefit pahunchaya. With decreasing the cost of living in these places, Walmart also increased the standard of living of its people.

Walton ka main idea hi tha **Discounting Prices**. Chaliye iske peeche ki **economic** explanation samajhte hain.

Law of Demand and budget line – is law ke hisaab se the lower the price the higher the demand. Agar kisi person ka budget Rs. 6, to jitna kam price hoga utni zyada quantity wo buy karega

Price	Quantity
6	1
3	2
2	3
1	6



Elasticity of Demand - ek product ki elasticity humko ye batati hai ki uske price mein change se uske demand par kitna impact padta hai. To jab hum Walmart ki baat karein to wo **Elastic goods** provide kar rahe the. Ab elastic good kya hai? Ye wo goods hai jinke price mein thoda change bhi unki demand pe baut impact daalta hai. Walmart was a variety retail store. Aur market mein aise baut retail stores the jo wo saare products sell karte the jo Walmart provide karta tha. To Walmart ne apne commodities pe discounts ya deals de kar doosre retail stores ke customers ko bhi attract kiya jisse unki commodities ki sale considerably increase hui.

Discounting se Walmart ko aur bhi kayin benefits mile,

- ✓ Demand increase hone ke saath hi unka customer base bhi increase hua. People from all walks of life could buy things from Walmart which they could not otherwise afford
- ✓ Jaise unki demand badhi, they bought more quantity from the manufacturers. Aur kunki wo un manufacturers ke sabse bade clients ban gye, unki bargaining power bhi increase hui.
- ✓ Ek major benefit ye bhi tha ki unki inventory hamesha updated rahi. Old products got sold out quickly and new products with the latest deals were available at Walmart.

Low prices ke ilawa bhi aise kayin points the jinhone Walmart ko outshine karne mein help kiya

- ✓ Higher working hours
- ✓ Larger variety of goods
- ✓ Wo apne stores mein kids ke liye entertainment sources rakhte the, like ice cream stalls so that parents freely shop kar sakte the. Ye tactic unhone, apne market research ke time ek nearby store se pick up kiya tha.
- ✓ Walmart's NO HASSLE REFUND POLICY- ye policy customers ko bina kisi stress ke nayi cheezein explore karne ki power provide karti thi. [2801 \(walmartmuseum.com\)](http://2801(walmartmuseum.com))
- ✓ Loss leader principle – using this principle Walmart sold certain category of goods, like toiletries at a price lower than their cost. Ye pta lgne ke baad logon ko lagta that that all the commodities were being sold at the lowest prices. While in reality, certain products were sold at losses and these were then covered by selling certain other commodities at a considerable profit.

- ✓ It was Walmart who came up with the idea of Checkout counters, the ones that we see in all departmental stores today. Inhi counters ke saath hi wo High Value Providing Items ko stack karte the, which people often bought while waiting in the billing line.
- ✓ Customers ka hi ni, Walton apne employees, jinko wo associates bulate the, unka bhi khyal rakhte the, they got regular incentives and were free to explore and experiment. According to the Chief Operating Officer Don Soderquist, the freedom to experiment gave birth to many mavericks.

<https://www.youtube.com/watch?v=qk9kWdKsky4>

https://www.walmartmuseum.com/content/walmartmuseum/en_us/timeli/ecades/1980/artifact/2662.html



Sam hi nahi, balki unke saath kam karte the, unka bhi ek strong vision that. They were a lot of over optimistic people. 1984 mein, Walmart ke CFO David Glass ne Sam Walton ke saath bet lagai jiske terms the ki agar company 8% pretax profit attain karti to Sam would do Hula on Wall street. Glass itne confident the, ki unhone media ko to infrom kiya hi, aur real hula dancers aur ukulele players ko bhi hire kiya, to perform at Wall street. Sam ki Hula skirt ko bhi Walmart Museum mein rakha gya hai.

<https://www.youtube.com/watch?v=B71bRIdQzMc>

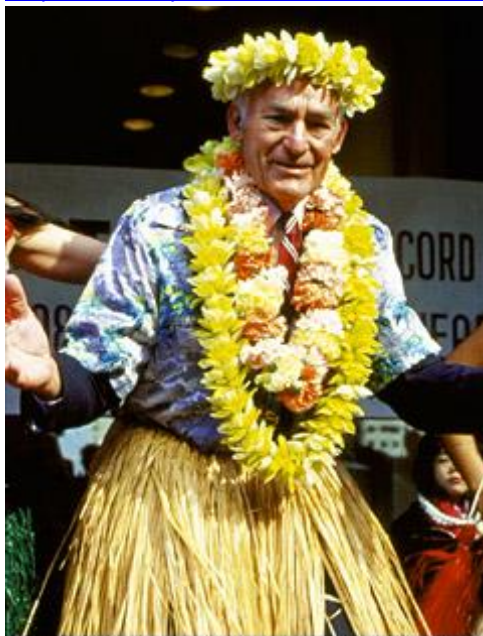


PHOTO: JOHN MCGRIL/TIME LIFE PICTURES/GETTY

But during its journey, Walmart had to face its fair share of problems. Sabse badi problem thi, ki Walmart ke lowest prices ka burden unke employees par padh raha tha. Unko company ki growth ke incentives milna to door raha, employees ko lower than average wages di jaa rahi thi. Iske chlte 2013, 2014 aur 2017 mein kayin protests hue. Walmart was allegedly violating worker rights – 14 hr shifts 6 days a week, low wages, ban on labour unions etc. 2013 mein Bangladesh ki ek apparel factory mein aag lg gyi jisme 118 log jal kr mar gye. Is calamity ka sabse bda reason tha – there were no fire escapes in the building. Ab sawal ye hai ki isme Walmart ka kya role tha. Walmart is factory ke apparels ka biggest buyer tha, aur 2011 mein iss factory ke problems aur dangerous working conditions ka pta lgne ke bawajood bhi Walmart ne ispe koi action nahi liya.

<https://www.youtube.com/watch?v=rXK5qsV5WpA>

America mein to Walmart ne apna pair jma liya, par aur countries jaise Germany aur South Korea mein it faced stiff competition.

Walmart ke stores par sexual discrimination ke charges bhi lge hain. Aur yahi reason hai ki wo kayin countries mein grow nahi kar paye.

Walmart has faced a lot of challenges, par fir bhi it has grown to be a business with a net worth of \$ 429 billion. Starting from a single store in 1962, today Walmart has 11,523 stores, 260 million weekly shoppers and more than 2.2 million employees in 28 countries.

Iska main reason hai, founder Sam Walton ka vision. Unka vision ye nahi tha ki wo world ke sabse ameer insaan bne balki ye tha ki wo har category ke logon ko lowest prices mein commodities provide karen. The second thing was- wo unse jude har insaan ko respect karen, chahe wo unke employees hon ya unke customers, he wanted to treat each individual as family. Third aur most important ideal tha to never stop learning.

Thankyou

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