

# Walmart



# **Business Case Study of WALMART**

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# Walmart

- Founder Sam Walton
- Americans spent \$46 million at Walmart in every single hour for 365 days and 24 hours.
- Employment 2.2 million people
- Revenue \$559 billion
- Profit of \$1.5 million at every single hour as of 2021.

# Three Business Strategies

1. Power of Discounting
2. Market Research
3. Team Management

# Power of Discounting

- Sell product at lower margin to get high sales volume.

<b>Normal Pricing</b>	<b>After Discounting</b>
100 T-shirts	200 T-shirts
\$3 each	\$2.5 each
\$1 profit/unit	\$0.5 profit/unit
\$100 profit	\$100 profit + benefit

# Power of Discounting

- More volume in sales, more people bought products, more footfalls.
- Faster innovatory = New stock
- More bargaining power with sellers to increase profit.

# Power of Discounting (Walmart vs Other Players)

	<b>Other Players</b>	<b>Walmart</b>
<b>Purchase Order</b>	20000 units	2000000 units
<b>Cost Price</b>	\$5	\$3.5
<b>Profit for Seller</b>	\$2	\$0.5
<b>Total Profit</b>	\$40000	\$1000000
<b>Selling Price</b>		\$4.9
<b>Profit per Unit</b>		\$1.4

# Market Research

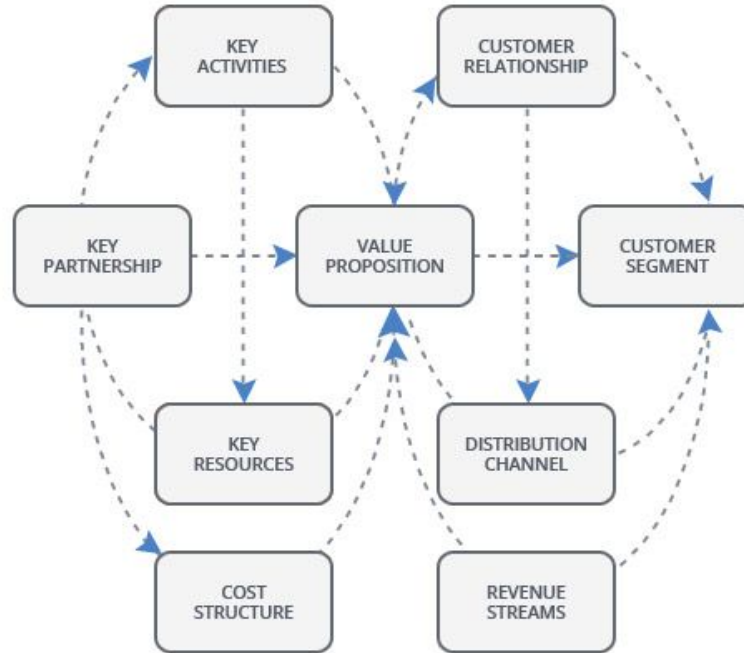
- Loss leader principle
- Customer assumed low price for all items
- Visit resulted in high margin sales
- Better understanding at the market
- How did Sam Walton keep track of the market during expansion?



# Team Management

- Safety
- Collaboration
- Shared ownership
- Liberty to experiment

# Walmart Business Model



# Walmart SWOT Analysis

## SWOT ANALYSIS OF Walmart

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### Strengths

- Strong Brand Recognition
- Efficient Supply Chain Management
- Diverse Revenue Streams
- Economies of Scale
- Strong Customer Base

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### Weaknesses

- Overdependence on the U.S. Market
- Labor Practices
- Limited E-commerce Presence
- Inconsistent Customer Service
- Thin Profit Margins

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### Opportunities

- Global Expansion
- E-commerce Growth
- Demand for Environmentally Friendly Products
- Diversification
- Technological Advancements

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### Threats

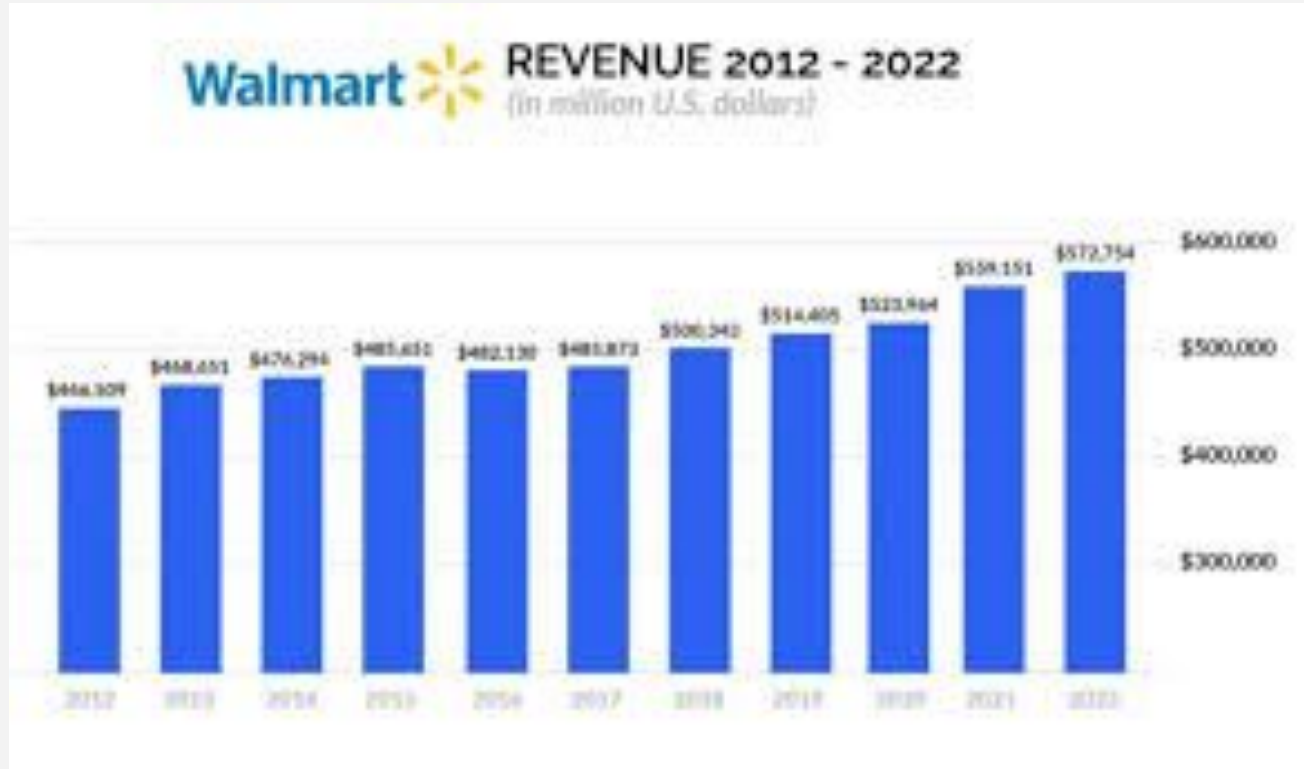
- Intense Competition
- Economic Downturns
- Changing Consumer Preferences
- Increasing regulatory scrutiny
- Litigation



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# Walmart Revenue



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