**Apply the marketing process (Segmentation, Targeting and Positioning) to**

**only one specific brand of the company products / services.**

**Segmentation:**

*Geographical segmentation:*

The segmentation is location-based. Walmart has stores throughout 27 countries. It has stores in fifty states in the USA, Washington DC and Puerto Rico. So, people need different products in different areas.

*Demographic segmentation:*

Based on income group, about 3 types are higher, middle, and poor income class.

The different age classes are youth, mothers, middle-aged and old people, depending on age.

*Behavioral segmentation:*

It is depends on occasions, benefits provided, user status and usage rate.

**Product example:** toys for children which is based on Demographic segmentation based on age.

**Targeting:**

Because its strategy has been to focus on low prices to target the middle class and poor. In 2007, its slogan was changed to **"Save money. Live better."**. They can target any age group with the big supermarkets. It is basically targeting the entire family.

Walmart offers various sales types to draw in clients. Its clients are repeated clients. So, the rate of usage is high.

**Product example:** they target children by focusing on sales of toys for children. In the late 1990s Walmart sold more toys than Toy R Us did.

**Positioning:**



Walmart ads focus more on product prices and not on quality, features, etc. It shows they've concentrated on **great value and great service**. For all the products it established itself as one stop platform. Initially, Walmart had the slogan "Always Low Prices," which indicated that everything is low priced.

They came up with the new slogan with a positive look “Save money. Live better.” in September, 2007. It implies that they want people to live better with these low prices. Customer service is another way to gain market share. They believe in giving great shopping experience to customers.

**Product example:** children toys positioning was based on low price strategy, highly competitive prices, the company’s large number of stores and online shopping, advertisements on newspapers, television, and websites, and sales promotions in the shape of discounts and special deals.

**Describe the Marketing Environment of your company and its components.**

**Internal Environment:**

1. Corporate Structure

The corporate structure was composed of three business units: Walmart Stores USA, Sam's Club and Walmart International. Walmart is a public company, though most of the shares are still owned by members of the Walton family. Hence, at the top level, there is a lot of family participation. The headquarters are in Arkansas, as well as the organization's control and decision-making ability.

1. Management

At headquarters in Arkansas, the top management and most support functions are centralized. Many top management began by working for a store manager on their way up and making a name for themselves. The store managers will send reports and check the inventory each day at each and every store, where the results are submitted to headquarters and reviewed.

1. Corporate Culture

Sam Walton believed a strong culture would help them become a powerhouse in the retail sector. The primary concern of Walmart's is low cost. Walmart presents itself as a great place to work, its employees have a lot of fun at work and are ready to help out their customers.

1. Research and Development

Huge research of competitors and their strategies to learn from their mistakes. Management monitors demographics & consumer preferences.

1. Operations

Walmart links each store with headquarters and more than 2,000 suppliers, so that they never run out of stock or have too much product. Walmart turns over their inventory more than any other retail store.

1. Human Resources

Walmart is the hugest non-government employer in the world. They know that turnover is high in retail but that one of their most valuable assets is their associates.

1. Finance

Finance is every organization's back bone. It is most important to manage the organization finance in good manner.

1. Stakeholders

Walmart is committed to including all of its shareholders, both internally and externally, in being the most profitable and responsible business they can. As Walmart pursues its corporate goals, to be transparent and relevant with the customers and communities they serve, they further strengthen relationships with shareholders.

**external Environment:**

* **Micro environment:**

1. Suppliers:

The influence of the supplier is highly influential on Walmart. The retail company is far bigger than its suppliers, with vast amounts of sales, and so the supplier would have very little bargaining power.

Walmart ensures the price demanded for a material has the same value as the quality and durability of the same materials. This will make sure budgets aren't wasted. Walmart holds a larger share of the market and suppliers know that, so supplier power in Walmart's case is low.

Suppliers types:

* National Product Suppliers
* Local Product Suppliers
* Service & Non-Resale Suppliers
* Direct Import & Global Suppliers

There are a total of more than **100,000** suppliers for Walmart over the world.

1. Market Competition:

Walmart offers low price, low cost operations and operational efficiency; Walmart continues to be the market leader in the retail sector. Other major companies such as CarreFour and Metro are competing with the emerging Walmart market. Long before Walmart, retailers such as CarreFour and Metro moved into the international marketplace.

Costco and Target is Walmart's local market competitor and they represent the bigger threat to Walmart's market share. Costco is the biggest discount wholesaler able to compete with Sam's Club of Walmart.

1. Customer:

Walmart is highly influenced by buyer's bargaining power. Company is making every effort to keep its prices low for the products and services that they provide. If the products are similar then the purchaser compares the price among suppliers which increases the competition and leads to lower prices and profits. Walmart offers a broad range of products with the strategy of **“Every Day Low Price”** that attracts large audience.

* **Macro environment:**

1. Political

Walmart ensured they knew about the political situation of every country in which they operated, and the company made sure it had a good political position. Walmart is still able to tackle any political-sector issues. Walmart occasionally spent money on political issues.

1. Economic

Over the past few years Walmart has been economically stable. The economic situation is doing well and they can continue to develop their goods and offer their customers the best they can. It is not only the company's internal economic situation that should be taken into consideration but also the country's economy, Walmart first checks the economic status of the country in which they operate, before deciding to open the branch there. The economic environment is a significant factor in the strategies of discounts retailers.

Economic Impacts of Host Country:

* Challenges of high interest rate
* Higher fuel & energy cost
* Inflation
* Higher level of unemployment
* Higher Tax Rates

1. Social

Walmart makes sure the goods they are selling will be approved by the organization in which they work. Walmart maintains very strong relationships within the community with various industries while some industries have issues with them. Walmart also participates in the social activities within the society in which they operate.

1. Technological

In its technological area Walmart presented new technologies and implemented new ideas with respect to its industry. Walmart uses modified cash register and slot machines perform better. Walmart allows better use of the surveillance program. Since technology is evolving quickly Walmart needs to adapt to the latest technology, Walmart has the potential to incorporate new technologies.

1. Environmental

Walmart makes sure that the goods they sell are known to cause the environment far less harm. Walmart has developed some regulations regarding what type of product they are going to sell in their store. Walmart has also introduced better waste management systems with a focus on reducing pollutants and providing a cleaner future environment.

1. Legal

Walmart ensures it complies with the different laws of a country in which they operate. By violating local and international laws, the company does not want to risk their client’s welfare and company reputation.

**Your recommendations after analyzing your company.**

**Recommendations:**

* Walmart can focus on expanding its business worldwide and entering international markets like India as developing countries provide great potential for growth and increased sales in the retail market.
* Walmart Stores can be improved with better atmosphere for example brighter lighting like target.
* Walmart should try to build a good relationship with its employees/associates by providing better wages/benefits.
* The system should be protected against hackers trying to destroy records of supplies.
* Walmart should focus more on marketing efforts such as promotions and advertising in local journals, television, and websites.
* Walmart should focus more on online shopping and online sales by exploiting mobile device usage of customers.
* Walmart can improve HR management practices and quality standards.

**Is this company achieve competitive advantage?**

Yes. Company has many competitive advantages as result to:

* low and highly competitive prices for costumers.
* Various services and products provided.
* international expansion of Walmart in many countries.
* improved customer service to provide great shopping experience to customers.
* large customer base
* lower product costs and reduced inventory carrying costs
* Online shopping and sales
* strong financial position

**Is it a smart company? Is it proactive?**

Yes, It is a smart company. As it managed to remain the best retailer in the market for many years and was able to expand in about 27 countries.

Yes, It is a proactive company. As it always defines goals to improve the sustainability of it’s operation for example:

* use 100 percent renewable and clean energy.
* eliminate waste
* sell products that are sustainable for both the company’s resources and also the environment.

Walmart’s proactive actions in establishing a sustainable business are changing the retail segment in many markets around the world.