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

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

**Segmentation:**

*Geographical segmentation:*

It is segmentation based on locations. Walmart has stores in 27 countries. In USA, it has stores in 50 states, Washington DC and Puerto Rico. So, in different areas, people need different products.

*Demographic segmentation:*

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

Based on age, children, moms, middle-aged and old people are the different age groups.

*Behavioral segmentation:*

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

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

**Targeting:**

Since its strategy was to focus on low prices to target to middle class and poor people. in 2007, it changed its slogan to “Save money. Live better.”. With the big supermarkets they can target all age groups. It basically targets the whole family.

Walmart offers different types of sales to attract customers. Its customers are repeat customer. So, the usage rate is high.

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

**Positioning:**

If you look at all Walmart ads, it focuses more on prices of the merchandise rather than quality, features, etc. It shows that since the beginning they focused on ‘great value and great service’. It positioned itself as one stop platform for all the products. Walmart initially had slogan “**Always Low prices**” which indicated that Walmart will provide everything at low prices.

To give it a positive look they came up with the new slogan in September, 2007 “**Save money. Live better**.”It clearly indicates that these low prices help people live better. Customer service is another way on which they try to gain market share. They believe in providing 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 form of special deals and discounts.

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

**Internal Environment:**

1. Corporate Structure

Corporate structure was structured into three business units, Walmart Stores USA, Sam’s Club, and Walmart International. Walmart is a public corporation, however the majority of the stock is still held by Walton family members. Therefore, there is lots of family involvement at the top level. The headquarters are in Bentonville, Arkansas, along with the control and decision making ability of the organization.

1. Management

The top management and most support functions are centralized at the headquarters in Arkansas. Most of the top management started by working their way up for a store manager and making a name for themselves. each day the store managers in each and every store must submit reports and update the inventory, where the results are sent to headquarters and reviewed.

1. Corporate Culture

Sam Walton believed that a strong culture would help them to be a retail giant. Walmart's primary concern is low cost. Walmart introduces itself as being a great place to work, that its employees have a lot of fun at work, and are ready to help its customers out.

1. Research and Development

Tremendous research of competitors and their strategies in order to learn from their mistakes. Management monitors demographics & preferences of consumers.

1. Operations

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

1. Human Resources

Walmart is the largest non-government employer in the world. They realize that turnover is high in retail, but that their associates are one of their most important assets.

1. Finance

Finance is the back bone of any organization. It is most important to manage in good manner to the organization

1. Stakeholders

Walmart is committed to engaging all of their shareholders, both internally and externally, to become the most sustainable, responsible company they can. As Walmart pursues their corporate goals, they further strengthen relationships with shareholders in order to be transparent and relevant with the customers and communities they serve.

**external Environment:**

* **Micro environment:**

1. Suppliers:

The supplier’s power is highly influences Walmart. The retail company is much larger than its suppliers, and purchases in large quantities, and then the supplier will have very little power to negotiate.

Walmart makes sure that the price being asked for a material has the same value as the same materials’ quality and durability. This will ensure that budgets will not be wasted. Walmart holds a greater part of market share and suppliers know that, so the power of suppliers is low in case of Walmart.

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 is offering low price, low cost operations as well as their operational efficiency; Walmart is still the leader in the retail market. Walmart’s emerging market is being contested by other major companies such as CarreFour and Metro. Retailers such as CarreFour and Metro moved into the international marketplace long before Walmart.

Costco and Target is the competitor of Walmart in local market and they are the more significant threat to the market share of the Walmart. Costco is the largest discount wholesaler which can compete with the Sam’s Club of Walmart

1. Customer:

The bargaining power of buyers highly influences Walmart. Company is trying its best to keeps its prices low for the products and services they are providing. When the products are similar then the buyer will compare the price among suppliers which increases the competition and lead to lower prices and profits. Walmart offers a wide range of products with the strategy of “Every Day Low Price” that appeal to large audience.

* **Macro environment:**

1. Political

Walmart made sure that they knew of the political situation of every country they have operated in and the company has made sure that it has a good position with regards to political issues. Walmart is every time ready to face any problems concerning the political sector. Some times Walmart spent money in political issues.

1. Economic

Walmart is economically stable for the past years. Its economical environment is doing well so they can try to improve their products and able to give best to their clients. It is not only the internal economic situation of the company should be taken in consideration but also consider the economy of the country, Walmart checks first the economic status of the country they are operating in before they decide to open the branch in that country. The economic environment is a major factor in the strategies of discounts retailers.

Economic Impact 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 that the products they offer should be accepted by the society where they are operating in. Walmart is maintaining very good relationship with different sectors in the society although some sectors have problems with them. Walmart also participates in social activities in the society they are operating in.

1. Technological

Walmart offered new innovations in its technological aspect and introduced new concepts with regards to its industry. Walmart is using advanced cash register and better performing slot machines. Walmart is using better security system. Since technology rapidly changes Walmart keeps updating to up to date technology, Walmart has a capability to adopt new technologies.

1. Environmental

Walmart makes sure that the products they sell are proven to cause very less harm to the environment. Walmart has developed certain regulations on what type of product they will sell in their store. Walmart has also introduced better waste management systems that aim to reduce pollutants and provide a cleaner environment for the future.

1. Legal

Walmart makes sure that it follows the different laws of a country where they are operating. The company doesn’t want to risk their client’s welfare and company reputation by breaking local and international laws.

**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 from hackers that want 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 due to:

* low and highly competitive prices for costumers.
* variety of products and services 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 of energy from renewable sources
* 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.