

# Sam's Club by Walmart

## What is Walmart ?

Walmart was actually founded back in 1962 by Sam Walton. It all began as a small discount store in Rogers, Arkansas. Since then, Walmart has grown into a massive global retail presence, with thousands of stores worldwide.

## Walmart business units

Walmart's business units include Walmart US, Walmart International, and Sam's Club, among others, each with its own focus within the retail industry.



## What is Sam's Club ?

Sam's Club is a membership-based retail store chain, known for offering bulk quantities of products at competitive prices. Customers pay an annual fee to access these savings. The warehouse club retail industry, in which Sam's Club operates, focuses on selling items in larger quantities to members, enabling them to save money on a wide range of products, from groceries to electronics and more.

## U.S Warehouse club market

2x	\$269 Bn	5%
Since 2007	2022	US retail sells in 2022

## Sam's Club main competitors

Costco and BJ's Wholesale Club are direct competitors of Sam's Club in the warehouse club retail industry.



## Sam's Club Key Success Factors

1	Membership Model	They charge an annual fee for exclusive access to deals and bulk purchasing, ensuring steady revenue and customer loyalty.
2	Low Prices	Offering competitive pricing, often 25% lower than traditional retailers, encourages bulk buying and boosts merchandise gross margins.
3	Efficient Distribution	Efficient supply chain management, cost reduction, and strong supplier relationships are crucial for maintaining competitiveness.

## Sam's Club Business Model

Customer Segments	Value Proposition	Channels	Customer Relationship	Cost Structure
Serves small businesses, individual shoppers, families, and institutional customers.	Offers discounts for bulk purchases, a wide product selection, membership benefits, and convenience.	Has physical stores, an e-commerce website, and a mobile app for shopping.	Maintained through membership services, customer support, and loyalty programs.	Include employee wages, rent, inventory, and marketing expenses.
Revenue Streams	Key Resources	Key Activities	Key Partnerships	
Comes from membership fees, product sales, services, and private label brands.	Include store locations, supply chain, brand reputation, and a growing membership base.	Involve procurement, marketing, store operations, and e-commerce operations.	Formed with suppliers, payment processors, and logistics partners.	

## Strategic Issues

Growth Challenge	Customer Centric Approach	E-Commerce Competition
<ul style="list-style-type: none"><li>Sam's Club seeks to maintain its robust growth despite improving pandemic conditions.</li><li>Focuses on technology, special offers, and private label brands to attract and retain customers.</li></ul>	<ul style="list-style-type: none"><li>Identifying and responding to customer preferences is key to Sam's Club's success.</li><li>Timely recognition of trends is essential for competitive positioning.</li></ul>	<ul style="list-style-type: none"><li>Sam's Club competes with online giants like Amazon and faces strong competition from Costco in the warehouse club segment.</li><li>Walmart's e-commerce growth reflects efforts to stay competitive, while Costco's loyalty and product strategy pose a challenge.</li></ul>

## Recommendations

E-Commerce Enhancement	User Data Analysis	Hybrid Retail Strategy
<ul style="list-style-type: none"><li>Improve online platforms, supply chain, and advertising for a stronger online presence and customer experience.</li></ul>	<ul style="list-style-type: none"><li>Collaborate with social media for deeper customer insights, personalized marketing, and influencer engagement.</li></ul>	<ul style="list-style-type: none"><li>Integrate in-store and online experiences with personalization, exclusive products, and partnerships for retail innovation.</li></ul>