



PUSHING WALMART FORWARD

TKS x Walmart 

EXECUTIVE SUMMARY

Overview of Recommendation

01.

Opportunity

Walmart shopping carts are far too costly and their material contents reflect badly on the company's reputation because they are not user or eco-friendly.

02.

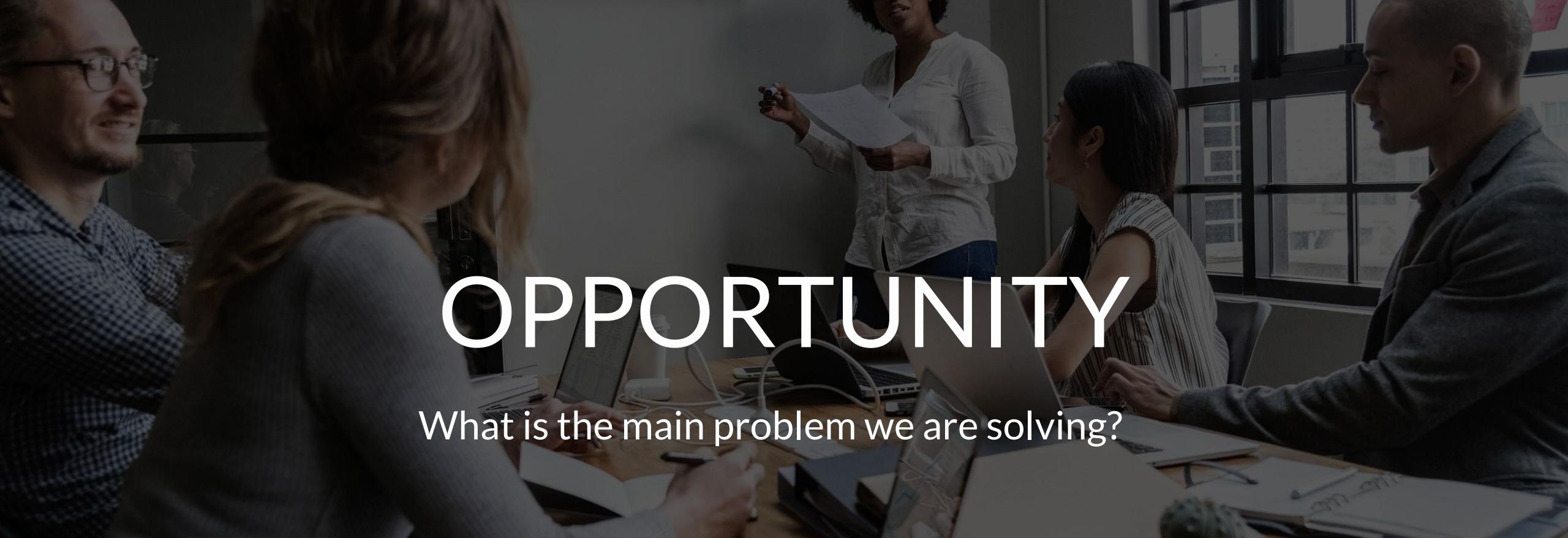
Recommendation

Manufacturing recycled plastic (PP) shopping carts will decrease production costs and improve the customer's shopping experience.

03.

Impact

Walmart will save money and customers will have a better shopping experience and hold the company at a higher regard because of their eco-friendly values.



OPPORTUNITY

What is the main problem we are solving?

IMPROVE CUSTOMER EXPERIENCE

Above all else, Walmart strives to uphold its reputation and value its customers. By doing this, they want people to have an enjoyable shopping experience.

MINIMIZE COST OF OPERATION

As a business, the company wants to simultaneously generate maximum profit to innovate and continue leading the retail industry.



SHOPPING CARTS

Where is the opportunity for improvement?

Shopping carts are a leading factor that determine customer experience, and can essentially make or break the customer's visit.

The archaic and difficult to manoeuvre metal carts at Walmart Canadian customers have grown to dislike have become one of Walmart's greatest pitfalls in the eye of the consumer.

Your
customers'
first and ***last***
experience
with Walmart
is their cart.

POOR QUALITY SHOPPING CARTS

Damaged Carts Hinder the Experience



Customers give more thought to how they move around the store than they imagine. Pulling a shopping cart out of the corral can gauge how the remainder of a visit will be for a customer. Getting a damaged cart is like getting perfectly good food set on a broken plate - it's distracting and takes away from your experience.

Materials Used Are Not Sustainable



Using ≈70 pounds of steel for a single shopping cart is not an optimal solution. Using polypropylene recyclable plastic, recycling costs decrease dramatically while materials used decrease exponentially.



Cart-Merchandise Collisions Lead to Losses

Not only is the customer experience impacted poorly, out-of-control carts can collide with merchandise to lead to lost inventory. Displays may also become ruined, which leads to both lost inventory and employee time being unnecessary spent on restocking.

Investments made on store appearance don't matter if customers are unable to move around accessibly.



“

Walmart has archaic carts that cling to one another like terrified bits of velcro. I usually have a hard time finding any carts at all at Walmart, let alone one that will carry more than one parcel of offspring.

- Mariah Nichols, mom and blogger

A DAMAGED CART DOESN'T GO UNNOTICED.

Why Walmart Should Invest In Recycled Plastic Inventory

01.

Reliable Inventory Builds A Positive Reputation

Customers want to know that their shopping experience will be reliable, efficient, and as easy as possible. Non-durable, non-functioning metal carts are frustrating.

02.

Wholesome Values Ensure The Return of Customers

Purchasing goods from a retailer means supporting the brand's values. By promoting sustainability, people will then be inclined to buy more of their products, and Walmart generates a larger revenue.



TARGET

VS.



Walmart

- Reliable Functionality, Durability**

Plastic carts are harder to damage in the first place because it is a thicker material. It is also less noisy than metal when shopping.

- Lower, Eco-Friendly Cost of Production**

Coloured plastic carts make it harder for people to steal because the logos are part of the cart. Plastic is a less expensive material.

- Unreliable Functionality, Lack of Durability**

Easily broken, metal carts get stolen more than plastic. Because of this, customers in WalMart stores often cannot find shopping carts which ruin experience.

- Higher, Unsustainable Cost of Production**

Carts made of metal are not recyclable and need to be replaced often because they can be more easily damaged. Walmart has to pay to replace these carts.

THE COST OF CARTS IS TOO HIGH

The point of view of the supplier

105

dollars is the price of
one cart

86

carts on average
per store

410

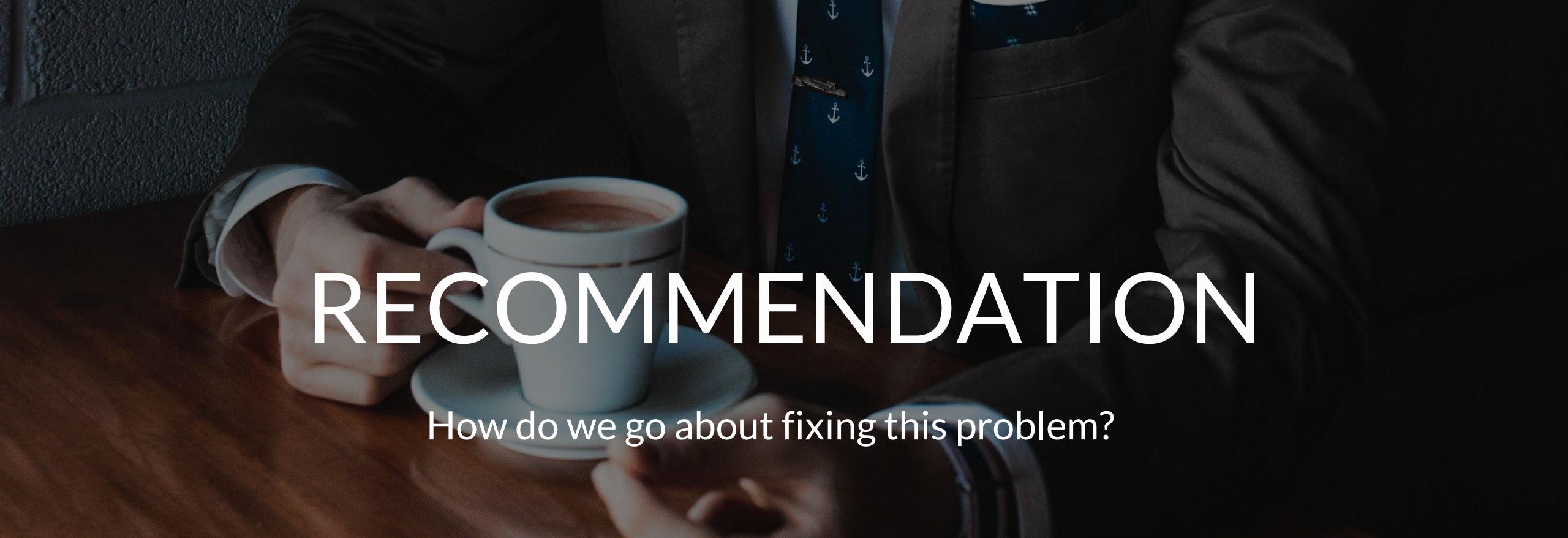
stores
open in Canada

5 - 10 %

cart stock replaced per year
per store

\$370 230

spent by Walmart Canada to replace the losses to their shopping cart fleet **every year** amongst their **410 retail units** with an average **86 carts per store**, , and about **\$10.6 million worldwide**.



RECOMMENDATION

How do we go about fixing this problem?

THE COMPANY

As a 500.3 billion dollar company, Walmart aims to maximize profit. They can increase the quality of their services and their total revenue through reduction of operational costs.

THE CUSTOMER

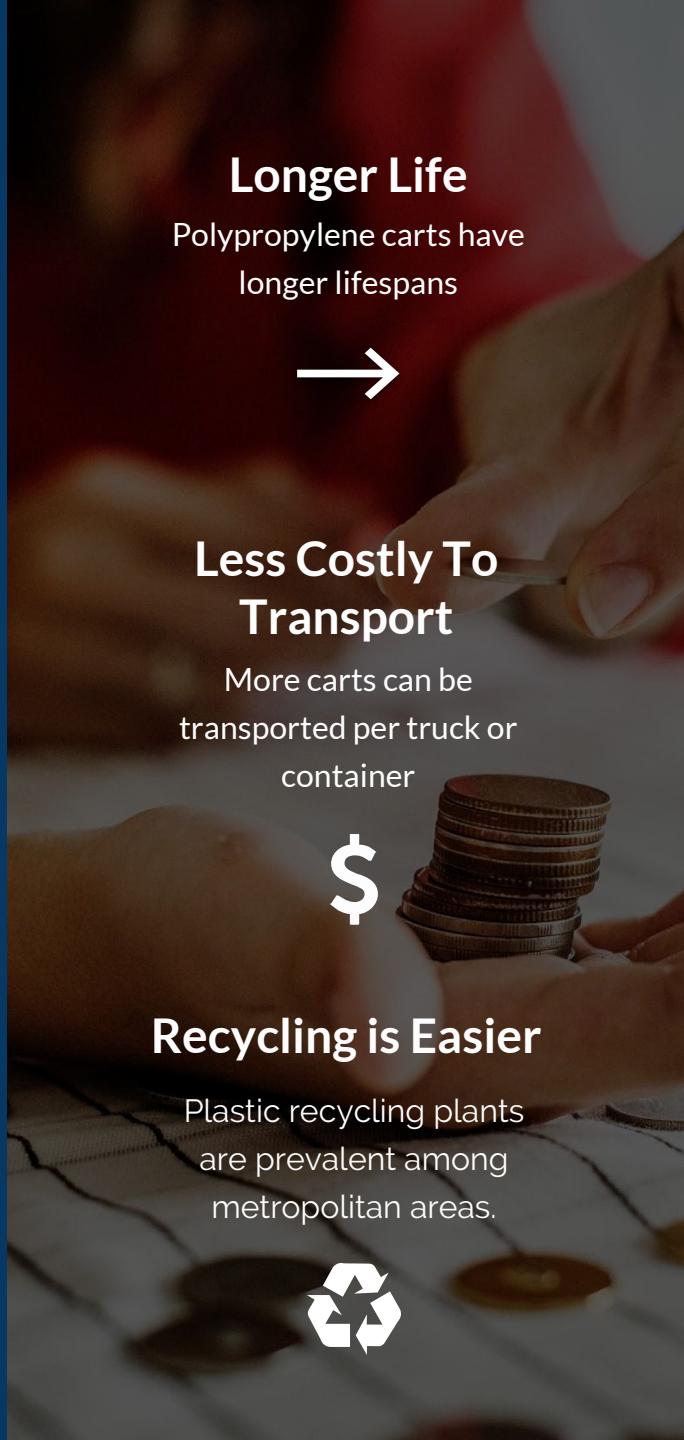
Walmart also wants to cater towards the customer's needs. In order to maintain regular business, they must provide an enjoyable shopping experience.

REINVENTING THE WALMART[®] SHOPPING EXPERIENCE

How investing in better, more eco-friendly shopping carts will transform the face of Walmart

Save Money. Live Better.

Recycled Plastic Carts REDUCE OPERATIONAL COSTS



Longer Life

Polypropylene carts have longer lifespans



Less Costly To Transport

More carts can be transported per truck or container



Recycling is Easier

Plastic recycling plants are prevalent among metropolitan areas.



01.

Polypropylene carts have a lifespan that is 3 times more long lasting than the current steel model. Polypropylene doesn't corrode, there's no need for chrome plating. **Plastic carts have no steal value, so there is no value in stealing them for scrap.**

02.

Plastic carts would weigh about a third as much as a conventional steel cart, so it would be **much easier to transport in larger quantities**. More carts can be loaded per truck/container. Weight also significantly decreases the cost to transport carts to a recycling facility.

03.

There are easily accessible recycling plants for polypropylene plastic available in **every major city**. However, the current metallurgical furnace method used for recycling steel carts is very inaccessible. **The cost to transport from store to facility decreases.**

\$327,230

Cost per annum based on current model

Walmart spends money on replacing damaged items as well as those lost.

\$185,115

Cost of per annum based on plastic model

This is taking into account that plastic lasts 3X longer than the current model of shopping carts.

\$185,115

Money saved annually

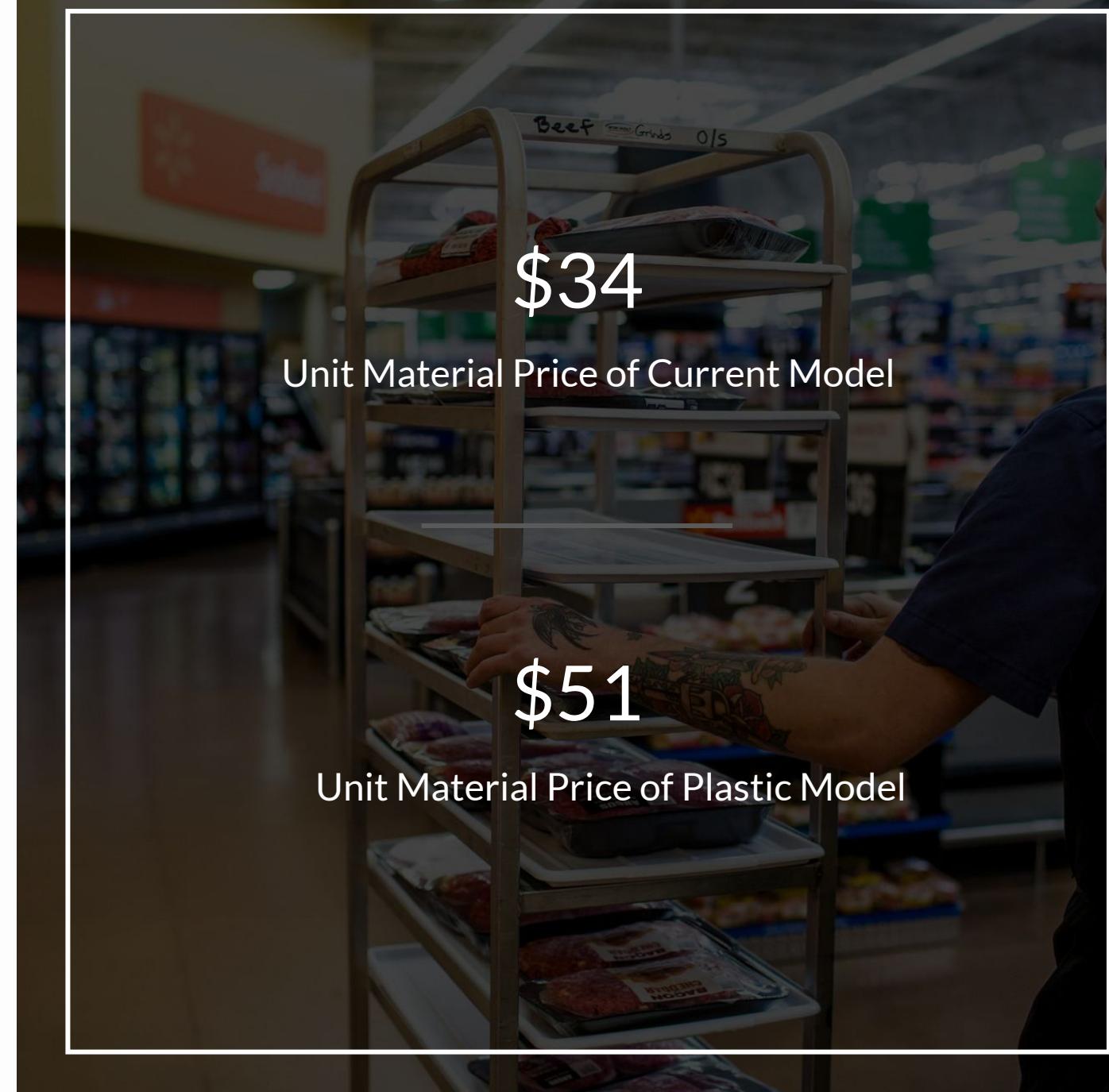
Based on the cost per annum of the current model and that of the plastic model, this is Walmart Canada's approximate savings value per annum.

\$34

Unit Material Price of Current Model

\$51

Unit Material Price of Plastic Model



EXEMPLAR PRODUCT MODEL

A possibility of what the reinvented shopping cart could look like.



Made of recycled polypropylene plastic



Plastic has more durability, and therefore is of better quality



Easier functionality, improved shopping experience



Smaller cost of production and replacement



Save Money. Live Better.

SOME POSSIBLE MANUFACTURERS



James Angelopoulos
President & Board Member
(416) 321-1170

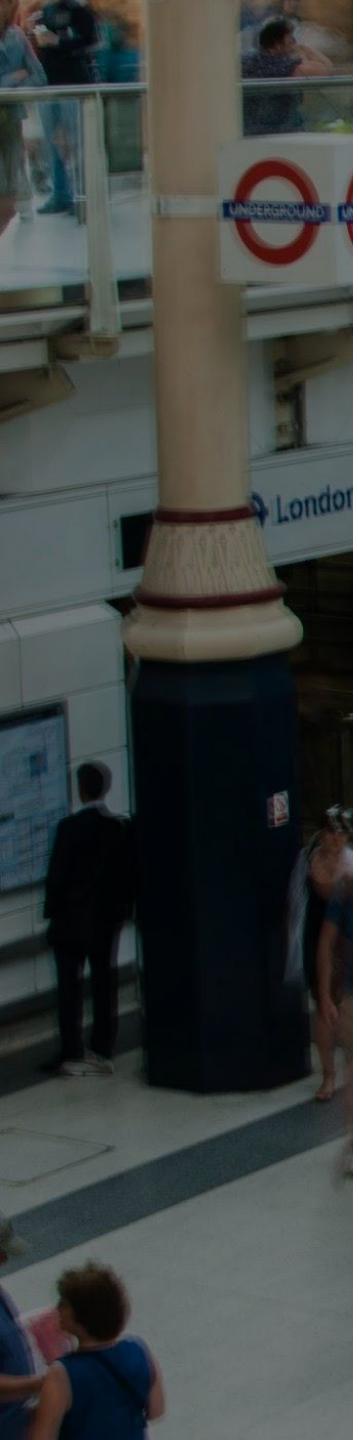


HIGH PERFORMANCE PLASTIC ENGINEERING

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WHAT WE DON'T KNOW

1

How representative is the average shopping cart stock per store to every location?

We assume 86 is a approximate representation.

2

Is it still cost effective when factoring in the price of transport?

We assume that they can profit from replacing shopping carts.

3

What would Walmart do with the damaged models of the metal carts?

We assume that they can donate the products or sell them so the metal can be scrapped.

4

Are the suppliers of the recycled carts able to mass produce to the quantity that Walmart needs?

We assume that they will take on the business since Walmart will be a large source of income for them.,



SUMMARY OF RECOMMENDATION



This new Walmart shopping experience will reduce the company's operational costs.

01.

CHANGING THE CART MANUFACTURER

A different shopping cart supplier changes the cost and quality of the product. Walmart's goal is to stock their stores with ones that are the best quality at the lowest cost.

02.

USING RECYCLED POLYPROPYLENE PLASTIC

Instead of using metal carts which are more expensive, more easily broken and more susceptible to theft, carts made of recyclable plastic will save money and improve customer experience.

03.

GRADUAL STORE INTEGRATION

As Walmart replaces 5-10% of its cart stock in stores per year, they can gradually introduce the new plastic model in lieu of purchasing new metal carts.

ACTION PLAN: WALMART'S NEXT STEPS

MAKE PARTNERSHIPS

Walmart Canada partners with a company that manufactures recycled plastic carts in a sustainable way.



COORDINATE TRANSPORTATION

The next step is arranging the shipments of new carts from the warehouse to the store's many locations.

REINTEGRATE

As 5-10% of the carts are lost per year, they can gradually be replaced with the new model of the shopping cart. Old carts can be donated or sold.



ADVERTISE AND EXPAND

Making sure the public knows about Walmart's initiatives will help them increase business. Also, they can implement this worldwide.

PERSONAL NOTE



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Dear Walmart Canada,

We'd like to personally thank you for this unique opportunity to have the potential to solve pressing issues within the retail world and far beyond. This challenge has given us a one-of-a-kind perspective as to how large retailers like Walmart operate, and how the standards of customer service are constantly being driven upwards by corporations. We've learnt so much along the way, and will be certain to apply this knowledge to future projects.

We hope we were able to make an impact on Walmart's future decisions. Should there be any questions regarding our recommendation, please do not hesitate to connect with us via LinkedIn or email to discuss anything further.

We would also love to be able to help out in the future! Walmart is a large-scale organization with the ability to influence the retail industry and we hope to see it grow bigger and better than ever before.

A special thank you to Fareena for all her time, invaluable help, and dedication during the entire process.

Best,

Nathalie and Damian