



MARKETING FUNDAMENTALS ANALYSIS AND EVALUATION OF WALMART- ASSESSMENT 2

LCBB4004



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Introduction

The link between Walmart and the marketing concept

Walmart practice the concept of marketing, this concept is a part of their everyday low-price marketing strategy (Stern, 2018). The rationality that urges association to concentrate on their client's needs. Breaking down their desires and settling on such choices that fulfil those needs in a superior manner than the other competitors. To have a fairer understanding of the concept of marketing is beneficial to evaluate alternative rationalities that once dominated and are being practised by an organisation like Walmart at the present time. The marketing concept of Walmart is concentrated of the achieving the organisational goals, and they are depending on knowing the needs and wants of target markets and producing the desired satisfaction better than rivals do (Kotler, Armstrong, 2016 pp. 29-30).

How does Walmart's marketing add value to customers?

- **Managing consumer expectations**

Walmart does not waste resources in providing consumers with useful information about products and services. They are trying to set and manage customer expectations. The expectations of the customers of Walmart are that they will receive a vast amount of products at affordable prices. Consumers rely on Walmart as a trusted brand and the consistency that comes from brand loyalty. In connection with Walmart and the United Kingdom's market, we can look at the Asda loyalty reward scheme (Asda, 2020).

- **Economic benefit of Walmart's marketing**

Walmart's marketing drives the consumer to the economy, promoting goods with low involvement, targeting consumers to become buyers. Better sales for a business that employs effective marketing strategies translate into development, job creation, overall economic growth. In addition, the marketing strategy of Walmart itself creates jobs and wealth as the business seek a new and pioneering way to promote themselves and their products. The benefits of that to be a customer of Walmart is that always can relay that buying it from them means saving money (Walmart, 2020)

Definition of Branding

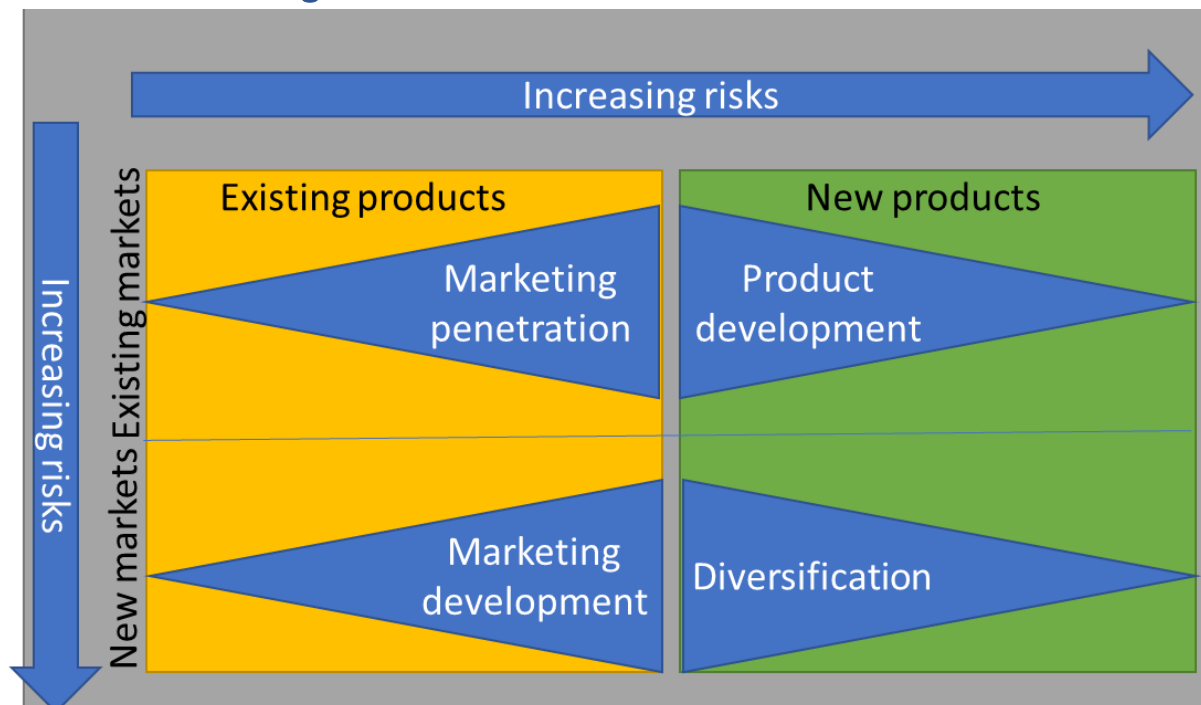
The branding is a process that involves the creation of a unique image and name for a product in the customer's mind. Branding aims to create a considerable and differentiated existence in the market that attracts and retains loyal customers (Farell and Harthline 2011 p. 201)

Advantages of branding

The customers want for comfort and satisfaction drives them to buy products from recognisable brands that they use consistently and have a positive experience and opinion for the brand. The major advantages for the customer of the brand are:

- The identification of the products.
 - Customers can easily recognise the brands they prefer.
- Shopping Comparison.
 - Branding supports customers in comparing and evaluating rival products
- The efficiency of shopping.
 - Branding speeds up the purchasing procedure and makes repeat purchases easier by reducing the time and effort for search.
- Reduction of the risks.
 - Branding lets customers to buy a known amount, by this means reducing the risk of purchase.
- Product Acceptance
 - New products under a known brand name are recognised and accepted more easily.
- Enhanced Self-Image
 - Brands convey status, image, or prestige.
- Enhanced Product Loyalty
 - Branding increases psychosocial identification with the product (Farell and Harthline 2011 p. 228).

The Ansoff strategies and the link with Walmart



Made by: Ivan Georgiev (ID: 1914979) 'University of Wales Trinity Saint David' figure 1.

The Ansoff matrix presents a model for growth that is based on four strategic properties: market penetration, market development, product development and diversification, as figure 1.

- Based on my research so far, I consider that Walmart using marketing penetration strategy. This strategy concentrates on the financial power of the company over the existing market in an effort to sell existing products to the market that is already there (Hague, 2019 p.31). A customer that has chosen Walmart as a supplier has already become convinced of their quality. It should, consequently, be easier to sell more to this customer than to obtain a brand-new customer.
- Marketing development strategy is an approach to selling existing products on new market. Market development is about discovering new customers in new geographies (Hague, 2019 p.31). I do consider that this strategy is adopted by Walmart and they using it in 27 countries around the world. Although on a local level it has some differences in the variety of goods the organisation is selling the same products in these 27 countries.
- Product development. Walmart selling new products to existing customers and are in an effort to find and satisfy unmet needs within existing markets (Hague, 2019 p.31). With their vast gama of new products, I consider that they implementing product development strategy (Walmart (1), 2020).



Pictures are taken from Walmart.com (<https://www.walmart.com/tp/new-products-all>)

- Diversification is a strategy for selling a new product into a new market (Hague, 2019 p.32). I can not find evidence that Walmark practices this type of strategy. However, I do believe that this organisation have all prerequisites to adopt and develop that kind of strategy in the future. Prerequisites that Walmart owns are its strong brand name, the financial power to enter in a new market, despite that in nowadays I can not find signs of this kind strategy at Walmart.

Advantages and disadvantages of Ansoff Matrix

Advantages of Ansoff matrix

- Simple to use, it is easy to understand the Ansoff matrix it does not want from a manager or student to use complex tools or calculation to be able to operate with this strategic tool. It is just showing you four alternative ways, and it is easy to determine which strategies your company using.
- The benefit to analyse all possibilities. This strategic tool allows the manager to explore all possible alternatives for the developing of the company. They are cases where it will better the company to start developing a new product or to search for a new market, for the existing goods.

- Ansoff matrix allows you to analyse the possible risks connected with each strategy. That is why the Ansoff matrix is beneficial for a company that willing to change its approach because it gives alertness for the consequents that may come with a certain change.

Disadvantages of Ansoff matrix

- Competitors are ignored in this strategic approach. The Ansoff matrix is concentrated over the performance of the company itself ignoring the external factors like competitors, which is a significant disadvantage especially when the company has an international corporation as a competitor, where they have enough financial power to influence the market with their strategy.
- Lack of costs information. If a company is divided between two different strategies the Ansoff matrix cannot provide the necessary information about the expenses that are going to be needed for these changes and a company cannot make this decision based only on this strategic tool.
- Difficult to predict. It is not easy to predict the effect of implementing these strategies on the company. The sales and profits may be completely different from the predictions because consumers and market reactions cannot be predicted with 100 per cent accuracy

Definition of a stakeholder

A stakeholder is a group that has an interest in a company or organisation. And can also affect or be affected by the business. The stakeholders in an ordinary corporation are its investors, employees, customers and suppliers. Nowadays, the idea of the modern theory goes beyond this original concept and include additional stakeholders, for example, a community, government or trade association. The Stakeholders are divided into two groups internal and external (Chen, 2020).

Internal stakeholders are people who have a direct connection with the company, such as workers, the owner, or investors.

External stakeholders are people who do not directly work with a company, but they are affected by the acts and outcomes of the business, such as suppliers, contractors, creditors and public groups.

Example of an Internal Stakeholder

Investors are a popular type of internal stakeholder and are greatly impacted by the outcome of Walmart (Chen, 2020). One of the most recognisable persons from the internal stakeholders of Walmart is Rob Walton. He is a former chairman of Walmart and sone of Walmart founder Sam Walton. He was chairman from 1992 to 2015 (Forbes, 2020).

An Example of an External Stakeholder

It is hard to identify the external stakeholders, seeing as they do not have a direct relationship with the company. Instead, an external stakeholder is a person or organisation affected by the operations of the business. The government, for example, is an external stakeholder. When it makes policy changes on carbon emissions, the decision affects the operations of any business with increased levels of carbon (Chen, 2020). One of the biggest external stakeholders of Walmart is a company which provides the services of reducing carbon emission, power fuels and operational costs its name is Plug Power inc. (Best, 2020).

Communication between Walmart and its stakeholders

Walmart inc. are using their website to communicate with their investors as they are sharing with them information about the financial status of the organisations. Also, they try to keep in touch with their customers as they are getting them familiar with what Walmart is doing in propose of the society, environment, and economic stability.

They using their international website to engage their stakeholders with what exactly Walmart is doing to reduce the carbon emissions, their report is well divided on different parts, and this makes it easy to engage the different stakeholders that have been affected on the different way by the organisation.

This is a pragmatic way to engage a large area of stakeholders. Reports like this have ranged from internal stakeholders and over to the external stakeholders. For example, the government can see did they put the effort that they must in the case to the regulations that are necessary to be followed by the organisation.

In the very same report, they are showing and the results of the last financial year, which affects internal stakeholders like investors and worker in some parts. For an example, in one paragraph it is written what efforts Walmart is putting to strength the workforce, how this benefits the financial assets of the organisations and how do they are trying to increase the work salary with 50% (Walmart (2), 2020).

In an effort to improve its communication whit costumers, Walmart creates a branch named Walmart media group. The main aim of this company is to 'Enabling brands to reach customers at the right time and place, delivering highly relevant content and accountable advertising that enhances the Walmart shopping journey' (Walmart media group, 2020).

Walmart also established communication with its costumers via its feedback system in an effort to satisfy the needs of the costumers the organisation created a system that allows to any consumer of the company to leave feedback over the product or even the service connected with the product. To be ensured that every customer will have the opportunity to leave its feedback, they even created a guide about how to leave feedback (Walmart (3), 2020).

Conclusion

Walmart is a very large international organisation with many different layers of management and a huge variety of goods, with countless suppliers. This work cannot be enough precise and descriptive with the limitations of the words that it has, and it cannot purely describe the marketing concept, the brand, the strategic approach, and the stakeholders in the organisation. My work over this report gives me the opportunity to take a closer look at one of the biggest brands in the world and to get familiar with their efforts to stay competitive in the market. This organisation is separated in many different directions and its proving to be successful and the proves from it comes from the statistics. Within the years of their existence, they have been criticised for many things, but the costumers still recognise this brand name, and that is speaking how good communication do they have with the customer. Their strategy seems to be successful, and this success is tested by the time itself.

Recommendations

I do recommend to Walmart to put more effort into environmental care. Despite their reports, what are they doing to care for the environment, the things that they are doing are not enough. They must use their power over the suppliers to convince them to be environmental protectors. Walmart has this financial power to put the suppliers on the pressure to do it. This is the moment when I must admit that maybe we as a people and stakeholders in Walmart, maybe we are not doing enough. We must not forget that resources on this planet are limited and it is our responsibility to take care for it and to put pressure over the companies who provide us with stocks or services because we all want a better future for our offspring.

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