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Title: *Walmart's Global Retail Strategy and Competitive Position in the International Retail Industry*

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Section 1

1. Organisational Context and Overview



Figure 1: Walmart (Walmart, 2026)

Company Background and Historical Perspective

Walmart represents one of the biggest retailing companies worldwide. Sam Walton, a native of Arkansas, United States, founded the company in 1962. Walmart started as a small discount store to offer products at a lower price than its competitors. Walmart concentrated on serving small towns in its initial years, where the competition was minimal. This plan also assisted the company in achieving a base of loyal clients and growing fast. During the 1980s and 1990s, Walmart made a huge investment in distribution centres, logistics and technology (Walmart, 2026). These investments enhanced inventory control and lowered the cost of operation. Consequently, Walmart has spread in the United States and finally into foreign markets.

Mission, Vision, and Business Model

The mission statement of Walmart is to help people save money in order to live better. This mission emphasises the affordability and customer value that the company pays attention to. The vision of Walmart is to be a reliable retailer, which enhances customer experience by being innovative, operationally excellent, and convenient.

Walmart has a business model of cost leadership. The company buys products in bulk, and this enables the company to negotiate prices with the suppliers. These are saved and distributed to

the customers in the form of low prices (Walmart, 2026). Efficient supply chain management, high sales volume, and integration of technologies are also the business model of Walmart. This model promotes profitability and customer loyalty in the long run.

Industry and Competitive Environment

Walmart is in the retail sector, one of the most competitive sectors globally, and it is dynamic. The retail industry is guided by the digital transformation, customer preferences, price competition, and economic factors. The firms compete based on convenience, product range, services and the ability to shop online (MarketScreener, 2025).

Key Competitors and Market Position

Walmart also competes against such large-scale retailers as Amazon, Costco Wholesale, Target Corporation, and Aldi. The biggest competitor that Walmart can have in online shopping is Amazon due to its superior platform.

With the intense competition, Walmart has been able to maintain a leading position in the market because of its widespread global footprint, supplier network, low-cost leadership, and brand name (Walmart, 2026). Its ability to combine brick-and-mortar stores with online services increases its competitiveness.

2. External and Internal Environment Analysis

External Environment Analysis Using the PESTEL Framework

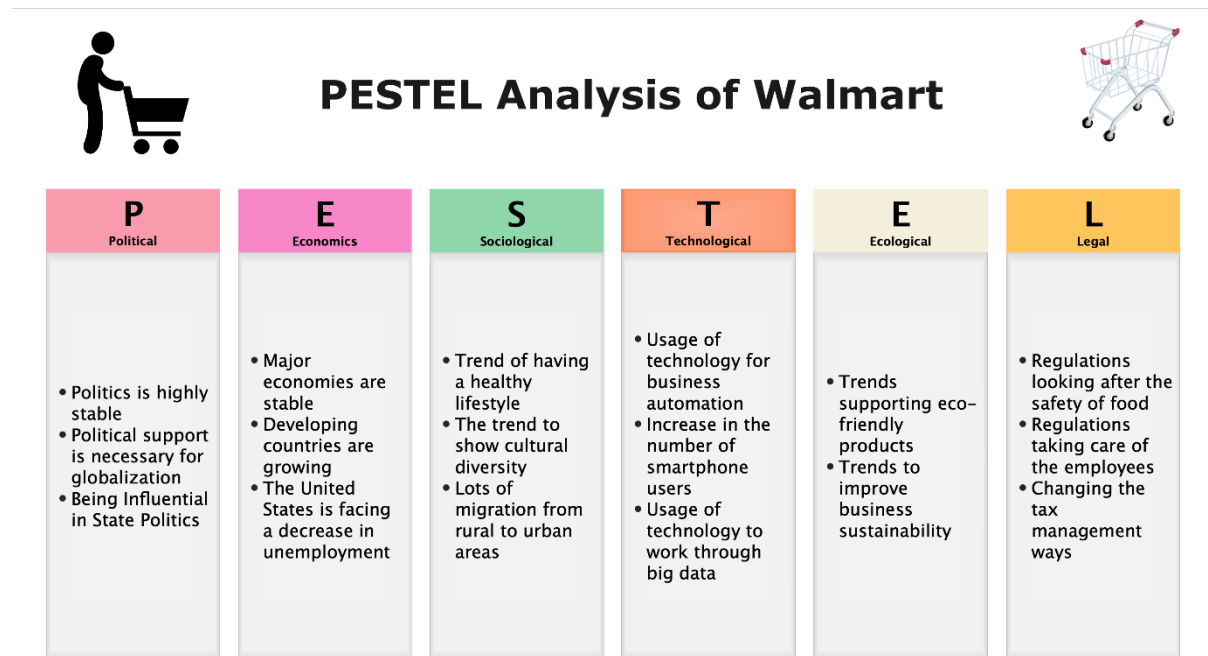


Figure 2: PESTEL Framework of Walmart (Sufi, 2024)

PESTEL analysis is a study of Political, Economic, Social, Technological, Environmental and Legal forces that affect organisational strategy.

Political Factors

The political environment has a great impact on Walmart as it is located in more than one country. Strategic decisions are affected by government decisions regarding trade policy, tax, labour regulation and import tariffs. Trade negotiations between the United States and China have ensured that the country has tariffs of 10% to 30% on selected imports since 2025 (China Briefing, 2025). Walmart is very reliant on imports of Asian goods. An increase in tariffs adds to the price of products and can decrease the level of profits. International expansion is also encouraged by political stability. Nations that have stable systems of governance pose a lesser risk to investments.

Critical Analysis

PESTEL is applicable since it can assist Walmart in comprehending the macro-level environmental conditions. Political environments are dynamic. Trade disputes may arise at any time (Armstrong, 2021). One of the weak points of PESTEL is the inability to foresee unexpected changes in policies, though it is able to point out the external conditions. Hence, combining PESTEL and scenario planning should be adopted by Walmart.

Economic Factors

The economic conditions have a very strong bearing on the strategy of Walmart since the purchasing behaviour of the customers is subject to the financial conditions. The US inflation was at 2.9% in 2025, and the average inflation in the OECD was at 3.7%. The cost of labour, transportation, and supplier prices is inflated (Organisation for Economic Co-operation and Development, 2026). Nevertheless, inflation is an opportunity, too. When there is uncertainty in the economy, customers move to cheap retailers. This helps Walmart with its affordability strategy. International revenue is also impacted by the fluctuations in the exchange rates.

Critical Analysis

The economic analysis is very pertinent since the strategy used by Walmart is based on affordability. Nevertheless, economic forecasting is not certain. Performance can be affected by an unexpected rise in inflation or recession threats. Thus, Walmart needs to be price-adaptable (Bailey *et al.*, 2018).

Social Factors

Customer behaviour, lifestyle, and purchases are influenced by social factors. Studies indicate that about 73%-90% of customers use products that are sustainable and brands that are environmentally friendly (Shorr Packaging, 2025). The customers demand lower prices, quick delivery, convenience, ethical sourcing, and online shopping. These shifting tastes affect the strategic choices of Walmart, especially customer service, product choices, sustainability, and investment in online stores.

Critical Analysis

Social analysis helps Walmart to be aware of what the customers want. However, consumer behaviour vary regionally. Most strategies that worked in North America may not work in the

Asian markets, and it is important to make sure that the markets are adjusted to the local conditions in order to be competitive and satisfy the customers.

Technological Factors

The use of technology contributes significantly to the competitiveness of Walmart. With the increasing automation demand, the global AI in retail market is projected to increase by about 23%-34% annually, beginning in 2025 (Grand View Research, 2025). To enhance its efficiency, cut costs, and promote digital transformation, Walmart employs automated warehouses, inventory forecasting, customer analytics, e-commerce, and mobile applications.

Critical Analysis

Technology enhances the operational efficiency and competitiveness of Walmart, as it helps to support automation, data analytics, and customer convenience. But the benefits of technology can be short-lived since other companies can move to the same systems (Fogel, 2016). Walmart should continue to innovate and invest to ensure long-term strategic advantage.

Environmental Factors

The aspect of environmental sustainability has gained momentum in the retail sector. Studies indicate that 9 out of 10 consumers are more willing to buy brands with sustainable packaging, and 54% of consumers are willing to actively select sustainable packaging materials (Shorr Packaging, 2025). Climate change also impacts supply chains and logistics. Therefore, to realise the consumer expectations and sustainability goals, Walmart should reduce emissions, improve the waste management process and adopt more renewable forms of energy.

Critical Analysis

Environmental responsibility improves customer trust and the brand reputation. Long-term value can be created as a result of sustainability investment, even though it has short-term costs, through an increase in customer loyalty and organisational reputation.

Legal Factors

Legal aspects are labour laws, consumer laws, data privacy, and competition laws. Walmart is a multi-country company that generates complexity in the legal field. The consequences of not adhering to these rules can be fines, loss of operation and loss of reputation.

Critical Analysis

Customer trust and stability in operations are enhanced by legal compliance. Nevertheless, there is complexity due to the different international regulations (Grant, 2018). That is why Walmart needs effective governance systems and compliance management to minimise legal risks in the global markets.

Priority Judgement: Key Strategic Forces Affecting Walmart

Economic and technological forces are the two PESTEL factors that have the most impact on the current strategy of Walmart. Inflation in the economy brings consumers into the need to buy cheap goods, which reinforces the low-price brand of Walmart. Simultaneously, the high rate of technological progress puts pressure on digital innovation, automation, and the development of e-commerce (Hill, Schilling and Jones, 2017). Social and environmental expectations also influence customer behaviour and sustainability initiatives. However, economic affordability and technological capability are the most important strategic drivers as they directly affect the competitiveness, efficiency of operations, and long-term performance within the marketplace (Lynch, 2022).

Critical Success Factors and Strategic Challenges

Critical Success Factor (CSF)	Linked PESTEL Pressure	Related VRIO Capability	Strategic Implication for Walmart
Cost Efficiency	Economic inflation	Supply chain management	Supports Walmart's low-price strategy during rising costs
Supply Chain Management	Political and Environmental	Distribution network	Improves inventory flow and reduces disruption risk
Technology Adoption	Technological change	Data analytics systems	Strengthens e-commerce and

			operational efficiency
Brand Reputation	Social expectations	Trusted global brand	Builds customer loyalty and competitive positioning
Supplier Relationships	Political trade barriers	Purchasing power	Maintains product availability and cost advantage

Table 1: Critical Success Factors, PESTEL Pressure, VRIO Capability, and Strategic Implications

Internal Environment Analysis

Internal analysis measures the strategic resources and capabilities of Walmart.

Key Resources

Walmart has many valuable resources:

- Financial strength
- Distribution centres
- Technology systems
- Supplier partnerships
- Brand reputation

Organisational Capabilities

Capabilities are how resources are utilised.

Walmart's capabilities include:

- Inventory management
- Logistics coordination
- Data analytics

- Cost control

Core Competencies

Core competencies are those strengths which are hard to match by competitors.

Walmart's competencies include:

- Supply chain excellence
- Purchasing power
- Operational scale
- Retail knowledge

The competencies contribute to the long-term performance.

VRIO Framework Analysis



The diagram shows a VRIO Analysis for Walmart. It lists seven key factors and evaluates them against five criteria: Valuable, Rare, Inimitable, Organized Support, and Competitive Advantage. The results are as follows:

Key Factors	Valuable	Rare	Inimitable	Organization Support	Competitive advantage
Good price positioning	Yes	Yes	Yes	Yes	✓
Supply chain integration	Yes	Yes	Yes	Yes	✓
Market Penetration	Yes	Yes	Yes	Yes	✓
Local adaptation	Yes	No	No	No	✗
Customer service	Yes	No	No	No	TESCO
Diversification	Yes	No	No	No	TESCO
HR Management	Yes	Yes	Yes	Yes	✓

At the bottom, a process flow is shown: Retail Industry → Competitive Advantage → International Expansion → Social Actions → What's Next?

Figure 3: VRIO Framework Analysis of Walmart (Ariwibowo, Saputro and Haryanto, 2021)

Resource/Capability	Valuable	Rare	Inimitable	Organised	Competitive Implication
Supply Chain	Yes	Yes	Yes	Yes	Sustainable advantage
Purchasing Power	Yes	Yes	Yes	Yes	Cost advantage

Brand Reputation	Yes	Moderate	Moderate	Yes	Competitive strength
Technology Systems	Yes	Moderate	Moderate	Yes	Temporary advantage
Distribution Network	Yes	Yes	Yes	Yes	Operational efficiency

Table 2: VRIO Analysis of Walmart

Interpretation of VRIO

The greatest assets Walmart has are its purchasing power and supply chain network. These features help to lower the cost of operations and promote the low-price approach of the company (Wheelen *et al.*, 2018). The size of infrastructure, relations with suppliers and logistics systems that Walmart possesses are hard to imitate.

Critical Evaluation of VRIO

VRIO is practical in that it helps to determine resources that generate sustainable advantage. By 2025, the brand value of Walmart was around 137 billion, and it had more than 10,500 stores worldwide and widespread distribution centres that helped Walmart to enjoy economies of scale (Walmart, 2026). The physical distribution network of Walmart offers better offline coverage and cost efficiency in comparison with Amazon, which enhances VRIO justification.

Limitation

VRIO is primarily concerned with internal competencies and does not pay much attention to market change. Retail markets are dynamic, and the technological benefits might be obsolete with time (Chatzoglou *et al.*, 2018).

Counterargument

Dynamic Capability Theory is also more enlightening, given that it deals with adaptation and organisational flexibility. Nevertheless, VRIO is still applicable to Walmart since its well-

developed infrastructure still generates long-term value when integrated with external analysis like PESTEL.

Internal Strengths and Competitive Advantage

Competitive advantage can be achieved with the help of the internal strengths of Walmart as well.

- **Cost Leadership:** Walmart has reduced operating costs. This facilitates competitive prices.
- **Supply Chain Efficiency:** Good logistics enhances the availability of products (Golinska-Dawson and Kolinski, 2017).
- **Technology Integration:** Technology enhances operational decision-making.
- **Brand Recognition:** Good reputation engenders customer confidence.
- **Buying Power:** Massive buying economies of scale lower the costs of the suppliers.

Critical Discussion

Michael Porter has suggested that cost leadership or differentiation provides a competitive advantage. Cost leadership is the primary success of Walmart. Nevertheless, a low-cost approach might not suffice in contemporary markets. There is a growing expectation among customers of convenience, sustainability and digital service. Thus, Walmart needs to integrate cost leadership and innovation.

Strategic Fit Between Internal and External Factors

Success in strategies lies in the ability to match internal capability with the external market conditions. The internal strengths enable Walmart to react to the environmental pressures in the most effective way (Velasquez, 2019). As an example, inflation supports the low-price strategy of Walmart, technology supports the development of e-commerce, sustainability initiatives meet client demands, and the effectiveness of supply chains reduces political and economic risk (Walmart, 2026). This fit indicates strategic fit where organisational resources are aligned with the market demands. The ability to operate has a high strategic fit in Walmart. Nevertheless, to remain competitive in the future, it is necessary to be innovative, flexible, and able to adapt to alterations of the external environment.

3. CSR and Sustainability Objectives



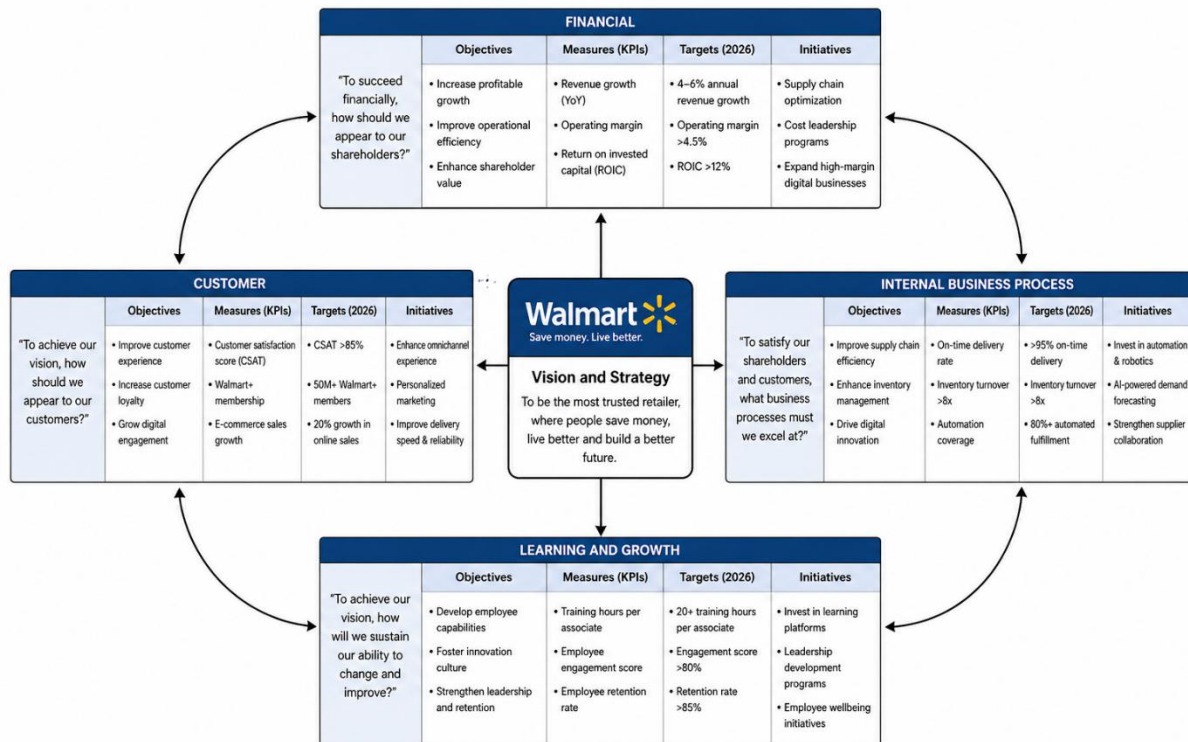
Figure 4: CSR of Walmart (Hong and Shore, 2023)

The Corporate Social Responsibility (CSR) strategy of Walmart is directed at sustainability in the environment, sourcing ethically, development of the community, and responsible supply chain management. The company plans to match sustainability with the long-term business performance through minimising environmental impact, besides enhancing operational efficiency. The most recent sustainability report of Walmart demonstrates quantifiable improvement. By 2025, Walmart plans to source about 48.5% of its global electricity through renewable energy sources (Sheehy and Farneti, 2021). Compared to the 2015 baseline, the emissions decreased by approximately 18.1% in terms of both Operational Scope 1 and Scope 2, but in 2024, there was a slight emission increase of 1.1% as a result of increased transportation activities. Another claim made by Walmart was that project Gigaton enabled suppliers to prevent or lessen over 574 million metric tons of greenhouse gas emissions since 2017. Walmart is also enhancing deforestation-free supply chains in sustainable sourcing. In the case of South American beef sourcing, approximately 92% of the supplier-reported farms were deforestation-free and conversion-free in 2025 (MarketScreener, 2025). Walmart also contributed to regenerative agriculture and land restoration by aiding in the management or restoration of over 43 million acres of land in the world. Also, Walmart has enhanced the sustainability of packaging. About 82.6% of the plastic packaging of privately-branded products is designed to be recycled, and 66.1% can be recycled, reused or composted.

Critical Discussion

The CSR strategy of Walmart is consistent with business goals, as sustainability is a factor that helps the company to facilitate brand recognition, consumer confidence, and operational stability. The stakeholder theory implies that organisations can generate value by responding to social and environmental issues (Fogel, 2016). Nevertheless, Walmart has not completely achieved all its emissions goals, as there is a discrepancy between its ambitions and its performance. In spite of this shortcoming, sustainability programs continue to facilitate long-term competitive advantage in terms of enhancing supply chain stability, waste reduction, and customer loyalty.

4. Comprehensive and Holistic View of the Organisation



Balanced Scorecard provides a structured method of gauging the performance of the organisation, which is not exclusive to the performance of the organisation in terms of its financial performance. It is an integration of financial and non-financial measures to assess how the activities of a company are in line with its mission and long-term strategy. With Walmart, the Balanced Scorecard would be helpful as it helps in the management of performance in terms of customer value, operational efficiency, innovation, and profitability.

Perspecti ve	Objective	KPI	Current Baseline (2025/2026)	Measurab le Target	Strategic Initiative	Risk
Financial Perspectiv e	Increase profitabilit y and maintain	Revenue growth, operating margin,	Revenue above \$680 billion	Achieve annual revenue growth of	Supply chain optimisatio n, digital	Inflation and rising labour costs

	low-cost leadership	and e-commerce sales	with 8% operating income growth	5% and increase e-commerce revenue by 10% annually (Statista, 2026).	retail expansion, and cost control	may reduce margins
Customer Perspective	Improve customer satisfaction and loyalty	Customer retention, online engagement, and delivery satisfaction	Strong grocery market share and Walmart+ membership growth	Increase customer retention by 8% and digital engagement by 12% within two years.	Personalised marketing and faster delivery	Competitors such as Amazon may attract customers through convenience
Internal Business Process Perspective	Improve efficiency and inventory performance	Delivery time, inventory turnover, stock availability	Automated fulfilment centres are improving logistics	Reduce delivery time by 15% and improve stock availability to 98% (Statista, 2026).	AI forecasting and warehouse automation	Technology disruption and supply chain interruption
Learning and Growth	Improve employee capability	Training participation, retention,	Ongoing workforce development	Increase employee retention by 10%	Leadership development and digital	Labour dissatisfaction and high turnover

Perspectiv e	and innovation	and digital skills	programm es	and training participati on by 20% annually.	skills training	
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Table 3: Walmart Balanced Scorecard Analysis

Critical Improvement

The updated Balanced Scorecard has realistic and measurable targets. This enhances strategic monitoring as the performance can now be monitored based on the numerical standards as opposed to general objectives.

Financial Perspective

The financial view is an indicator of whether the Walmart strategy is profitable and shareholder valued. The model of business that Walmart employs is cost leadership, and revenue growth and operational effectiveness are of paramount importance (Narayanaswamy, 2022). Wal-Mart has a good revenue base that helps it to invest in technology and growth. But there is financial strain due to inflation and wage growth.

Customer Perspective

The focus of the strategy at Walmart is customer satisfaction, as repeat purchases enhance long-term growth. Walmart competes in terms of affordability, convenience and accessibility (Buttle and Maklan, 2019). The growth of the online grocery demand and Walmart+ membership programs enhances customer retention. Nevertheless, customer expectations are constantly changing. New requirements are expedited delivery and online comfort. Failure to meet these expectations can lead to a lack of loyalty.

Internal Business Process Perspective

Internal processes will aim at efficiency in operations. Walmart has a sophisticated supply chain and logistics system, enabling it to offer low prices. Robotic warehouses and AI-powered inventory control decrease waste and enhance the speed of fulfilment (Laguna and Marklund,

2018). Nevertheless, excessive reliance on technology can pose operational risks in the case of system failure or a rise in cyber threats.

Learning and Growth Perspective

Growth and learning are concentrated on the ability of the employees and innovation. Walmart will invest in digital skills and workforce training. Customer service and the success of operations are directly related to the performance of employees. Nonetheless, employee attrition has been an issue. There should be a strong organisational culture and leadership development to maintain long-term performance.

Critical Evaluation

Balanced Scorecard is practical in that it combines both financial and non-financial measures of performance. This model allows a holistic perspective of strategic success as opposed to the traditional performance systems, which only consider profit. But this can prove to be difficult to implement as organisations have to track various indicators at the same time (Hill, Schilling and Jones, 2017). This limitation notwithstanding, the Balanced Scorecard is very applicable in Walmart due to its ability to ensure that the operational performance is aligned with the strategic objectives.

5. Strategic Choices and Implementation

Strategic decisions assist organisations in making decisions on how they can compete and expand in the dynamic business environment. In the case of Walmart, there are both business and corporate-level strategic decisions. These decisions affect the long-term competitiveness, profitability and market positioning.

Business-Level Strategy

On the business level, Walmart is primarily a cost leader using the Michael Porter Generic Strategies. Cost leadership is concerned with having low operational costs as compared to their competitors and also having low prices. Economies of scale, good supplier relationships and efficiency of the supply chain support Walmart in its low-price strategy. This strategy helps in attracting price-sensitive customers, especially in times of inflation and economic uncertainty (Seifzadeh and Rowe, 2019). Walmart continued to record high revenue in 2025 due to a shift by consumers to lower-priced retailers. Another business-level strategy is differentiation. Differentiation is aimed at the provision of unique products, high-quality services, or excellent customer experience. The competitors like Target Corporation employ differentiation, which is branding and store experience (Gorondutse and Hilman, 2019). Nevertheless, differentiation is not an entirely appropriate approach to Walmart since its brand is closely connected with low prices instead of being positioned as a high-end. Differentiation may raise the operating expenses and weaken the price advantage of Walmart.

Critical Evaluation of Business-Level Strategy

Cost leadership is the most suitable strategy that Walmart can adopt since it suits its mission of helping customers save money. Nevertheless, low pricing can be a limiting factor. Prices can be decreased by competitors, raising margin pressure. Thus, Walmart needs to pursue a hybrid approach of cost leadership and selective differentiation (Walmart, 2026). This involves enhancing digital convenience, customer service and sustainability programmes at affordable costs.

Corporate-Level Strategy

Corporate level: Walmart can act in several ways; among them is to diversify and expand internationally. Diversification is an expansion into products or markets. Walmart has expanded

into e-commerce, health care clinics, online marketing and financial services. This decreases the reliance on brick-and-mortar stores. The other growth strategy is international expansion (Okumus *et al.*, 2019). Walmart is an international company which provides revenue diversification and access to global markets. Nevertheless, global expansion poses some issues like cultural, legal and domestic competitiveness. Walmart has had mixed performances internationally, even pulling out of markets in certain countries.

Recommended Corporate Strategy

Guidance towards a narrow diversification strategy is more appropriate than aggressive international growth. Walmart must keep on increasing digital services, healthcare services, and online stores. The strategy is advisable as it does not need to venture into new markets that are out of context with their current competencies (Lynch, 2022). Associative diversification lowers the risk and enhances operational synergy.

Change Management and Strategic Implementation

The strategy is to be successfully implemented. Digital transformation and automation have helped Walmart to implement huge organisational change (McCarthy and Eastman, 2021).

Examples include:

- Growth of online grocery.
- Automated fulfilment centres
- AI-based inventory forecasting
- Mobile shopping applications

The change process of Walmart indicates the features of the Change Model, such as unfreezing, change, and refreezing.

McKinsey 7S Framework Analysis for Walmart

Element	Walmart Application	Strategic Importance
Strategy	Walmart follows a cost leadership strategy supported by digital transformation and operational efficiency.	Supports competitiveness and affordability.
Structure	Walmart uses a hierarchical structure with global divisions and regional management teams.	Enables efficient coordination across international markets.
Systems	Inventory systems, AI forecasting, logistics tracking, and automated fulfilment centres.	Improves operational performance and supply chain efficiency.
Shared Values	Customer affordability, ethical sourcing, and operational excellence.	Builds strong organisational culture and brand identity.
Skills	Strong logistics management, purchasing power, and retail operations expertise.	Creates long-term competitive advantage.
Staff	Large workforce supported by employee training and leadership development programmes.	Supports service quality and organisational performance.
Style	Leadership style focuses on operational discipline and customer-centred decision-making.	Encourages consistency in strategic execution.

Table 4: McKinsey 7S Framework Analysis for Walmart

Critical Evaluation

The McKinsey 7S Framework emphasises the fact that the strategic implementation of Walmart does not solely rely on technology but internal alignment as well. The systems and organisation of Walmart facilitate operational effectiveness, and the value of shared values builds customer trust and affordability. Nevertheless, the discontent of the workforce and the complexity of the organisation can decrease strategic alignment unless it is handled efficiently. Thus, Walmart should constantly enhance employee engagement and communication to ensure the uniformity of strategic goals and organisational culture.

Critical Assessment of Change Management

The success in implementing change in technology at Walmart has been achieved by continued investment in automation, logistics, and digital retail-supporting infrastructure. These reforms enhanced competitiveness and efficiency in the face of Amazon. Nevertheless, change implementation can also pose employee resistance and training problems. Mass automation can raise workforce issues (Wheelen *et al.*, 2018). The model by Lewin is helpful in structure and might be simplistic in the modern context of continuous change. One of the counterarguments is that John Kotter Eight-step model of change can be more helpful as it focuses more on communication and leadership (Salman and Broten, 2017). Nonetheless, Walmart has successfully dealt with change due to its ability to ensure that technology investment is aligned with its strategic goals. A powerful implementation strength facilitates organisational flexibility and competitiveness in the long term.

6. Strategic Evaluation and Recommendations

Strategic assessment can be used to establish the extent to which the current strategy of an organisation can aid in long-term competitiveness. Strategic assessment is also important in the scenario of Walmart because the retail industry is still digitally disrupted, struggling to be sustainable, and is experiencing new customer needs (Sheth, Parvatiyar and Uslay, 2024). SWOT, Ansoff Matrix, and BCG Matrix are frameworks that allow a systematic analysis of the current status of Walmart.

SWOT Analysis



Figure 5: SWOT Analysis of Walmart (Gürel and Tat, 2017)

SWOT analysis examines the internal strengths and weaknesses, as well as external opportunities and threats.

Strengths	Weaknesses
• Strong global brand reputation • Large supply chain network • Strong purchasing power • Advanced logistics and distribution	• Dependence on a low-price strategy • Labour criticism and employee dissatisfaction • Limited premium market positioning • High operational complexity
Opportunities	Threats
• E-commerce growth • Sustainable retail demand • Healthcare and digital expansion	• Competition from Amazon • Inflation and rising costs • Supply chain disruption

• AI and automation investment	• Regulatory pressure
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Table 5: SWOT Analysis of Walmart

SWOT reveals the powerful market position of Walmart with its scale and cost leadership (Walmart, 2026). Nevertheless, reliance on low prices can generate a long-run strain in case of copying of the strategies by your competitors.

Critical Evaluation

SWOT gives a basic description of both internal and external factors. SWOT can be subjective as the managers can overestimate the strengths or underestimate threats. Thus, other frameworks should be used to support SWOT.

Ansoff Matrix Evaluation

Ansoff Matrix analyses the growth strategies based on market penetration, market development, product development, and diversification (Zugay and Zakaria, 2023).

Strategy	Walmart Application	Strategic Risk
Market Penetration	Increase sales in existing markets	Low
Market Development	Expansion into new countries	Medium
Product Development	Improve digital services and healthcare	Medium
Diversification	Expand into financial and technology services	High

Table 6: Ansoff Matrix for Walmart

Walmart is now developing the strategies of product development and diversification by utilising e-commerce, healthcare, and advertising services (Walmart, 2026).

Critical Evaluation

Ansoff Matrix offers systematic growth opportunities (Ferreira and de Sá, 2024). But it simplifies strategic risk since the opportunity in every market is not equal. Complexity can be a result of aggressive diversification. Hence, it is more suitable to have controlled growth.

BCG Matrix Evaluation

The BCG Matrix divides business areas based on market growth and market share (Zin, Bombana and Barcellos, 2018).

Category	Walmart Example	Evidence and Justification
Stars	E-commerce and Online Grocery	Walmart's online grocery and e-commerce divisions continue to experience high growth due to increased digital demand and customer convenience. Strong market share in online retail supports future profitability.
Cash Cows	Traditional Retail Stores	Walmart's physical stores continue generating stable revenue due to strong customer traffic and global retail presence. These stores fund investment into digital expansion.
Question Marks	International Markets	Certain international operations offer growth potential but face uncertainty because of cultural differences, competition, and regulatory challenges.
Dogs	Underperforming Global Regions	Walmart has previously exited weaker international markets where profitability and growth remained low, showing limited strategic return.

Table 7: BCG Matrix for Walmart

The matrix indicates that the traditional stores still bring revenue to Walmart, and digital services are the future.

Critical Evaluation

With business evidence, the BCG Matrix is more valid. The traditional stores of Walmart are still economically viable, whereas e-commerce is an expansion-oriented business segment. Global markets are still unpredictable since the success of the strategy may be local market adaptation (Grant, 2018).

Strategic Recommendations

Recommendation 1: Expand Digital Ecosystem

Walmart must invest more in the area of e-commerce, AI, and online platforms to enhance online competitiveness.

Justification: The Ansoff Matrix states that product development helps to develop growth through the enhancement of digital services (Hill, Schilling and Jones, 2017). Better online strength will enable Walmart to compete with Amazon.

Recommendation 2: Strengthen Sustainability Leadership

Walmart needs to promote renewable energy and sustainable sourcing.

Justification: The stakeholder theory asserts that, in the long term, sustainability improves reputation, customer confidence and business value.

Recommendation 3: Improve Employee Engagement

Walmart should invest in wellbeing, employee training and retention.

Justification: The human capital theory focuses on the concept that skilled employees can boost productivity and service quality (Lynch, 2022).

Recommendation 4: Focus on Related Diversification

Walmart needs to diversify into other related industries like medical and financial services.

Justification: Diversification is related to minimising the risk and aiding synergy through the available capabilities (Fogel, 2016).

Overall Strategic Evaluation

Walmart has maintained its competitive edge based on cost leadership, digital expansion and operational effectiveness. Success in the future will be achieved by compromising between affordability and innovation, sustainability and customer expectations.

Section 2: Reflective Account Using Gibbs Reflective Cycle

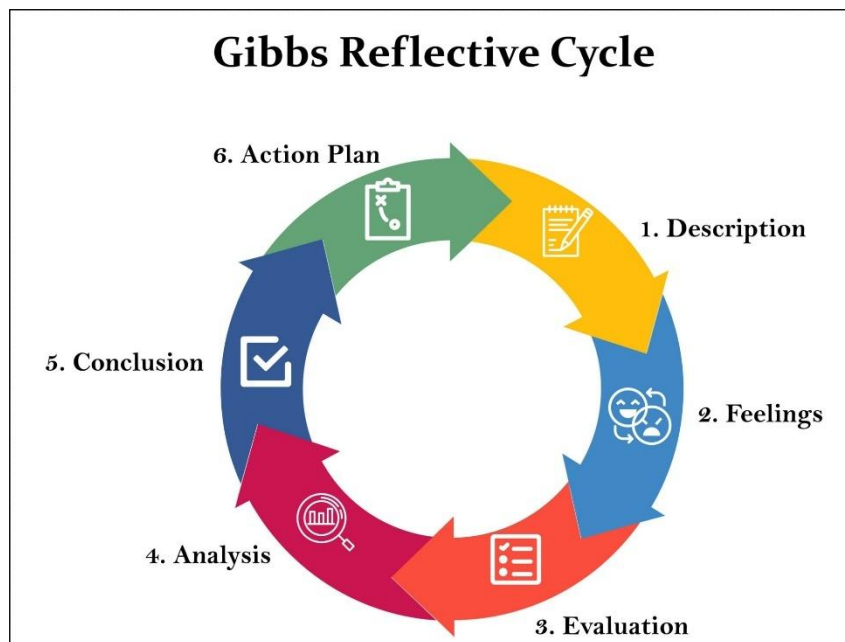


Figure 6: Gibbs Reflective Cycle (Ahmadpour, Shariati and Moghadam, 2025)

Description

I had to write a strategic management report on the basis of the external and internal business environment of Walmart. Some of the strategic frameworks that were applied in the report include PESTEL, VRIO, SWOT, Balanced Scorecard, Ansoff Matrix and BCG Matrix. It was not merely to outline the business operations of Walmart but to critically analyse its strategic position based upon theory, the existing evidence and practical examples (Bailey *et al.*, 2018). I have read the assignment brief critically at the start, to get a feel of the learning outcomes and the assessment expectations. I realised that it was a postgraduate level analysis that required me to justify, limit and critically discuss the report instead of just describing it. I chose Walmart due to its worldwide recognition and great market presence, massive operations and availability of business data. In my research, I used annual reports, sustainability reports, scholarly journals, industry journals, and business databases of Walmart that provided the information. I paid attention to the latest developments in 2025 and 2026 to enhance the relevance and tailor the report to the current market conditions. Once all the information was gathered, I structured the report as per the structure required and put it into sections to ensure clarity and logical progression.

Feelings

I was a bit nervous and even overwhelmed at the outset of the assignment as the report involved a lot of research and critical thinking. I did not know how to interlink various theories without any duplication. The other concern that I had was the balance between theoretical discussion and business evidence. At first, I could not determine which information was the most important as Walmart is a company that operates in numerous countries and industries. The number of available data was large, which thus complicated the selection process (Grant, 2018). I was also under pressure since I was aware that postgraduate level studies demand critical analysis, as opposed to mere explanation. Nevertheless, as I kept on researching, I gained confidence. The company was a good choice to work with since one could find reliable information in various sources (Fogel, 2016). After I began to use frameworks like PESTEL and VRIO, I felt more at ease in using theory and applying it to business.

Evaluation

In general, I think that this assignment had a number of positive results. A key strength was my capability to relate theory to real-world examples of businesses. Rather than simply outlining frameworks, I put them into practice in the case of Walmart. The report was reinforced by using up-to-date data. In illustration, the inclusion of inflation rates, sustainability performance and trends in retail technology enhanced the analysis. This contributed to the increased realism and evidence-based report. The second beneficial result was the acquisition of the skill of critical thinking (Hill, Schilling and Jones, 2017). I got to know that academic writing needs to be explained beyond just that. I was to find strengths, weaknesses, opposition, and defence. But there were challenges too. Managing a lot of information was one of the challenges. Walmart is a global company, and thus numerous business areas might be analysed. The other problem was the issue of keeping the same depth between sections. There are models which had to be discussed more than others, PESTEL and VRIO. It was challenging to balance the number of words and, at the same time, maintain quality analysis. Time management also proved to be tough. The process of researching scholarly materials, verifying the data, and writing the references was time-consuming and laborious.

Analysis

This assignment tremendously enhanced my knowledge of the interaction of various strategic frameworks in assisting business decision-making. In the course of the report, I have

understood that there is no overall framework that could be used to explain the strategic position of an organisation. To illustrate, the PESTEL analysis has assisted me in comprehending the effect of external forces like inflation, technological innovation, sustainability expectations and legal regulations on the operations and long-term strategy of Walmart. Nonetheless, I found that PESTEL could not be used to understand the manner in which Walmart continues to be a strong player in the retail market. This analysis was complemented by the VRIO framework, which revealed valuable internal resources like the supply chain efficiency, purchasing power, logistics capability, and brand reputation of Walmart (Walmart, 2026). Integration of these frameworks gave a more comprehensive and balanced strategic analysis. Also, I enhanced my critical thinking skills in theory instead of describing notions. I paid attention to the explanation mainly in the first part of the assignment. Nevertheless, I later realised that it is necessary to discuss limitations and comparisons and counterarguments. An example is the Change Model proposed by Lewin that describes organised change of organisations, and the Eight-Step Model by Kotter, which offers more in the form of communication, leadership, and employee participation. The comparison of these theories enhanced the profundity and the quality of my analysis (Lynch, 2022).

Conclusion

On the whole, this assignment enhanced my knowledge of strategic management and my capacity to conduct research and analyse the information. The study of Walmart has made me realise how organisations leverage internal strengths and external opportunities to gain a competitive advantage. The activity has made me more confident in using strategic frameworks in real organisations. I also gained a better understanding of how theory can aid in business decision-making. Reflection has enabled me to discover my strengths and areas to improve.

Action Plan

In the future, I plan to do the research sooner to have enough time to critically read and evaluate sources. I will also enhance my note-taking by grouping information based on themes and strategies. I will also rely on more peer-reviewed journal articles, which will enhance academic credibility and help in analysis. Also, keep enhancing reflective writing to enhance self-awareness, critical thinking, and career development (Wheelen *et al.*, 2018).

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