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Executive summary

Based on wal-mart as the research object, this paper first of all, wal-mart's internal and external environment of the corresponding analysis, and then through the swot analysis to find the advantages and disadvantages of wal-mart, and according to the result of swot analysis, for wal-mart is affected by the epidemic in the bad environment, how to choose the strategy, strategic change accordingly provided Suggestions in order to get competitive advantage.

Introduction

1.1 Company Profile

Wal-Mart was founded in the United States in 1962. For the past 50 years, the company has served its customers and is now the world's largest private employer and retailer. Wal-Mart has topped the Fortune 500 list many times and is one of the most recognized global brands. Wal-Mart, Inc. helps people around the world save money and live better -- anytime, anywhere -- through retail stores, online, and through their mobile devices. According to Walmart.com, more than 275 million customers and members visit its more than 11,300 stores in 27 countries and under 58 banners on its e-commerce site every week. Walmart's fiscal 2019 revenue was \$514.4 billion and it has more than 2.2 million employees worldwide.

In China and elsewhere, Walmart adheres to the core Walmart values of "Serve the Customer," "Respect for the Individual," "Pursuit of Excellence," and "Act with Integrity," and adheres to the Walmart tradition of "One Store, One Customer," in order to fulfill our core mission. And continue to change the lives of our customers, members and colleagues. Looking back over the past two decades, we can find that customer care has always been one of the most important areas of Wal-Mart's business strategy in China. (Chen,2011)

1.2 Research Background

Today, thanks to the worldwide popularity of COVID-19, global trade is facing an increasingly complex environment. Wal-Mart's business strategy will undoubtedly be affected. Wal-Mart has always been adhering to the strategy of cost leadership. Due to its pursuit of rapid expansion, Wal-Mart only pursues cost and reduces its investment in customer care. At present, customer care and service quality will affect Wal-Mart's competitive strategy. Therefore, for the traditional retail giant Wal-Mart, customer care should always be regarded as the core value of the enterprise. And according to the internal and external

environment faced by the enterprise, the establishment and implementation of a new strategy with sustainable competitive advantage. (pwc,2020)

1.3 Research Objectives

As an enterprise with customer care as its core value, Wal-Mart, Inc., as a giant in the retail industry, also needs to make strategic changes according to its disadvantages and threats in the increasingly complex environment under the severe impact of the epidemic on the economy. This paper will analyze and provide suggestions for Wal-Mart's strategic decision-making in the development of the Chinese market, so as to maintain Wal-Mart's sustainable competitive advantage.

External Environment Analysis

2.1 PESTLE Analysis

Policy Factors:

The policy can directly affect Wal-Mart's manufacturers and suppliers. If Wal-Mart does not operate in politically stable areas, any disruption could hamper operations. Wal-Mart, for example, suffered a loss of profit in the Chinese city of Chongqing. A store sold a banned product to the Chinese public, and the government soon stopped not only the sale of that product, but (temporarily) all the products that Wal-Mart sold. When a company fails to comply with the policy, the government can quickly intervene. In addition, the government can pass legislation that threatens corporate revenues. Walmart and its ecommerce rival Amazon have been hit by a bill that would raise the minimum wage for workers. While a positive move for employees, it has cut into Wal-Mart's profits. If they do not comply with the law, stores in the state will soon be shut down. (Kiesha Frue, 2020)

Economic Factors:

The global economy as a whole is now suffering greatly from the impact of the epidemic. Wal-Mart, like other companies, has been affected by a stable economy. Wal-Mart is known for its low prices. However, if the economy is sluggish, production may need to be increased. If so, Walmart will have to raise prices. Customers won't be happy. Since the economy changes from country to country, Walmart needs to know the economics of each location. Some places may have higher interest rates or taxes, which can also affect potential income.

Socio-cultural Factors:

The social culture of different regions has a significant influence on the local supermarket. Take the Korean market, for example. Since 2006, Carrefour has issued "Carrefour officially confirms its exit from South Korea" statements and transferred 31 stores to local company e-land for 1.5 billion euros over the past decade. Later, Wal-Mart also withdrew from Korea, mainly due to the failure of cultural integration (Bae,2000). In Germany, the lack of interest costs Wal-Mart more than \$1 billion. This is more of a Wal-Mart problem because they failed to properly market to the German audience. Wal-Mart is an American brand, but it suffered a serious revenue loss because it did not adapt its marketing to the German market. (Kiesha Frue, 2020) Therefore, Wal-Mart should take local social and cultural factors into full consideration when making decisions in each market.

Technical Factors:

Supermarket chains rely on computerization of information systems for business connections and data analysis. To improve efficiency behind the scenes, Walmart is using automation and robotics. The technology can fulfill orders, simplify production, and help keep stores clean.

Adopting automation is a form of digital transformation that uses automation techniques to create more efficient business processes. For a big brand like Walmart, automation is a step the company should take. By allowing robots to handle menial tasks, employees can focus on selling products without distractions. (Kiesha Frue, 2020)

Legal Factors:

Wal-Mart is one of the largest retailers in the world, with 28 counters serving millions of customers each week. Wal-Mart must comply with the laws and regulations of all parts of the world. There are several legal factors that affect Wal-Mart, for example, discrimination laws, employment regulations, food and safety regulations, data protection laws, and consumer protection laws for e-commerce. Wal-Mart must abide by the laws and regulations of all countries in the world. These include employment regulations, data protection laws, Labour laws and health and safety laws. (Umar Farooq,2019).

Environmental Factors:

The environmental factors that affect Wal-Mart's operations are as follows: Wal-Mart is taking a number of steps toward sustainable development. A few years ago, Walmart, the world's largest retailer, was accused of dumping harmful fertilizers and pesticides that found their way into sewers. It has set its own goal of generating 50 per cent of the energy it needs to operate from renewable sources by 2025, and has vowed to meet that target of 28 per cent.

It is also working to reduce landfill, and claims to have changed its landfill processes by 78%. The Gigaton project aims to reduce toxic gas emissions by one billion tonnes by 2030. (Umar Farooq, 2019).

2.2 Porter's Five Forces Model

Based on the external factors enumerated in this Porter's Five Forces analysis, Walmart experiences the following intensities of the five forces in the retail industry environment:

2.2.1 Competitive Ability of Existing Competitors

The intensity of competition in retail is strong. In this industry environment, there are many competing companies of different sizes. So far, 50 of the world's biggest retailers such as Carrefour of France, and Germany's Metro retail giant basically has entered the Chinese market, domestic retail enterprise brand such as Yonghui Supermarket also have very good competitive power, it can be seen that at present China's retail competition strength is stronger, the retail market is like in many enterprises (strong); Retail companies are diverse (and powerful); Retailers are aggressive and the competition in the industry is fierce. (Roberte, 2019)

2.2.2 Threats from Potential Competitors

Wal-Mart must deal with the strong threat of new entrants. A new entry into the retail business is easy to achieve, even with the presence of a giant like Wal-Mart. Small retailers can enter the market to compete through convenience, location, features and other factors. (Roberte, 2019) The entry barrier of the retail industry is low, so it is a huge potential entrant in this industry, such as all kinds of large enterprises to open their own stores, shopping centers or discount stores. Developing a new entrant's brand is expensive. Still, some big new entrants have the financial resources to build strong brands. The effect on Wal-Mart is negligible. The costs and operating costs of setting up a new retail company are low to moderate. Small retailers, for example, have lower operating costs than large companies. That makes it possible for many smaller retailers to compete with Wal-Mart. As a result, the threat from potential competitors is more powerful.

2.2.3 Threat of Substitutes

The impact of substitutes or alternative threats on the environment of retail industry is weak. Wal-Mart offers a wide variety of goods and services for which there are few or no substitutes. The following external factors pose a weak alternative threat to Wal-Mart: moderate availability of alternatives

(moderate strength); Less types of alternatives (weak strength); Substitutes are more costly (and less powerful). (Robert,2019) External factors with fewer types of alternatives make it difficult for consumers to buy products from retailers like Walmart. In addition, some alternatives are more expensive than the low-cost goods and services offered in company stores. In Porter's Five Forces Analysis Model, the combination of these external factors leads to a weak threat of substitutes or substitutions in the industry environment of Wal-Mart.

2.2.4 Bargaining Power of the Buyer

The current buyers have lower commodity conversion cost, higher commodity price elasticity and higher bargaining power. Under the environment of retail industry, Wal-Mart faces the problem of weak bargaining power of buyers. According to Porter's five forces analysis model, it is difficult for a large group of buyers to exert significant pressure on retail enterprises. Wal-Mart is affected by the following external factors, resulting in consumers or consumers' weak bargaining power: large population of consumers (weak power); High consumer diversity (weak); Small scale of individual purchase (weak power) (Robert,2019). The large buyer base has had less impact on Wal-Mart and the retail industry. Individual buyers have a negligible impact on a company's global revenues. The weak power of buyer diversity and individual purchasing further weakens the bargaining power of consumers. The greater diversity of buyers makes it harder for customers collectively to put pressure on companies. In practice, buyers' bargaining power is weak in influencing Wal-Mart and companies in other industries.

2.3.5 Bargaining Power of Suppliers

The bargaining power of suppliers is weak. Under the environment of retail industry, the bargaining power of suppliers is weak. There are many suppliers in this industry. A large company like Wal-Mart can easily influence these suppliers. (Robert,2019) Porter's Five Forces Analysis of Wal-Mart believes that the large population of suppliers has a weak potential to influence the company. Individual suppliers have little impact on large retailers like Wal-Mart. In addition, many vendors compete for limited space in retail stores. The high availability of supply makes it difficult for suppliers to influence Wal-Mart's strategic growth. Wal-mart in order to reduce costs at the same time, the low cost strategy, it is taken directly to the factory purchasing, unified purchase and assist suppliers to reduce cost and purchase, in the form of the company through negotiations with suppliers, by contrast, according to the supplier, and bid low price goods, which supplier price is lower, the better the quality, which suppliers are more likely to get the order. As the largest chain retailer in the

world, Wal-Mart has a very large purchase volume, so no supplier is willing to lose this big customer. As a result, Wal-Mart has an undoubted initiative in setting purchasing prices. Although Wal-Mart's procurement costs have risen in recent years due to the increase of the overall price level in China, the supplier is still in a weak position between Wal-Mart and the supplier, so the supplier's bargaining power is very limited.

2.3.6 Analysis Results

According to the external factors listed in Porter's Five Forces Analysis, Wal-Mart has experienced the following five forces in the retail environment:

Rival or competition -- intense

The bargaining power of buyers --weak

The bargaining power of suppliers -- weak

Substitutes or the threat of substitutes --weak

Threat from new entrants -- very strong



3. Internal Analysis

3.1 VRIO Framework

Walmart's Organizational Capabilities & Resources	V	R	I	O
Non-core Competencies:				
– Easy access to adequate human resources	✓			
– Diverse product offerings	✓			
– Broad set of private label brands	✓	✓		
– High-potential package delivery network	✓	✓		
Sustained Competitive Advantages:				
– Inventory management systems set up for high efficiency	✓	✓	✓	✓
– Strong brand value	✓	✓	✓	✓
– Strong bargaining power based on organizational size	✓	✓	✓	✓
– Vast international supply chain	✓	✓	✓	✓
– Major e-commerce operations	✓	✓	✓	✓
– Extensive access to consumer data	✓	✓	✓	✓
– Data analytics and data mining capabilities	✓	✓	✓	✓

As a retail company, Walmart employees usually do not require highly specialized skills. Therefore, easy access to adequate human resources is a capability considered in this VRIO analysis. However, despite its value to business, this resource is not rare, easily imitated and does not provide a long-term competitive advantage over Wal-Mart's competitors. (Lopes,2018) Similarly, the company's diversified products, private brand sets and package distribution network are all organizational resources and capabilities that cannot meet the requirements of value, rarity, imitability and organization (VRIO framework). These four resources/capabilities are non-core competencies that help strengthen Walmart's value chain and competitive advantage. However, from the perspective of resource base, these non-core competencies cannot sustain such competitive advantage for the long-term growth and development of the firm. Competitive advantage underpins Wal-Mart's performance. However, the company needs additional capabilities to protect its retail operations from aggressive and disruptive competitors. According to VRIO analysis (Kim,2015), the following resources and capabilities are the basis of Wal-Mart's sustainable competitive advantage or

core competitiveness:

Wal-Mart's core competencies (long-term competitive advantage). This VRIO analysis includes the competitive advantage of the company's inventory management system as a core competency. From a resource-based perspective, these systems are strategic resources developed specifically for Wal-Mart's needs to minimize inventory bottlenecks and costs. These systems help retail enterprises to maximize profits (Kim,2015). In addition, Wal-Mart's strong brand value is the core competitiveness, as it meets all the VRIO variables. Brand is a precious, rare and imitative resource. To compete with other retailers, Wal-Mart's organization uses the brand throughout its operations and applies it up the value chain, making it easier for consumers to identify where they can get bargains in physical stores and online.

Strong bargaining power based on the size of the organization is another sustainable competitive advantage that helps Wal-Mart fend off aggressive competitors. According to the company's resource-based view, this organizational ability enables the company to take advantage of cost leadership and low prices to compete, especially on price, with small retailers with no sales. (Talaja,2012) This core competitiveness enables Wal-Mart to force manufacturers or suppliers to lower prices, thereby adding value as goods move through the company's value chain. As you can see from the VRIO table, the company's powerful bargaining power is valuable, rare and difficult to imitate. Around this core competency, Walmart requires manufacturers and suppliers to offer low prices to benefit consumers and businesses.

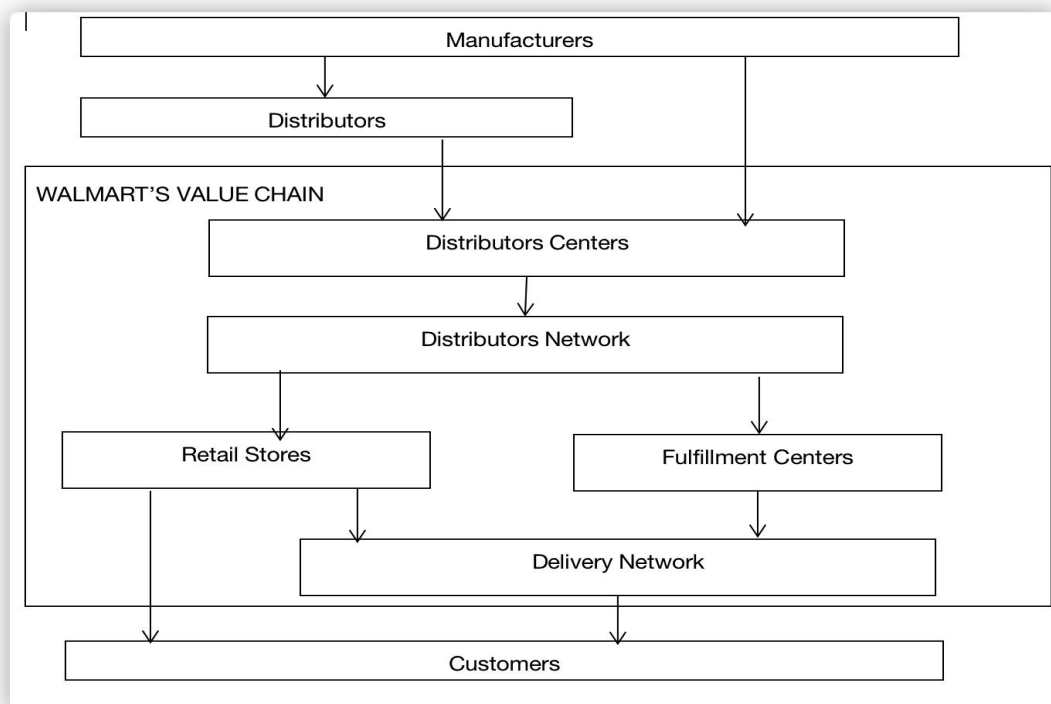
Wal-Mart's large international supply chain is an organizational resource to create a sustainable competitive advantage. The supply chain supports a company's operational scale, cost leadership strategy and low pricing, thereby ensuring an efficient value chain. From the resource-based point of view of Wal-Mart's retail business, the supply chain is a long-term competitive advantage because it allows the company to get the cheapest or most competitively priced goods from the manufacturer. Effective supply chain management directly contributes to Wal-Mart's value chain effectiveness, attracting buyers to its stores and e-commerce sites.

In the VRIO framework, the major e-commerce businesses are seen as Wal-Mart's continuing competitive advantage. Today, Wal-Mart's investment in information technology and wide product range have strengthened its competitiveness as an e-commerce company, in part a strategic response to Amazon.com Inc. (Bose,2018) This core competitiveness of strengthening market coverage and improving customer experience is valuable, rare and

difficult to imitate (among small retailers). The company is organized around this capability to make e-commerce operations a sustainable competitive advantage. In Wal-Mart's resource-based view, e-commerce operations also optimize the efficiency of the retail value chain.

Extensive access to consumer data is another core competency assessment of Wal-Mart in this VRIO analysis. The millions of consumers it operates across borders generate a wealth of data on buying behaviour. (Cheng,2018) Through this organizational resource, Wal-Mart can predict the fluctuation of demand, enabling managers to accurately respond to the changes in the retail market, thus maintaining the consistency of the value chain. In this connection, the data analytics and data mining capabilities included in VRIO analytics enable Walmart to extract high-value information from consumer data. (Craighead,2003) The company is organized around its consumer data resources, data analytics and data mining capabilities, and e-commerce operations. The combination of these technological capabilities creates synergistic and sustainable competitive advantages that are valuable, rare and unique. In the resource-based view of Wal-Mart's operations, these strategic capabilities and resources are key success factors in meeting consumer needs. These technological capabilities help Walmart operate efficiently and ensure that the company's value chain actually benefits consumers.

3.2 Baud Value Chain



In the analysis of Wal-Mart's value chain, creating and providing value to target consumers is associated with the core competencies identified through the VRIO analysis framework. (Crain,2008) These capabilities enable companies to add value to products from manufacturers or suppliers. The transportation of these goods involves Walmart's value-added logistics and retail operations, as shown in the value chain diagram below:

The chart above depicts the value system of the retail industry and how Walmart's value chain relates to the other components of that system. (Maxham,2008) The industry value system is the collection of all the value chains involved in the industry, in this case the retail industry. According to Michael E. Porter, strategic business units determine the activities involved in the value chain. In Wal-Mart's internal analysis, these business units include distribution centers, distribution networks, fulfillment centers, retail stores, and distribution networks, as shown in the value chain diagram. Through the supply chain, goods move from manufacturers and distributors to the company's value chain. These products exit Wal-Mart's value chain and reach its target customers, namely, the retail market. Distribution networks are used for e-commerce operations where customers can choose to have the goods they buy shipped. The network includes Walmart's express business as well as those of delivery service providers such as FedEx. A network is the link or interface between a company and its target customers. The distribution network is only one part of Wal-Mart's value chain. (Barnes,2002) By transporting goods through Wal-Mart's value chain, competitive advantage is created through the use of the company's core organizational resources and capabilities. Based on the VRIO analysis of the retail business, this competitive advantage is equivalent to achieving the company's value proposition, which is to provide consumers with convenient, affordable products. (Chatzoglou, P.,2018) In Wal-Mart's resource-based view, core competitiveness is applied to every link of the value chain. For example, the firm's strong bargaining power adds value to consumers by reducing costs and prices. In addition, Walmart's e-commerce business adds value by making it easier to buy cheaper goods. In addition, the company uses its inventory management system as a strategic resource for supply chain management, which determines the cost to consumers and the availability of goods. Thus, according to a resource-based view, this value chain is a set of processes through which Wal-Mart leverages its VRIO resources and capabilities. Through this value chain, the company makes profits, and consumers can get low prices through Wal-Mart stores and e-commerce sites.

3.3 Analysis Results

The VRIO analysis table shows that Wal-Mart has at least seven sustainable

competitive advantages. Non-core competencies are the organizational resources and capabilities that retail enterprises use to protect their market share from further erosion by competition. The aggressiveness of various online retailers, notably Amazon, threatens Walmart's online and off-line revenues. (Bose,2018) In the resource-based view, these non-core competencies may create advantages, but not necessarily in the long term, as other retailers can adopt the same strategic approach and develop similar non-core competencies. (Siebers,2013) Wal-Mart needs to maintain a competitive and effective value chain by establishing these strategic resources and capabilities, creating new resources and capabilities, and establishing better synergies between them.

4. SWOT Analysis

4.1. Advantage Analysis

4.1.1 Advantages of Number of Stores and Variety of Goods

At present, Wal-Mart has established more than 400 warehouses in more than 170 cities in China. Although affected by the epidemic, Wal-Mart can still provide customers with a more comprehensive, but also relatively cheap goods, which means that customers can get the goods they need more conveniently and faster, which has a great attraction to consumers. Wal-Mart has also responded to different customer segments by setting up different types of retail stores. In most Wal-Mart stores, there is a full range of products and even many private label products. These national and private brands give it a dominant position in the retail market. For low-income customers, we mainly provide basic necessities of life; At the same time, Walmart has opened many Sam's Club stores in China for mid - and high-end consumers (AP, 2016).

4.1.2 Service Advantages

Customer service has always been one of Wal-Mart's most important strategies. WAL-MART has always advocated customer-centered, fully respect customers, constantly improve customer service standards in practice, the pursuit of the best quality service, and ultimately bring unique for customers. (Hicks,2012) Wonderful shopping experience has always been the requirement of Wal-Mart leaders, managers and grass-roots employees, who must have customers in mind and a sincere and harmonious service atmosphere. Only helping customers succeed can help you succeed. The company provides customers with quality services, seeking customer recognition, and constantly improve customer loyalty

4.1.3 Supply Chain Advantages

Wal-Mart has always pursued low-price, large-scale and centralized procurement to improve the bargaining power of suppliers (Stankeviciut,2012). Wal-Mart has made acquisitions of its stock purchases and settled them at a fixed time without delay. It can greatly reduce the procurement cost and increase the enthusiasm of suppliers for cooperation. In disregard of the impact of the epidemic, Wal-Mart directly established cooperative relations with manufacturers, directly bought its own brands, bypassed middlemen and ordered goods directly from manufacturers, so as to maximize profits while ensuring product quality. Walmart's advanced information technology and developed logistics system enable real-time tracking of the transportation, sales, storage and other logistics information of each commodity. Information technology has also enhanced Walmart's efficient procurement processes and reduced procurement costs.

4.2. Weakness Analysis

4.2.1 Weakness of Position

Wal-Mart's localization strategy in China is insufficient, and its location choice deviates from China's consumption concept and development status, resulting in a certain location disadvantage. In other international markets, the basic national conditions, living standards and consumption attitudes are different from those of developed countries such as the United States. (BAE,2000) The land price in the suburbs of the United States is relatively cheap, and the cost of setting up stores in the suburbs is also relatively low, which is targeted at the low and middle income people who are very sensitive to price. A low price strategy can easily attract a large number of consumers. In addition, American consumers like to buy large quantities of goods at once, and they drive to suburban shopping malls to store their goods for a week, greatly speeding up the efficiency of supply chains and logistics systems. On the contrary, compared to the US, China's transportation system is still underdeveloped, which will lead to traffic jams and inconvenience. In addition, Wal-Mart's geographical location in China is mostly located in the bustling urban areas, which will directly affect the performance of the logistics system. In the future, whether Wal-Mart can add more local features in line with consumers' preferences and develop personalized customer service strategy is one of the problems that China must face in building its core competitiveness. Wal-Mart China should have a deeper understanding of consumers and provide better shopping experience combined with crowd characteristics for different types of consumers in combination with the characteristics of urban areas in China.

4.2.2 The Weakness of Informatization

Affected by the epidemic, many traditional retailers have gradually begun to

develop into new retail directions such as e-commerce, while Wal-Mart's online e-commerce services have begun to lag behind its competitors in the Chinese market. (Bose,2018) This is mainly reflected in the defects of Wal-Mart's logistics information system. Logistics system is an important part of Wal-Mart's operations in China, but the imperfection of China's logistics information system undoubtedly leads to the increase of Wal-Mart's operating costs and the reduction of efficiency, thus hindering Wal-Mart's sustainable development in the future to some extent. Although Wal-Mart has made some achievements in the logistics distribution system, for example, while expanding a large number of offline stores, it has realized the rapid arrival of goods through the advanced logistics management system, so that consumers can purchase goods in the first time, which greatly reduces the storage cost and achieves a high turnover rate of funds. But one of the core competence of information technology system in China has lost its function, the global procurement system and logistics system is difficult to share, to enter the Chinese market information system, can't supplier in China, the logistics service provider of information management, information systems can not effectively support offline logistics and supply chain system, unable to analyze the offline store day, month sales, The management of purchasing, selling and storing retail outlets, commodity procurement and distribution cannot be timely and efficient, and large logistics centers are idle. Therefore, its logistics advantages cannot be reflected in China. China's regional characteristics and the limitations of information technology system have greatly increased Wal-Mart's operating costs in China and restricted the cross-provincial development of Wal-Mart's offline stores in China.

4.3 Opportunity Analysis

4.3.1 Policy Opportunities

In November 2016, the General Office of the State Council of China issued the Opinions on Promoting the Innovation and Transformation of Physical Retail, clarifying the guiding ideology and basic principles for promoting the innovation and transformation of physical retail in China. Standards, norms and competition rules should be established to promote integrated development, speed up the integration of logistics, business, capital flow and information flow, improve the level of information and form a new pattern of intelligence and networking, according to the guideline. Wal-Mart China is also able to meet the needs of innovation and transformation of physical retail, and has a good development prospect.

4.3.2 Demand Opportunities

With the continuous development of the logistics industry, many goods that

were difficult to obtain have become common goods that can be purchased at will. In addition, with the continuous development of e-commerce in recent years and the safety considerations of shopping during the epidemic, consumers' willingness to spend online is also gradually increasing, and the types of purchases are also gradually diversified. Consumers are spending more and more, which provides greater opportunities for Wal-Mart to develop new online retail (Shabanova,2015).

4.4 Threat Analysis

First of all, the emergence of retail competitors in China has brought great pressure to Wal-Mart China. These competitors include: China Resources Vanguard, RT-Mart. Yonghui supermarket. At present, it has also begun the collaborative development of multiple formats. These local Chinese retailers are more in line with the consumption habits of Chinese consumers, are more acceptable, and have natural competitive advantages (Siebers,2011). At the same time, it faces competition in the Chinese market from traditional retail giants Metro and Carrefour. Today, with the rapid development of the Internet of Things, the traditional retail model is gradually impacted by the new retail model, such as JD online supermarket. New retailers such as Tmall (Tmall) and Hema (Hema) also threaten Wal-Mart's further expansion in China.

Conclusion

SWOT analysis shows that Wal-Mart must prioritize its strengths to exploit opportunities in the global retail market. The company's weaknesses and threats should be secondary. Wal-Mart can improve its corporate performance by improving its human resource management standards and product quality standards. In addition, the company must continue to expand its business in order to exploit economic opportunities in developing markets. Wal-Mart, based on its global organizational scale, global supply chain and efficient supply chain advantages, can support aggressive global expansion in foreign markets. Nevertheless, the company must implement strategic changes based on the weaknesses and threats identified in the SWOT analysis to prepare the business for the long-term growth of globalization and the growing online retail market.

Recommendation

Based on the above internal and external as well as SWOT analysis, the following suggestions are provided for Wal-Mart China in the choice of strategy.

Cost leadership strategy

Wal-Mart needs to maintain its original cost leadership strategy based on the sustainable competitive advantage that its value chain provides. At the same time, it must adapt to the Chinese market, change the original supply chain management system, restructure the business process, innovate the structure, eliminate the estrangement between various departments as far as possible, and strengthen the coordination and cooperation between various departments. At the same time, we will strengthen science and technology to promote the construction of a modern logistics and distribution system. Ensure cost control capability in purchasing, logistics, IT application and warehouse management.

Building an intelligent logistics system. "Intelligent Logistics System" is a concept first proposed by IBM, which aims to build an advanced, connected and intelligent supply chain for the future. Logistics is the dynamic change process of commodity and material in time and space, while physical management is the management of spatial information and attribute information of commodity data. Faced with the problem of inventory allocation and resource integration, Wal-Mart must improve the level of logistics supply chain and solve the cross-regional commodity distribution problem by using big data, artificial intelligence and other technological means. Although the existing resources are scattered, Wal-Mart can integrate products from different channels and transform and upgrade each link of logistics.

Differentiation strategy - personalized high quality service strategy

Service is a special kind of commodity. For different customer groups, the service should have some differences in the whole process, because the customer's own needs are different. Therefore, when Wal-Mart provides commercial services, it should provide different services for different customer groups, formulate targeted personalized services for target customers, and implement personalized service marketing strategies.

The ultimate goal of customer service is to provide quality service, and the competitive advantage of customer first lies in providing quality service for customers. The concept of customer first requires enterprises to establish comprehensive and standardized service standards. At the same time, Wal-Mart's strategy of differentiating products for different groups in China is always based on the same premise. Pay attention to the needs of customers and provide them with the goods they really need; Always consider reducing operating costs, as far as possible to reduce commodity prices; Create a friendly and pleasant shopping environment that creates the ultimate user experience. The principle of "Smile Service" and "Excellent Service"

advocated by Wal-Mart also ensures that customers can get high quality service during the whole shopping process, which brings great psychological satisfaction to customers. (Brea-Solis, 2012)

Wal-Mart's own brand could be built to match the preferences of consumers in different parts of China and build Chinese-style assembly lines. Wal-Mart needs to expand its service concept and carry out service innovation. For example, it can also provide a personal shopping guide service for its own brand of boutique products. Expand membership services from Sam's Club to key regional stores to differentiate from peers in terms of service; Strengthen cooperation with China high-speed e-commerce, control offline operating costs, and effectively integrate existing stores. In line with the Chinese social development trend of the operation model, to achieve operational innovation, to promote the localization of the transformation. As one of the important channels of consumer experience and personalized service, it can not only improve customer satisfaction and obtain higher evaluation, but also promote Wal-Mart to establish a more perfect service system.

Growth strategy

Facing the continued growth of e-commerce and online shopping. Therefore, Wal-Mart should continue to expand its strategic resources and capabilities related to online retail. (Cheng,2018) For example, a company can improve its supporting services to maximize its e-commerce expansion. To improve Wal-Mart's value chain, it is critical to continue to expand its distribution network. From a resource-based perspective, this strategic move could enable the high-potential package delivery network to become a new sustainable competitive advantage that meets VRIO's requirements for Wal-Mart's core competencies. Diversified forms has become a major growth strategy of many retailers, more and more pay attention to the supply of a particular niche products, through the establishment of more brand of supermarket formats, such as shopping center, shopping center, high-end supermarkets, convenience stores, fresh supermarket, blend in more and more value experience in the process of consumption, such as innovation bring lifestyle, consumers psychological enjoyment. Finally, with the continuous development of new channels such as the Internet, mobile phones, mail order and direct sales putting pressure on traditional channels, future sales growth will be driven by the form of non-physical stores. For example, Walmart's online store is growing much faster than Amazon's. Retailers are also increasingly using fast-growing social-networking systems such as Facebook, Twitter and blogs to digitally connect with customers. In fact, the supermarket chain industry has its unique advantages when it enters the e-commerce field, because it can quickly establish a B2C sales system by relying on the original logistics,

warehouses and distribution sites (Du,2019). For example, Walmart has established a global e-commerce unit and formally acquired a stake in Chinese e-commerce company Yihaodian to set up an e-commerce center in Shanghai.

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