

**THE POTENTIAL TO UNLEASH UNRIVALED SUPREMACY USING
WAL – MART AS A CASE STUDY BY MEANS OF USING
MANAGEMENT INFORMATION SYSTEMS (MIS), FINANCIAL
SYSTEMS AND SOUND ACCOUNTING PRACTICES: LESSONS FOR
LARGE AND SMALL RETAIL BUSINESSES**

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Abstract

This paper in case study format and style attempts to analyze the entry of Wal – Mart a major foreign based retail chain store that also entered South Africa amidst mammoth controversy and opposition, from small retailers and the labour movement. Wal – mart has expanded its international presence and has become an unrivaled brand and retail supplier of goods and services in many parts of the world. It began operations in 1962 with 24 stores. The idea was simple, in that it began to use new technologies against competitors that began using technology and management information systems to pursue business. The question arises, if it will be able to sustain the use of technology and management information systems, in order to survive and thus gain competitive advantage in the world of competitive and harsh retail business. In spite of its success as a chain of retail stores, it made a few cardinal mistakes in understanding holistically the business mix required to become an unrivaled retail chain. The paper looks at these issues from the perspectives of a case study and therefore makes some recommendations for improvement. By the same token this case study approach does not pretend to capture all aspects of Wal – Marts supremacy worldwide in respect of retail business. The paper therefore assumes significance for retail businesses, the management student, managers in general, for purposes of sound and good financial management and for purposes of acceptable accounting practice.

Introduction

In an ever changing and robust industry of retail supply chain – Wal-Mart is an ever expanding leader with a Global Footprint. With the first store opened in 1962 by founder Sam Walton the company grew to 24 stores in just 5 years (Wal-Mart Stores: 2013). Keeping its traditional operations standard it has enjoyed massive benefits and growth. However the question remains will it be enough to sustain itself with new technologies on the rise and, competitors using this technology to gain competitive advantage?

Firstly, the paper compares the problems faced by Wal-Mart to the success of eBay and what Wal-Mart could have done to gain more online market share. Leading on from the initial question a strategy will be derived. A strategy that will allow Wal-Mart to improve online sales

for purposes of consolidating its brand and to improve further, its global market share, by increasing retail output in individual countries where it has a presence.

Given Wal-Mart's values and culture, a discussion on how Business Process Outsourcing would and could have improved Wal-Mart's profits and, then would have afforded them more flexibility. This in-turn would have allowed them to concentrate on their core competencies. In the natural consequences of business practice, the case study response will justify, whether the implementation of RFID technology at Wal-Mart would have improved the Supply Chain visibility and the benefits thereof. Lastly a report will be written to management that describes the primary cause of the problems faced by Wal-Mart. A detailed plan on how to solve them, will describe any other benefits that will accrue to the organization will be provided.

Organizations reformulate their marketing strategy several times during a product's life cycle. Economic conditions change, competitors launch new assaults and the product passes through new stages of buyer interest and requirements (Kotler, Cunningham, Turner (2001:484). Similarly, companies plan strategies to address any changes in the market. "*eBay Inc. is one of the world's largest and most popular trading community on the internet* (Bradley, 2001)". eBay found some innovative ways to stay abreast in an ever increasingly crowded marketplace. Wal-Mart's attempt at e-commerce failed. Outlined below are strategies that gave eBay the competitive edge. If these strategies were considered by Wal-Mart it would have also kept them in the battle for online dominance.

Porter (1985: 3) states that value is what buyers are willing to pay for. eBay used cost leadership and differentiation to gain competitive advantage. Wal-Mart's attempt to compete based on cost was a poor move. Their competitors already offered both lower costs and many other similar services at no cost at all. Wal-Mart must differentiate themselves from their competitors in order to gain market share online. Differentiation is the act of designing a set of meaningful differences to distinguish the company's offerings from competitor's offerings (Kotler *et al*, 2001: 90). Wal-Mart needs to focus on creating a service that is perceived as being unique throughout the industry just as e-bay has and had done.

eBay continues to be a market leader as they differentiate themselves by focusing on their brand image, continuing to offer innovative features, and supplying a delivery of service with proprietary technology. This uniqueness from e-bay translated into higher profit margins and kept them above the competition. Wal-Mart failed to consider all of the above. A recognizable brand name was extremely important to the continued success of eBay. eBay was the first mover in the online person-to-person auction industry thus having a competitive advantage which helped them differentiate themselves from their competitors. In contrast, Wal-Mart stores has a huge customer following, who could have been directed to their developed e-commerce site, and thus customers would be able to reaffirm their loyalty to Wal-Mart as they could identify with the brand. Wal-Mart needs to make sure their brand is instantly recognizable. By focusing on their brand image eBay was able to attain brand recognition, brand preference and brand loyalty. With a strong brand image consumers were able to recognize the eBay name and instantly knew what it stood for and the service they provided. eBay used different media advertising to differentiate their product, whilst Wal-Mart limited itself to in-store advertising. In order to achieve online brand loyalty, Wal-Mart must continue to focus on their main strengths. The image that needs to come to mind when consumers think of online sales needs to be Wal-Mart.

Internet businesses require more than a storefront to be successful. Wal-Mart assumed that they would enjoy instant online success due to their loyal in-store customer following but failed to think about this on an internet platform. The biggest concern for online consumers is trust and safety. eBay appeased customers' concerns that prevented them from doing online purchasing, about data privacy, protection of personal information by installing protection programmes. eBay introduced a number of trust and safety initiatives, such as a verified user programme and insurance for items. eBay has been able to stiffen anti-fraud measures and has instituted some of the most innovative and consumer friendly programmes in the industry to protect its users from fraud, deception and misuse. eBay continues to address consumer protection challenges through innovative programmes and consumers will recognize their continued effort and will be rewarded with brand loyalty. Wal-Mart used in-house developed software to safeguard customers against fraud which often failed them—customers even mentioned that their accounts were 'stolen' online and used at other stores. Customers were also concerned if they would have received goods purchased; this trust grew as time went on. Wal-Mart could have outsourced their delivery strategy, as they were failing to deliver goods purchased online timeously. eBay continues to provide innovative features in order to separate themselves from their competitors, for example, World-wide-delivery. Wal-Mart failed to make a dent in the online market because of trust and safety issues (Bradley, 2001). Amazon has followed in eBay's insurance footsteps and borrowed and improved upon a number of features on eBay's site. Wal-Mart failed to incorporate these features. Wal-Mart needs to continually seek innovative ways to improve the customer experience and needs to continue to focus on making its shopping space as safe and secure as possible, or else consumers will turn to other competitors. They also need to continuously review their capabilities, approach and structure in order to ensure that they meet and exceed customer needs and expectations.

eBay designed a superior delivery process. "If the perceived service meets or exceeds their expectations, they are apt to use the provider again" (Kotler et al, 2001:428). One of eBay's biggest strengths remains superior service. They have been able to achieve superior service because of the variety of products offered and the strength of the eBay community. Consumers are able to search eBay for almost any product and eBay has a category variety that is unmatched by any of its competitors. In contrast, initially Wal-Mart had a limited online catalogue. According to Zykowski (in O'Connor, 2013) 'Wal-Mart must make sure its web offerings extended outside the grocery aisles. eBay provided more than a venue for selling items, they created an online community which gave buyers and sellers a place to socialize, discuss topics and provide feedback. These seem to be designed in order to foster a large community which would ensure repeat customers. Wal-Mart should remain focused on the needs of consumers and make sure they remain the main priority. Wal-Mart should continually come up with new ways to reach out to their customers. They need to be an active listener and learn and respond to customer needs. Companies that listen to their customers turn casual customers into loyal customers. By continuing to offer a wide variety of products, expanding globally to ensure a bigger trading marketplace, and fostering a sense of community Wal-Mart will be able to have a distinctive value advantage over its competitors, including Amazon.

Wal-Mart's competitors used cost leadership as a means to differentiate themselves from others. Despite the increased role of non price factors, price does remain an important element and is

challenging in markets such as the internet where other companies are able to offer similar products at no cost. eBay has used listing and special placement fees to generate revenue. Companies that own the largest market share will enjoy the highest profit. Wal-Mart should focus on being a product quality leader rather than a price leader. Consumers today have a vast array of brand choices and consumers today are focused more on value than on price. Wal-Mart should also remain focused on their differentiation strategy rather than cutting costs.

In conclusion whilst eBay has become one of the leaders in the online industry. Wal-Mart should have copied strategies adopted by them or at least scanned other online companies to help them gain some footing in the online market.

Perlovich (2013) states that, “With ecommerce sales on the rise, more and more companies are relying on web space to competitively sell their products and services, and as customers become more and more comfortable with online buying it become more and more difficult for businesses to compete for online sales”

For strategic planning to be followed in an organisation consideration needs to be given to both long and short term requirements. Like developing the organisations long term goals and reasons for existence (mission and vision) this can be regarded as the building foundation of the organisation. It needs to be well thought out to avoid becoming victims of the marketplace rather than victors who shape it. Kotler *et al* (2001: 204) points out that “mission statements are often mentioned when companies speak about their goals. It should be a short and concise statement of goals and priorities.”

A SWOT analysis needs to be conducted by managers for purposes of identifying their strengths, weaknesses, opportunities and threats. Build on their strengths and find a way to reverse their weaknesses. Their thinking should include the impact on the business, customers, what are the issues, opportunities and what they want to do.

Strengths: High quality products -how do you maintain that? Have to ensure world class quality control systems.

Weaknesses: Low brand recognition – have to revitalize the marketing and promotions strategy to increase brand awareness

Opportunities – identify opportunities e.g. new technologies –keeping up with it **Threats-** New entrants/competition and legislation, including poor financial management and poor accounting practices and systems.

Wal-Mart seemed to have failed in some areas mentioned above. Michael Porter also enforces that an organisations success is not predicted by how well it does internally but must pay attention to:

Traditional Competitors – this is the treat of new customers;

New market entrants – new entrants can jump into the market and offer cheaper products and service;

Substitute products and services- customers may be willing to substitute services and products;

Customers- always have the choice too jump to new suppliers, competitors, services and products;

Suppliers- suppliers determine how easy or difficult a business will have in controlling the supply chain and so on.

Like other online companies Wal-Mart stores has a massive offering. Two most crucial points would be helping online customers navigate its extensive product list easily and quickly, and streamlining operations to create a turnkey experience.

Point one, Wal-mart must transform itself into invisible (and Psychic) personal shopper to help customers navigate its vast inventory. Wal-mart should be on a race to fulfill orders – this would guarantee quicker turnaround times and more convenience after placing the order. Control everything it can, before the order is placed to ensure the order is placed through them. In this case that means making sure customers can find what they are looking for, quickly and easily. Or in this case if that the customers don't find what they are looking for or what that is, helping them to figure it out with a fairly high degree of accuracy.

Seeing that they won't be starting of a new company –they possess tons of data of past purchases and online behaviour to support their efforts. Wal-mart has enough content to appeal to masses of people; they should surface the right content to the right people. Given the content size there wouldn't be much work needed, the challenge would be to just use it better.

Acting as an invisible shopper Wal-mart must master what they do with this powerful combination of content and data- and when to do it. The goal is to use it n realtime as shoppers are online, and make recommendations and this should go far beyond personal/ segment based tools

The can make use of both historical data (past purchases) and current data (what they looking at right now) to make predictions that will shape a particular customers experience in context and realtime

Point two: Creating a streamlined and turnkey experience

Building on the idea of personalizing each individual's online experience, Wal-Mart can easily improve on each subsequent experience. It may seem difficult but with the correct infrastructure it all can be a key to accomplish turnkey operations is putting visitor policies at the heart of the mediums used to communicate with the customers". Measure everything: from email marketing to buyer behaviours, tracking the behaviours of how much revenue is generated due to transactions completed, due to the amount of clicks. By measuring everything it will be possible to take the information and fuse it to create a greater lead database- that generates more returns on investment. Wal-Mart should ask with every purchase and click how do we track this?

Lastly with the ever-changing technology environment Wal-Mart could use to their advantage:

Mobile apps: with more and more individuals using mobiles, with apps that allow them to do virtually anything whilst still on the move. Wal-Mart could seize this opportunity to create a mobile app that allows shoppers to purchase from them utilizing the app

Social Networks: the sheer volume of information created and promoted on the social web like, facebook, twitter, blogs, etc., can be overwhelming. With the right questions and tools, Wal-Mart can leverage the data between the connections of people, and 'hear' the voice of the customers, who can influence sales, and insights to increase Wal-Mart's awareness

In conclusion at the end of the day Wal-mart's rise to online dominance just revolves around turning an otherwise complicated shopping experience into one that feels quaint and easy. It can

accomplish this by setting up strong behind the scenes infrastructure that puts the customer experience at the forefront.

Business Process Outsourcing (BPO) is a subset of outsourcing that involves the contracting of the operations and responsibilities of specific business functions to a third party service provider. Originally associated with manufacturing firms such as Coca Cola that outsourced large segments of its supply chain

Business Process Outsourcing is typically categorized into back office outsourcing – which includes internal business functions such as human resources or finance and accounting, and front office outsourcing – which includes customer related services, such as contact center services.

Often the business processes are information technology based, and are referred to as ITES-BPO, where ITES stands for information Technology Enabled Services

The main advantage of Business Outsourcing Processes is in the way it helps a company's flexibility. Over and above this advantage are other advantages as pointed out by Caramanica (2013:4):

- Minimizing cost on IT infrastructure;
- IT consultants are fully trained on the latest technologies;
- Service providers can offer more up-to-date advanced technologies;
- No need to retain technically qualified in-house personnel; and
- Continuous IT support and coverage without having to rely on only one or two key people.

With the article making reference to Wal-Mart's I.T staff working with around 2500 business technology projects, outsourcing parts of it would have freed them up to concentrate on other core areas to enhance shopping experiences. Keeping everything in-house from hardware to software to set up systems surely meant that Wal-Mart spent a considerable amount of money setting it up with the hope of it working out. If they outsourced it, they could have spent minimal on IT infrastructure and enjoyed the benefits mentioned above by Caramanica (2013) all of this, in turn would have equated to a higher profit margin

Due to technological advances and changes in the industry of Supply chain, companies who choose to outsource their back-office increasingly look for time flexibility and direct quality control. Business outsourcing enhances the flexibility of an organisation in many different ways. Most services provided of Business Process Outsourcing vendors are offered on a fee-for-service basis. Using remote in-sourcing or similar software developed and outsourcing models. This would help Wal-Mart to become more flexible by transforming fixed into variable costs and this in-turn would have increased profits. The variable cost structure would have helped Wal-Mart to respond to changes in required capacity and would have not required them to invest in assets that they would have to manage, and update, thus making them more flexible.

Wal-Mart would have been able to focus on its core competencies i.e. keeping lower prices in supply chain, without being burdened by the demands of bureaucratic restraints. Key employees are would have herewith released from performing non-core or administrative processes and could have invested more time and energy in building their core business and value drivers such as customer intimacy, product leadership and operational excellence. Focusing on these drivers would allow Wal-Mart a more competitive edge. Linda Dillman Wal-Mart's CIO pointed out that they wanted an information system that is centralized and shared on a common platform. Had Wal-Mart implemented the RFID system they would have been able to reach this goal the first time around; RFID technology would have centralized data thus creating a common

platform; Wal-Mart would have been more successful in the setup of the RFID system if it was outsourced rather than using in-house IT to do it and, this was unsuccessful and, thus increased costs which directly spoke to a decrease of profits. The Outsourcing of the IT system(RFID) initially would have allowed them to gather information on a common platform faster, which meant that they would understand their customers' demands better, and thus would result in being able to have a higher customer satisfaction. Ultimately leading to a higher number of return- customers which is equal to more purchases and eventually leads to higher profits.

Outsourcing would have increased the speed of business processes. Supply chain management with the effective use of supply chain partners and business process outsourcing increases the speed of several business processes, such as throughput in manufacturing.

Look at Wal-Mart in an organizational life-cycle: Wal-Mart could have maintained growth goals while avoiding standard business bottlenecks. Outsourcing therefore allows organisations to retain their entrepreneurial speed and agility, which they would have otherwise sacrificed in order to become more efficient as they expanded.

Wal-Mart would have been able to grow at a faster pace had it outsourced its work, as it would have been less constrained by large capital expenditures for people or equipment that could have taken years to atomize, that may have become outdated or could have turned out to be a poor match for itself over time

Shipside (2000:2) points out that overall research shows that outsourced solutions cost around one-sixth of the cost of keeping the service in-house. He further points out that the actual cost of maintaining this function in-house considering the salaries of qualified employees to maintain the system and adding on any other cost for hardware and software, and this did not make sense to keep the work internally. This in itself has a direct impact on profits of Wal-Mart as costs would continue to increase to maintain the system and the workers for the in-house system

In conclusion companies outsource work so that they can focus on the task at hand, to save money and be more competitive. I.T outsourcing enables companies to manage their core business, while outside agencies manage their technology needs. Wal-Mart would have certainly increased their profits by outsourcing at least some of their areas, maybe in the not too distant future they would consider this option and like others enjoy the benefits that come with it

Millsap D (2013:2) points out that RFID stands for Radio Frequency Identification Disk. And in this case refers to a technology that is used to track goods through the supply chain using Radio Frequency Transmitters. RFID data can be changed and updated. They help manufacturers and retailers keep track of inventory and gives valuable information about the quality of the product bought and to some extent the consumers buying them. They serve as "finger prints" made of machine readable bars that store data. (Bonacich and Wilson, 2005:68) state that "supply chain management is the process of planning and controlling the entire supply chain – from production, transportation, storage and distribution, leading to sales."

Wal-Mart's choice to use RFID technology would have increased visibility within the supply chain and could answer questions that cannot be answered by bar codes like:

1. **Production:** in which production step is the product currently located?
2. **Storage:** How much is there in stock?
3. **Outgoing goods:** have the right goods been loaded onto the truck?
4. **Transport:** How many products are on their way from the manufacturer to the distributor?
5. **Receiving dock and Picking:** Has the right product (in the right Quantity and with the right quality) been delivered? Has the product been picked properly?

6. **Warehousing:** How many products of a particular type are currently in stock?

7. **Shelf:** is there enough of a particular item on the shelf?

RFID technology could increase visibility amongst other areas in the following ways as pointed out by Simchi, Kaminsky and Simchi (2002:56-60).

- Awareness: the increase of visibility in the supply chain;
- Decision: The decision made based on the data provided by RFID to order;
- Results: how does it affect business goals = Increase in visibility = achievement of goals.

RFID's technology benefits for both manufacturers and retailers such as Wal-Mart are total supply chain visibility. Incorporating the steps above with a few tasks as indicated below shows how visibility can be increased:

Task: Demand supply planning

Awareness: Wal-Mart's Stock levels could be determined, and production quantities and their statuses known.

Decision: Wal-Mart would be able to make accurate adjustment to stock and ordering.

Result: Improved delivery reliability.

Visibility: Wal-Mart would be able to see stock levels and material flows in the supply chain.

Task: Receiving of products

Awareness: There would be an automatic determination of the purchase order fulfillment.

Decision: Reaction like refusal to accept goods or re-ordering of missing goods is transparent.

Result: Wal-Mart's RFID implementation would result in less obsolescence inventory- exact material provisioning.

Visibility: Wal-Mart would have visibility of shipments (right products, right quantities, right time, and right documentation).

Task: Picking and Packaging

Awareness: Wal-mart will be able to inspect for perfect sales order (right product? right quantity? right quality? right time?, right documentation?).

Decision: In case of discrepancies, counteractive action can be taken (e.g. the customer can be informed of the quantity difference in advance).

Result: This will improve customer rating.

Visibility: Wal-Mart can compare the sales order and delivery times.

Task: Shipping of product

Awareness: Wal-mart will be able to determine idle times and process times during shipment. Quality assessment of goods is possible before arrival at Wal-Mart.

Decision: Counteractive measures can be taken; Wal-Mart will be able to determine the cause of defected goods.

Result: Increased delivery reliability, quality and shorter delivery times.

Visibility: Wal-Mart will be able to monitor data such as temperature, pressure, impacts, proximity and other objects of goods.

Task: Stock and shelf replenishment

Awareness: Products in the backroom can be distinguished from those on the sales floor, out of stock situations avoided, misplaced product locations can be determined.

Decision: Effective replenishment and ordering, optimization of product placement.

Result: fewer Out of stock situations, Lower replenishment costs, increase in sales volume, more appropriate product offer.

Visibility: Spatial difference between products in the backroom and the floor, shelf sock is visible, misplaced products are visible, replenishment accuracy/timelines are transparent.

RFID implementation would have drastically reduced costs associated with the downstream flow of physical goods and the upstream demand of information. RFID technology would have taken the role of 'eyes' to help the process to become more visible. Wal-Mart and suppliers would have been able reduce the cost of labour as processes would have become more automated. RFID would have enabled Wal-Mart to identify slow-moving and obsolete items and would also be able to access information on their characteristics, locations and other information about their inventory to the point of consumption; this in turn would aid the ability to know which customers are demanding what products, where and when.

Given Wal-Mart's numerous stores the integration of information is vital for decision making. Linda Dillman Wal-Mart's CIO reaffirmed that they wanted an information system that is centralized and shared on a common platform. With the implementation of the RFID system Wal-Mart would be able to reach this goal, RFID technology would centralize data thus creating a common platform, and this would result in improving managerial decisions, and ultimately aid supply and demand due to total visibility. RFID would also help shippers and logistics service providers gain visibility into the supply chain.

Part of the supply chain is warehousing. Wal-Mart would be able to identify products in the warehousing and distribution centers, this would increase visibility and accuracy. RFID would reduce stock-outs and inventory levels. Increased warehousing efficiency would mean a reduction in operation costs, this leads to increased customer services and decreased unwanted inventory which ultimately leads to a higher return on investment.

With the use of RFID technology Wal-Mart would be able to track assets; this would also enable an increased visibility and accuracy of the asset pool. Wal-Mart's choice to use RFID would have streamlined the management of assets such as machinery and containers and the efficiency by reducing the equipment needed. The automatic identification of products inside the store would increase the inventory visibility and its accuracy, stock-out levels would be controlled and decreased, decreased stock outs increase sales and increase customer services. This would also affect Wal-Mart's motto of 'everyday lowest prices' as they will be able to meet the stock needs accurately in order to support this motto.

In conclusion Wal-Mart would have been able to use the data supplied by the RFID to improved visibility had they implemented RFID technology. With this in place Wal-Mart will be able to tell where its products are in the supply chain. As outlined in the discussion above the benefits of the use of RFID certainly outweighs the cost.

Introducing I.T technology into retail enhances many areas of the business including flexibility, visibility, and operational automation, and ultimately to gain the main objective of any business that is increase in its profits.

This report will examine the impact of I.T technology on Wal-Mart's over-all performance in the supply chain industry. It focuses on the current implementation of IT technology. Wal-Mart and

the 'ups and downs' thereof and identifies the impact of IT technology on improving the total supply chain performance of Wal-Mart in the retail industry. This paper has concentrated on explorative studies in an effort to understand the impact that IT technology will have on improving current practices at Wal-Mart firstly by comparing Wal-Mart to another successful online company and viewing the results thereof. This study has found that coordination and integration operations are important for inventory management and related operations and that there are important factors which contribute to performance improvement like business process outsourcing. In addition, this report outlines some key suggestions to increase online sales. Finally it points out that the implementation of RFID technology helps retail supply chain performance as well as supply chain visualization.

The report concludes by describing the primary cause of the problems to the manager with detailed plans to solve them, and will outline how the plan solves the problems and describe any other benefits it will provide.

In the years passed we witnessed major changes and developments in information technology which changed our way of life and improved capabilities of organisations across a wide range of business models and services.

Wal-Mart being the largest retailer in the U.S has certainly failed in certain areas. Its attempt to gain some online market share failed; attempts to launch a successful online sales campaign failed as well. Whilst certain areas have been overlooked which should have been considered have yielded positive results for similar companies. The implementation of RFID technology has been hailed a very innovative and beneficial technology which has imparted tremendous value to business organisations this was incorrectly attempted by Wal-Mart and thus didn't yield results initially. I will outline the benefits thereof so that it would be considered for future implementation. Business Process Outsourcing of information technology would allow for flexibility and also allow Wal-Mart to concentrate on their core business; we explore the detrimental effects that in-housing had on Wal-Mart and what positive effects it could have on Wal-Mart if implemented.

The purpose of this report is too actively point out how the use of I.T technology at Wal-mart, could have enhanced performance the report to management will describe the primary cause of the problems, a detailed plan to solve them, and show how the plan solves the problems and describe any other benefits it will provide. My findings and recommendations are as follows:

Findings and Recommendations:

eBay being a market leader differentiated themselves by focusing on brand image, offering innovative features, and supplying a delivery of service with proprietary technology. This translated into higher profit margins and kept them above the competition. Wal-Mart needs to focus on creating a service that is perceived as being unique throughout the industry. Wal-Mart stores has a huge customer following, who could have been directed to their developed e-commerce site, and thus reaffirm their loyalty to Wal-Mart as they could identify with the brand. Wal-Mart needs to make sure their brand is instantly recognizable. This would increase profits Internet businesses require more than a storefront to be successful and the biggest concern for online consumers is trust and safety. eBay appeased customers' concerns about online purchasing, by installing protection programmes and introduced a number of trust and safety initiatives. Wal-Mart needs to continually seek innovative ways to improve their customer experience and needs to continue to focus on making its shopping space as safe and secure as possible, or else consumers will turn to other competitors. Wal-Mart also needs to continuously review their capabilities, approach and structure in order to ensure that they meet and exceed

customer needs and expectations. Wal-Mart needs to introduce a number of trust and safety initiatives, and continue to address consumer protection challenges through innovative programs and consumers will recognize their continued effort and will be rewarded with brand loyalty.

Wal-Mart did not do a SWOT analysis or consider Michael Porters model to gain stronger market presence or whilst setting up their online strategy. A SWOT analysis needs to be conducted by the managers of Wal-Mart to identifying their strengths, weaknesses, opportunities and threats. Build on their strengths and find a way to reverse their weaknesses. Their thinking should include the impact on the business, customers, what are the issues, opportunities and what they want to do. Further to this Wal-Mart need to consider traditional competitors, new entrants, substitute products and services, customers and suppliers this would give them a better footing in terms of their formulation of their online strategy

eBay have been able to achieve superior service because of the variety of products Wal-Mart should have extended web offering outside the grocery aisles If the perceived service meets or exceeds customer expectations, they are apt to use the provider again

Wal-Mart hadn't considered social media and mobile applications: Mobile apps & Social Networks: Wal-Mart could seize this opportunity to create a mobile app that allows shoppers to purchase from them utilizing the app on the go and the use of Social Networks With the right questions and tools, Wal-Mart can leverage the data between the connections of people, and 'hear' the voice of the customers, who can influence sales, and insights to increase Wal-Mart's awareness

Wal-Mart failed to outsource their I.T work and preferred to keep it in-house Wal-Mart can become more flexible by transforming fixed into variable costs and this in-turn would have increased profits and would have been able to focus on its core competencies if they outsource their I.T requirements. As research shows that outsourced solutions cost around one-sixth of the cost of keeping the service in-house

Wal-mart should be on a race to fulfill orders – this would guarantee quicker turnaround times and more convenience after placing the order

They didn't give much thought to RFID technology which would have streamlined Wal-Marts operations and thus increasing profits. The benefits of installing RFID technology are numerous. If Wal-Mart installs RFID technology it would increase supply chain visibility and it would create a centralized and a shared common platform. The RFID technology would allow Wal-Mart to measure everything and it will be possible to take the information and fuse it to create a greater lead database- that generates more ROI. Key employees would have herewith been released from performing non-core or administrative processes and could have invested more time and energy in building Wal-Marts core business and value drivers such as customer intimacy, product leadership and operational excellence. Focusing on these drivers would allow Wal-Mart a more competitive edge.

Conclusion

The main purpose of this article / report is to highlight areas that may have been over looked by Wal-Mart and thus stagnating areas in its growth and profit curve. Wal-Mart can consider the above recommendations in as much as the review has been complete to reach this point. The recommendations have been tried and tested by other successful organisations.

In conclusion we notice that whilst Wal-Mart is one of the leaders in the retail and supply chain industry they are over shadowed in the online sales industry. Wal-Mart could have copied strategies and adopted them or at least scanned other online companies to help them gain some

footing in the online market, just like other successful online companies have successfully done and achieved.

In saying this at the end of the day Wal-mart's rise to online dominance just revolves around turning an otherwise complicated shopping experience into one that feels quaint and easy for the online shopper. It can accomplish this by setting up strong behind the scenes infrastructure that puts the customer experience at the forefront also infusing a lot of safety measures and leveraging the use of mobile apps and social networks to their benefit

Outsource their behind the scenes I.T infrastructures does come with a lot of benefits like flexibility and would have allowed them to focus on the task at hand, to save money and be more competitive whilst concentrating on their core competencies. Embracing technology such as RFID would create a common platform across regions; the data supplied by the RFID would have helped decision making and improved visibility

Lastly recommendations of the report are to highlight areas that may have been over looked by Wal-Mart and thus stagnating areas in its growth and profit curve. Incorporating the suggestions and recommendations will allow Wal-Mart to enjoy further success in its growth and profit curve. On the other hand, it is one of the most successful retail entities in the world and is increasingly venturing out into remote parts of the world by buying out well established local retail chains. Its success can be attributed to sound financial acumen and financial systems, coupled with acceptable and agreed to accounting practices. These are the necessary ingredients in the world of business management that determines success and allows for profits and growth and indeed a satisfied and dedicated staff.

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