

Case Analysis of Wal-Mart in the German Market

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Abstract. With the development of globalization and e-commerce, the market competition of the retail industry is becoming increasingly fierce. As one of the most important retail markets in Europe, Germany has attracted the attention of many international retailers. But despite Wal-Mart's global reputation, its performance in the German market has been disappointing. Therefore, the analysis of Wal-Mart's failure in the German market can help it understand the reasons behind it and provide reference for other multinational retailers to expand in overseas markets. This paper understands the history and current situation of Wal-Mart in the German market. This paper discusses the reasons for the failure of Walmart to enter the German market, and deeply analyzes the challenges in culture, market competition and management decision-making. By summarizing the experience of Wal-Mart in Germany, this paper presents a series of lessons and inspirations designed to help other enterprises more successfully develop international expansion strategies, especially in the face of challenges such as cultural differences. This research has practical guiding significance for the development of global retail enterprises in the international market.

Keywords: Wal-Mart, supply chain, sustainable development.

1. Introduction

As the largest US retailer, Wal-Mart hopes to open up the world market in 1997. Wal-Mart's brand strategy is "save money, live better" to attract and retain consumers through a low-price, diversified, omni-channel marketing mix [1]. Through the cooperation with suppliers, Wal-Mart has realized high efficiency and low-cost supply chain management, ensuring the price advantage and sufficient inventory of goods. Walmart has also expanded its market coverage and service scope through e-commerce platforms, mobile applications, social media and other ways, and improved customer shopping convenience and satisfaction [2]. Wal-Mart also pays attention to customer service and after-sales guarantee, and provides safe and fast transportation methods, reliable return and exchange policies, and various payment methods, which has won the trust and loyalty of customers. However, Walmart suffered a \$1 billion loss in the second quarter of 2007 due to cultural differences in its marketing strategy [3]. The researchers have conducted extensive market research to understand the characteristics, consumer behavior and competitive landscape of the German retail market. These findings provide insight into the opportunities and challenges for Walmart to enter the German market.

The researchers conducted a detailed analysis of the marketing strategies adopted by Walmart in the German market. Particular attention will be paid to how Walmart combines its "save money, live better" brand slogan with the preferences of German consumers, and how to attract consumers through low prices, diversification and omnichannel marketing. The challenges brought by cultural differences faced by Walmart in the German market. By comparing the behavior habits and preferences of German and American consumers, they tried to determine Wal-Mart's positioning and adjustment strategy in the German market.

The research of Walmart's entry into the German market has made some progress, which provides an important reference and guidance for Walmart's development in the German market.

The purpose of this study is to probe into Walmart's entry into the German market and analyze its marketing strategy in this market. Emphasis will be placed on identifying and addressing challenges that may arise from cultural differences, market competition and supply chain management. Through the analysis of these challenges, we will try to understand the state of Walmart's progress in the German market and propose possible solutions.

This paper will analyze in detail the marketing strategies adopted by Walmart in the German market. On this basis, this study will focus on the impact of cultural differences on Walmart in the German market. This article will analyze the preferences of German consumers for products and services, and the differences that may exist between them and American consumers. This will help scholars to determine Walmart's positioning and adjustment strategy in the German market. Through comparative analysis, this paper evaluates Wal-Mart's competitive position in the German market and puts forward possible countermeasures. This article will focus on the challenges of supply chain management. We will analyze Walmart's supply chain network in the German market, identify possible bottlenecks and problems, and propose improvement and optimization suggestions to ensure Walmart's operational efficiency and competitiveness in the German market.

Through the research and analysis of the above aspects, to help Walmart in the market to achieve better performance and market position.

2. Wal-Mart's German Market Development Analysis Problems

2.1 Cultural Difference

First, Walmart doesn't really know German consumers because of different cultures in different regions. The Germans focus on rules and order. They prefer to shop at designated times and places, and the open shopping environment of Wal-mart is not in line with their habits. For example, Germans do not like their help to pack unpackaged food in plastic bags, but Wal-mart employees will help customers to put food in bags, which makes German customers very uncomfortable. In addition, Germany has a unique retail culture and shopping habits, which are quite different from the United States [4]. German consumers prefer to shop in small, elaborate stores rather than large self-service supermarkets like Wal-Mart. German consumers prefer a smaller, local shopping experience to a large, unmanned supermarket. Germans prefer to go to farmers' markets for cheap products, rather than rely on large supermarket chains, because perhaps fresher vegetables and fruits will have cheaper prices at farmers' markets. Wal-Mart's product selection and price positioning in Germany may not meet the tastes and needs of local consumers [2].

German consumers focus more about quality and diversity than just low prices. Wal-Mart's product selection and pricing strategies do not necessarily match the tastes and expectations of local consumers. German consumers have certain expectations for the quality and diversity of their products, and Wal-Mart may fail to meet their needs in this regard.

Secondly, Germans attach importance to traditions and norms, tend to abide by rules and standards, and are cautious about new things and new ideas. Germany has stricter labor regulations and a strong trade union influence. Wal-Mart is known for its retail model in the United States, which in Germany may conflict with local labor standards and culture, leading to problems with labor relations. Wal-Mart's labor relations in Germany also became problematic.

Germany has a high protection of labor rights, and Wal-Mart has long been controversial for the way it manages employee rights. At Walmart, innovation and adaptation to change are an important part of the company. We constantly try new marketing strategies and product portfolios to meet the changing needs of consumers. These ideas conflict with traditional and German ideas. For example, the frequent layoffs of Wal-Mart, which means that the internal structure of the company is not stable, resulting in loopholes in the connection between links and links, some details may not be handled well, while the Germans are known as "detail control", which will be a fatal blow to the development of Wal-Mart in Germany [5].

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problematic. Germany has a high protection of labor rights, and Wal-Mart has long been controversial for the way it manages employee rights.

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2.3 External Factor

Finally, for some external reasons, in the face of the fierce competition in the retail industry, Wal-Mart is facing challenges from local and international competitors, and in some mature markets, the retail market has been relatively saturated and the growth space is limited, which may pose a certain challenge to Wal-Mart's performance and expansion plans [7]. Wal-Mart has struggled to find an advantage in differentiation in this fiercely competitive market. The German retail market is very competitive, with local retailers such as Aldi and Lidl feature prominently in the local market. These companies offer more price-sensitive products and a more compact shopping experience, in contrast to Walmart's large supermarket model [8].

In addition, external factors such as global economic instability, political and trade changes, and currency fluctuations may adversely affect Wal-Mart's business and operations [9]. In addition, changes in consumer behavior and shopping patterns, such as the popularity of online shopping and consumer preferences for emerging brands, could also pose a threat to Wal-Mart.

3. Wal-Mart Brand Development Recommendations

First of all, for retailers, the flexibility of the brand form is the key to ensuring competitiveness in the market. After extensive research and practice, it has been proven that the choice of brand strategy must match the size of the enterprise, social recognition and other factors to achieve the best brand effect and market performance.

For large supermarket chains with large operating scale and social recognition, they have established a fairly solid brand position in the market. These large chains can take full advantage of their good reputation and wide popularity by adopting a hard brand strategy.

The so-called hard brand strategy refers to reducing investment in brand promotion and further consolidating its brand image in the minds of consumers by highlighting the characteristics and advantages of the brand itself. This strategy can effectively increase brand awareness and loyalty, so as to occupy a stronger position in the market.

However, in the case of small and medium-sized chains, due to their relatively small size, there may be a lack of operational scale and social awareness compared to large chains. Therefore, it would be more appropriate to adopt a soft brand strategy. Soft brand strategy emphasizes the flexibility and adaptability of the brand, as well as its sensitivity to consumer needs.

By choosing soft brands, these small and medium-sized chains can reduce market risk, invest less in brand building, and have more flexibility to adapt to market changes. In addition, soft brands can also better highlight the characteristic positioning of their own brands, form a differentiated competitive advantage with large chain stores, and attract more consumers [8].

Secondly, reasonable allocation of employees, and control of the implementation of the labor cost domain, Wal-Mart constantly introduces employees in order to continuously ensure the stickiness of regional consumers, which objectively leads to the growth of the enterprise labor cost and the overall supply chain cost.

In addition, part-time employees often lack professionalism, and their work efficiency and quality cannot be guaranteed, which increases the hidden dangers of enterprise operation and management.

Therefore, Wal-Mart should reasonably plan job allocation, adopt incentive policies such as linking income with work results and performance evaluation, stimulate employees' work motivation, and improve employee efficiency, so as to achieve cost control.

The blockchain technology vigorously advocated by Walmart in the field of logistics integrates hash algorithms, smart contracts, cryptography, consensus mechanisms, and other computer technologies, which requires a high computer professional level of system operators.

To this end, Wal-Mart should strengthen its cooperation with universities and research institutes in the field of blockchain, recruit excellent professionals, and improve its own research and development level in this field.

At the same time, experts will be hired to train the employees, to ensure that the system operators have the required technical level, and to give full play to the role of blockchain technology in reducing logistics costs.

4. Conclusion

This study analyzed the failure of Wal-Mart in the German market. These factors not only reflect the challenges faced by enterprises in expanding in overseas markets but also provide valuable lessons for other multinational retailers.

When exploring the market, the enterprises shall fully understand the local market environment and the needs of the enterprises, and formulate business strategies in line with the local market. Enterprises should strengthen the competition and cooperation with local retailers to realize complementary advantages and jointly explore the market.

Enterprises pay attention to the construction of brand image and corporate culture, improve the corporate image and reputation is very important. Enterprises should optimize supply chain management, reduce costs, improve efficiency, and enhance price competitiveness.

In conclusion, this study provides an in-depth analysis of its failure cases in the German market and provides corresponding suggestions. However, this is only a preliminary study result, and future studies can further explore other possible influencing factors, in order to provide a more comprehensive reference for multinational retail enterprises to expand in overseas markets.

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