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Walmart Supercenter Changes in the Food Chain
“Imagine the Possibilities”

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Product Manager, Wal-Mart Supercenter Division, Wal-Mart Stores, Inc.

Prepared for
USDA Agricultural Outlook Forum

February 2000

WAL★MART

Supercenter

“Changes in the Food Chain”

Always.

Food Center

“imagine

the possibilities”



Changes in the Food Chain

Discussion Topics

1. Wal-Mart Supercenter
2. Advertising and Promotion
3. Technology



Supercenter Growth



FY Locations Open

Projected 1/31/05 1500

1/31/00 721

1/31/99 564

1/31/98 441

1/31/97 344

1/31/96 239

1/31/95 147

1/31/94 72

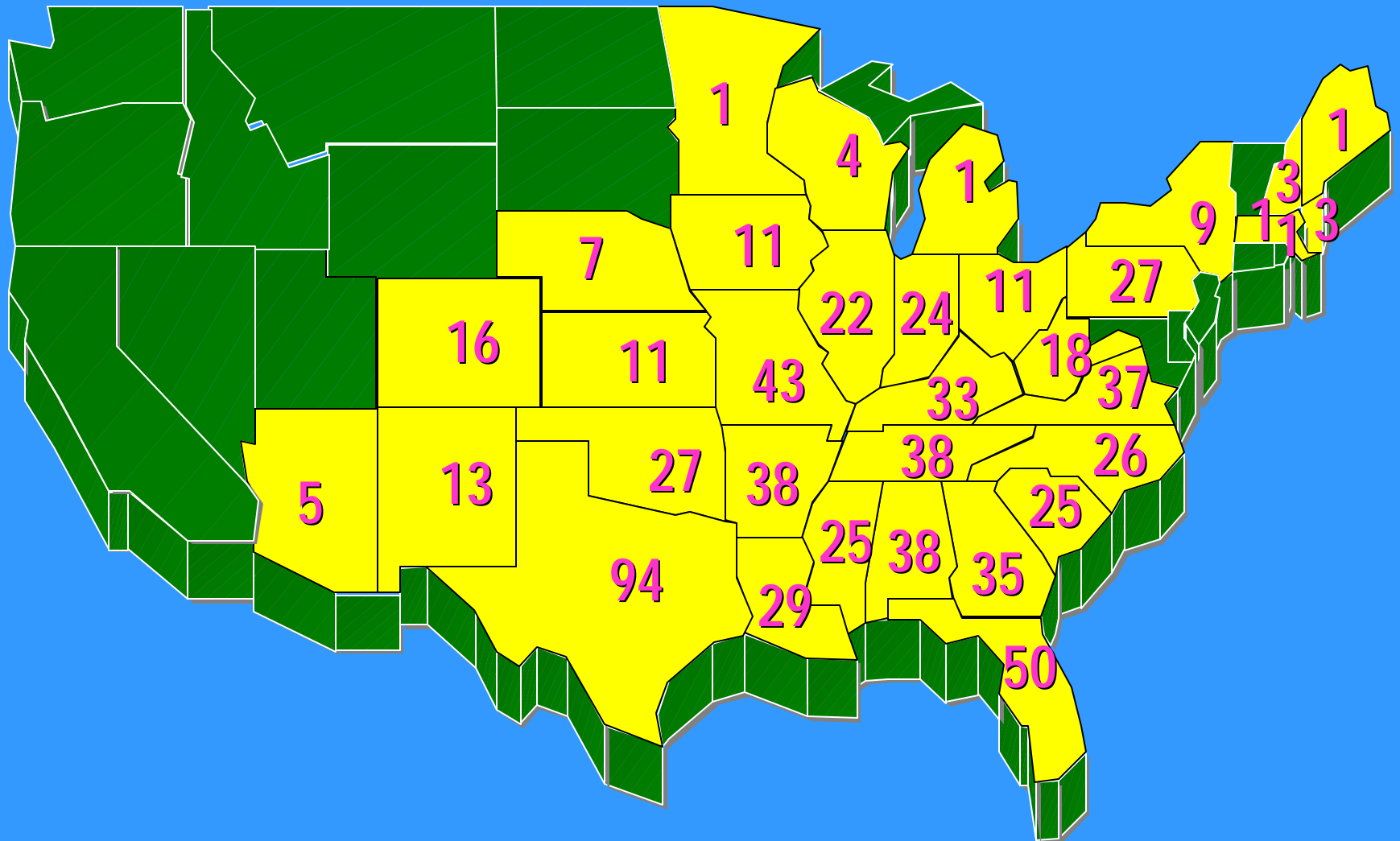
1/31/93 34

1/31/92 10

Number of
Supercenters
Open
Year to Date

721

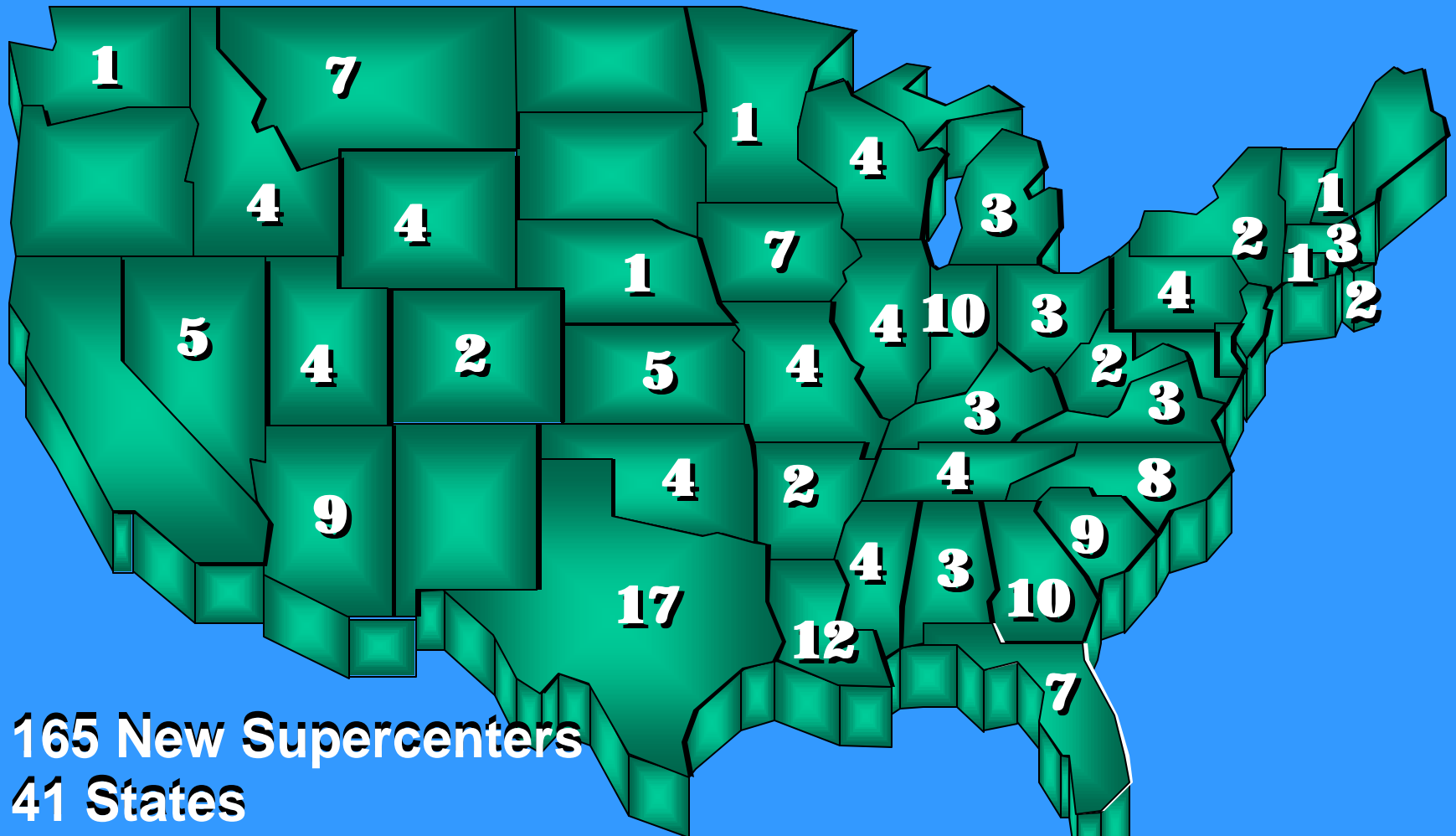
Supercenters Open FY 2000



• 34 States 721 Supercenters

Revised 11/23/99

Fiscal Year 2001 Openings



- 165 New Supercenters
- 41 States
- New States: Washington St, Nevada, Utah, Wyoming
Montana, Idaho, Connecticut

Revised 11/23/99

WAL★MART NEIGHBORHOOD MARKET

PHARMACY
GROCERY
1 HOUR PHOTO



WAL-MART

Neighborhood Market

- Current Open Locations:
 - Bentonville, AR
 - Springdale, AR
 - Sherwood, AR
 - Ft. Smith, AR
 - Fayetteville, AR
 - Oklahoma City, OK 2 locations









Food Self Distribution Growth

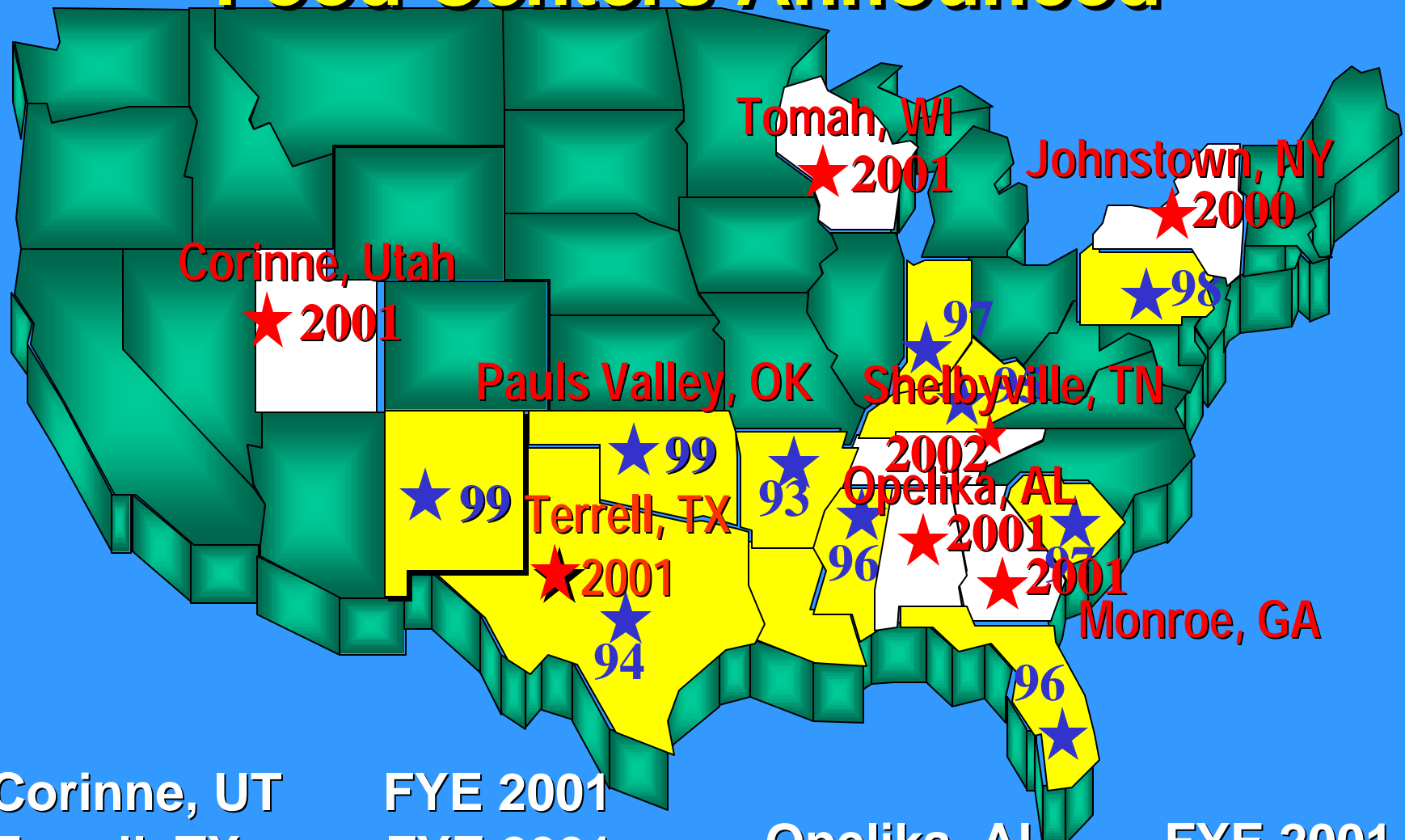




Operating Food Centers

Clarksville, AR	Spring	1993
Temple, TX	Spring	1994
London, KY	Winter	1995
Winterhaven, FL	Fall	1996
New Albany, MS	Fall	1996
Pageland, SC	Spring	1997
Olney, IL	Summer	1997
Bedford, PA	Summer	1998
Los Lunas, NM	Winter	1999
Pauls Valley, OK	Summer	1999

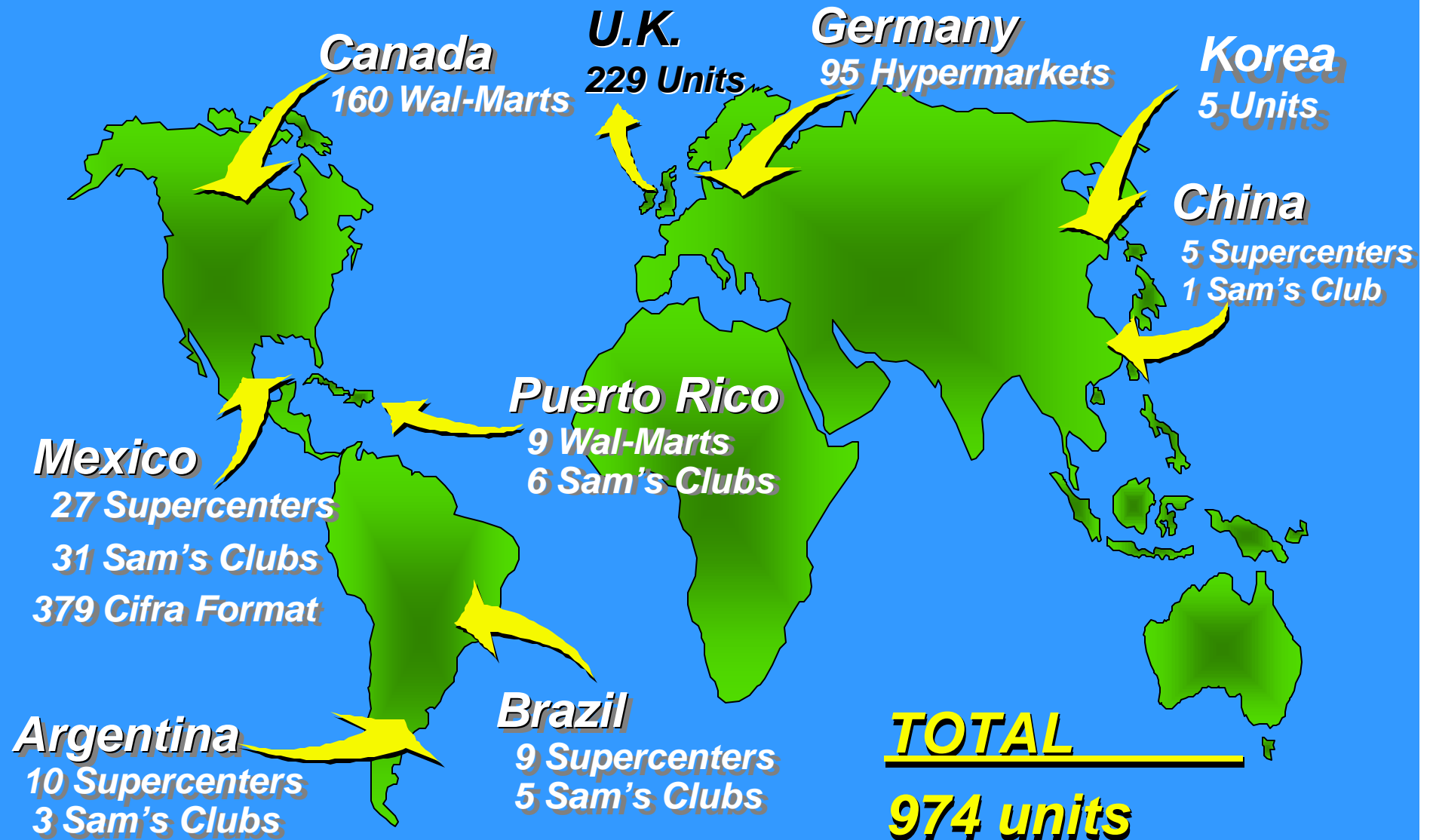
Food Centers Announced



Corinne, UT FYE 2001
 Terrell, TX FYE 2001
 Tomah, WI FYE 2001
 Johnstown, NY FYE 2001

Opelika, AL FYE 2001
 Monroe, GA FYE 2001
 Shelbyville, TN FYE 2002

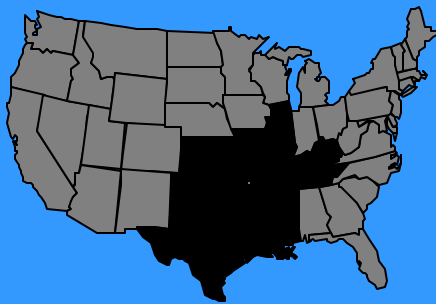
Wal-Mart International - September 30, 1999



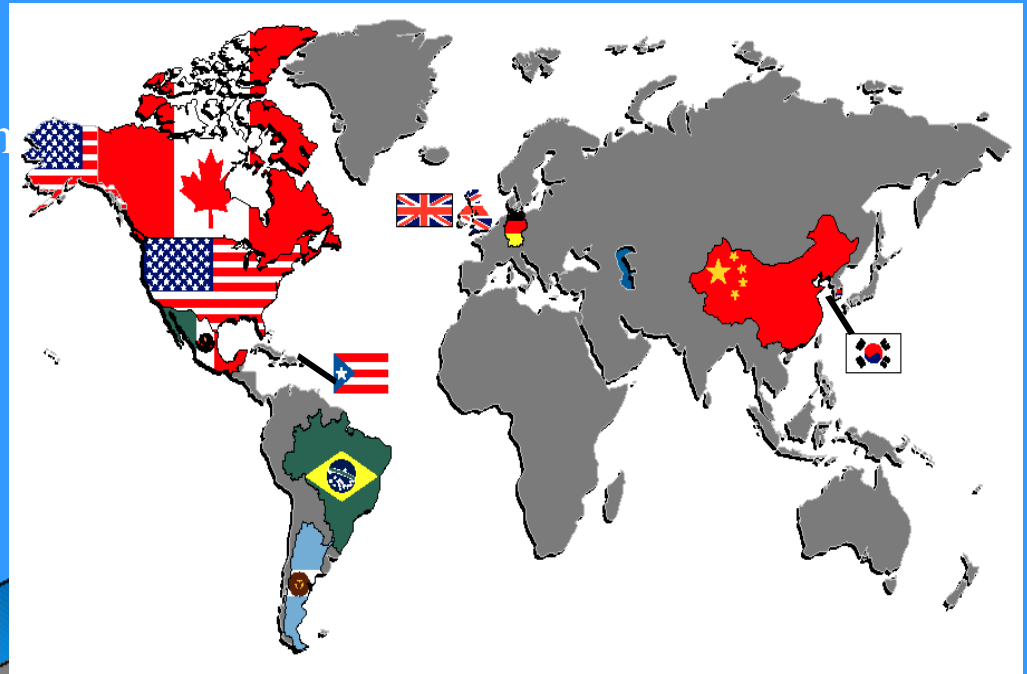
The Growth Challenge

CORE BELIEFS: Customer Focus

- One Store at a Time
- Associate & Supplier Involvement
 - De-Centralized Decisions
- Low Resistance to Change
- Lowest Expense Structure
- Global Learning



1978: WAL★MART –
Regional



1999: WAL★MART – Global

Keys to Global Success

- ➔ Global Sourcing
- ➔ Knowledge Transfers
- ➔ Global Branding



WAL-MART Stores, Inc.

Units: 3,875

Associates: 1,035,000

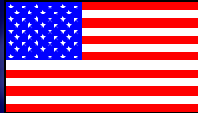
Canada



Germany



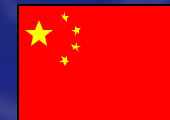
USA



United Kingdom



China



Mexico



Puerto Rico



Korea



Brazil



Argentina

Advertising and Promotion

- Every Day Low Price (EDLP) - result of how we conduct our business - anything that adds expense is our enemy (aidant to commodity markets).
- Need Every Day Low Cost Suppliers - Consumers deserve it.
- Rollbacks
- Save Even More (SEM)
- EDLP
 - cause = expenses as low as possible
 - effect = can afford to sell for less



Technology

- Fresh Meat Packaging Process
→ MAP
- Food Safety/Improved Quality
→ Irradiation
→ HACCP
→ Tenderness research

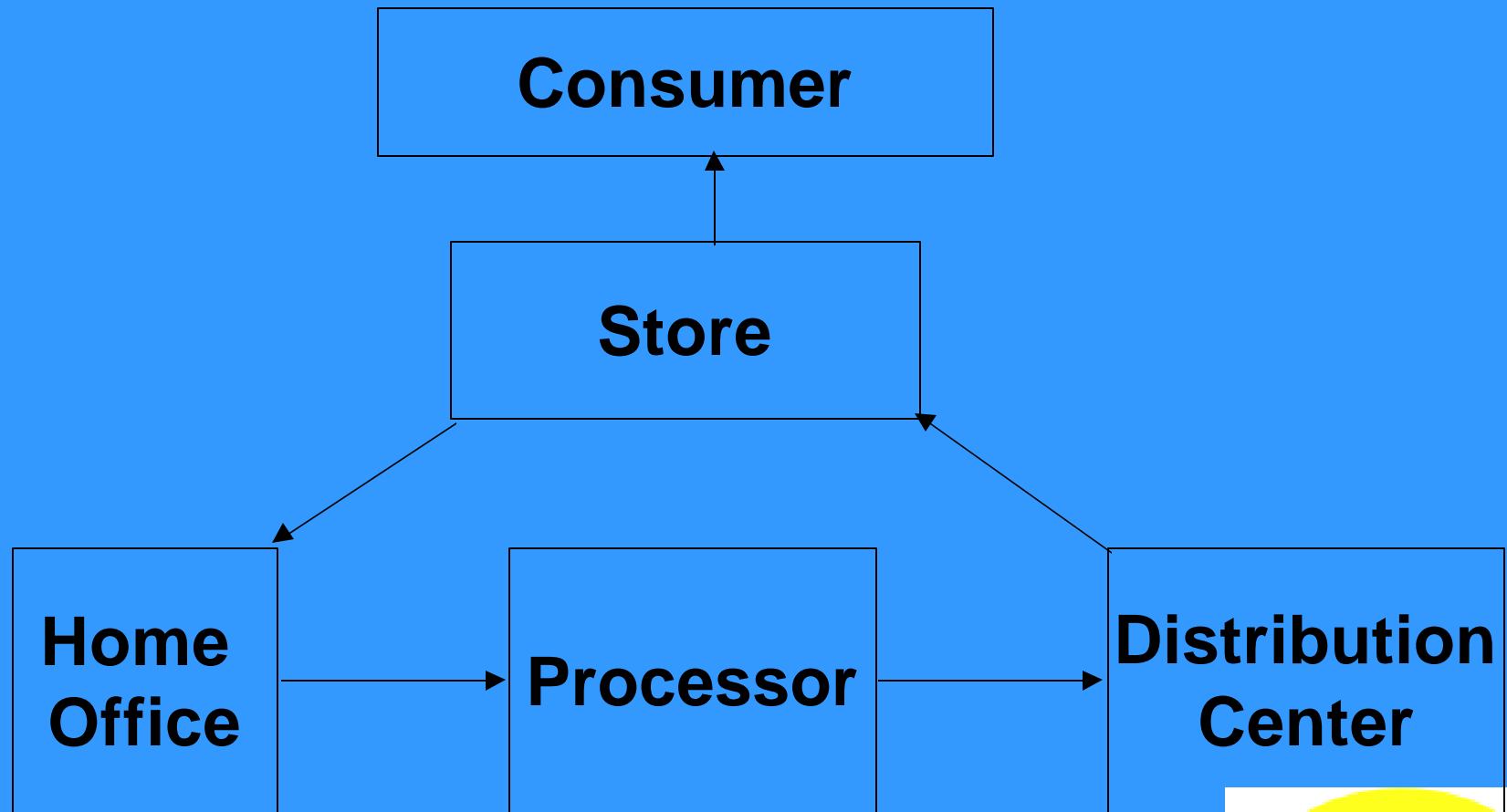


Technology

- Category Enhancement
 - Sales data
 - Decisions based on facts Vs. opinions
 - Sharing data with suppliers
- Order/Delivery Methods
 - Fresher product
 - Shelf Life belongs to Customer
 - Increase flow (velocity) of merchandise



Order/Delivery Diagram



48 Hour Turn Around



The Customer
is #1.

