

Walmart:

A Business Case Study in Knowledge Management, Walmart's Secret Sauce – The Use of Machine Learning, Automation, and Virtual Reality

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EXECUTIVE SUMMARY

The world's largest retailer is more than just a superstore. Their knowledge management runs across multiple spectrums that work together to anticipate customer needs and enhance the shopping experience. Walmart eCommerce offers a seamless shopping experience integrated across digital and physical storefronts, and Walmart International serves millions of customers across 23 countries. Each of these segments works towards one goal, using technology to connect all sales channels to increase productivity and efficiency. This illustrative business case study explores Walmart's development of omnichannel capabilities, supply chain automation, smart store rollouts, and human resource management development through virtual reality training. It provides a seamless shopping experience between web, mobile, and brick-and-mortar stores. This case study also discusses Walmart's use of artificial intelligence and data analytics to improve in-store and warehouse processes. Lastly, this case study examines how Walmart uses data for decision-making and improving the consumer shopping experience.

INTRODUCTION

The average consumer sees Walmart as a convenient superstore with low prices. This illustrative business case study takes a knowledge management approach and allows a peek behind the proverbial curtain that the average consumer does not see. This case study aims to provide firsthand insight into Walmart's knowledge management and technology decisions. It will also offer a blueprint for other aspiring businesses to follow in its footsteps. The case study will discuss the history of Walmart,

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its international footprint, supply chain management, cutting-edge technological advancements, and lessons learned. This study employed several methods of data collection to build the narrative. The author collected historical data from digital archives, news articles, and credible websites. Data from some sections of this paper were gathered from Walmart's press releases, Walmart's corporate website, an interview with a Walmart executive, and peer-reviewed journals. At the same time, others were collected from management review journals, tech review websites, and business management websites.

BACKGROUND

Humble Beginnings and Rapid Growth

On July 2, 1962, Sam Walton opened the first Walmart store in Rogers, Arkansas. Within five years, it expanded to 24 stores. By 1969, the company was officially incorporated as Wal-Mart Stores, Inc., and soon became publicly traded. Its first stock sold at \$16.50 per share, equal to \$126.20 in today's economy. In 1971, Walmart opened the doors to its new home office and first distribution center in Bentonville, Arkansas. Nearly 60 years after opening its first retail store, Walmart is now a multi-national corporation offering several lines of business, including big-box retail stores, healthcare, video streaming services, eCommerce, philanthropic programs, and a comprehensive international supply chain.

Walmart has been known for its scale and rapid growth since its inception. The company attributes its growth and sustainability to its everyday low-price (EDLP) business model. Many experts have explored the company's history and strategic business decisions to discover the company's secret sauce for success. Behind the EDLP business model are the inner workings of Walmart's knowledge management and technology business decisions that keep them on the cutting edge, which goes unseen by the everyday consumer. This case study takes a knowledge management approach to understand Walmart's success, which currently operates over 10,000 stores and Sam's Clubs under 46 brands in 24 countries and employs 2.3 million associates, with more than half working in the US.

The company has five divisions: Walmart US, eCommerce, Supply Chain Division, Walmart International, and Sam's Club. The first Sam's Club store opened its doors in 1983 to support small businesses by offering bulk items at discounted prices. The average Sam's Club store spans about 134,000 square feet and provides products and services to fulfill small business and family needs, such as food and beverages and specialty services, including travel, auto buying, pharmacy, optical, hearing aid centers, and tire and battery centers. Walmart operates 600 clubs across the US and more than 200 internationally and employs approximately 100,000 club associates.

Walmart's US retail division operates several stores across the United States, including supercenters, discount stores, and neighborhood markets, making up the world's largest brick-and-mortar retail store. Walmart eCommerce offers a seamless shopping experience integrated across digital and physical storefronts. Walmart International (WI) serves millions of customers across 23 countries, operates 5,100 retail units, and employs more than 550,000 associates. Its footprint is across countries like China, India, Mexico, Chile, and several African countries. Walmart also holds equity interests in Brazil, Japan, and the United Kingdom. Walmart's international supply chain includes 210 distribution centers (DCs) and is one of the world's largest. Each distribution center spans over

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