COMMUNICATION METHODS ADOPTED BY WAL MART OFFICIALS FOR ITS SUCCESSFUL OPERATIONS

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ABSTRACT
This paper focuses on the communication systems adopted by the Wal Mart in performing their work in a cost effective and efficient manner. This paper analyzed the main method of communication and focused on how this has led to the successful operations of the Wal Mart.

Introduction
Wal Mart is a multinational giant in the retail sector having several operations. Wal Mart is envisaged to be the operator providing the products and services at the lowest cost compared to several of its competitors.

Objectives:
The main objective of this research paper is to analyze the communication methods used by the Wal Mart Executives in managing the affairs of the Wal Mart effectively and efficiently. This paper also focused on use of satellite communication as a method for managing merchandising at the Wal Mart. This paper also analyzed the success of communication method used in the Wal Mart.

Research Methodology:
The main source of collecting information is done through secondary sources namely internet and books.

Primary communication method of Wal-Mart executives while visiting Stores:
The primary communication method that Wal-Mart executives are applying when they visit stores is oral communication. Oral communication is known to be the most used form of communication. However this method can be transmitted using different modes that is, it could be done through phone, face to face, web conferencing etc. Precisely Wal-Mart executives are applying oral communication method by adopting the face to face communication mode. Although this method of communication was initiated by Sam Walton (founder of Wal-Mart), it is followed by the executive managers till date to communicate with their associates across thousands of Wal-Mart stores. Sam Walton was consistently looking for new ideas to improve their operations and he would achieve this simply by walking around throughout the stores and talking to employees. This communication method allows and assists the executives to acquire first-hand information which in turn helps the executives to address their associates’ problems with realistic solutions. Adopting this communication method also helps in making employees feel important and heard by the top management which in turn boosts their morale. This method facilitates and engages employees in continuous improvements as it gives Wal-Mart associates an opportunity to voice to managers what they could do to improve store operations. This communication method is trickled down from executive to lower levels of management.

Primary communication method used by Wal-Mart executives through its satellite:

Oral communication is still the primary communication method that the Wal-Mart executives are applying when they use their six channel satellite system, however at a more formal level. Wal-Mart has launched the world’s largest private integrated satellite communication network which provides a two-way voice and date and one way video transmission between its headquarters and thousands of Wal-Mart stores. This method of communication not only allows the executive managers to give pep talks to thousand of their employees but for many other functions as well. The key goal of setting this satellite system is to link every store by voice and video which facilitates store-to-store and store-to-home office communications. Further when suggestions for improving the store operations are handed in by Wal-Mart associates, they are quickly transmitted to all stores by the satellite system. Through this satellite buyers can demonstrate for department heads in every store the precise way to display new products. It in a way proves to be a tool that assists in replacing the management’s physical visits to the store which is practically limited considering the increase in the number of stores and how geographically widespread Wal-Mart stores are.

Most importantly this satellite gives Wal-Mart executives a complete picture of their stores at any given point in the day thereby giving them increased control over the store operations and ensuring compliance to the store policies/procedures. This communication satellite system plays a key role in Wal-Mart’s management of its business level strategies by reducing their costs and avoiding unnecessary wastage of time. Developing and investing in this system helps Wal-Mart in increasing their performance by effectively managing their human capital. Definitely these well-built technological systems have helped propelled Wal-Mart to its current leadership position.

Management communication, feedback, coaching and conflict illustrated through Wal Mart Store visit:

The communication is the major topic illustrated by the store visits with touching on minor aspect of feedback. Sam Walton visited all the Wal-Mart at least once a year as he continuously wanted to look for
better ideas to improve operations. This trend started by the founder and still followed by executives. These executives simply visit stores to talk to their employees (associates) and customers. By management adopting such practices, communication between the associates and the executives is facilitated. These consistent store visits provide an opportunity for the executives and associates to work together towards continuously improving their operations by open communication between them. It not only reduces time by limiting formal/written communication but also gives executives an opportunity to build employee relationship. In return employees feel they are heard which boosts their morale as executives look for their feedback and suggestions too. Effective communication facilitates bridging any information gaps between them which improves the overall store operations thereby increasing their efficiency and performance.

Communication and Coaching – the best illustration for using the satellite for merchandising:

The communication and coaching are the best and related topics illustrated for using the satellite for merchandising Wal-Mart’s six satellite networks, serves numerous purposes, which over the years has helped them to enhance their operations, improve their organization performance significantly and consistently with increasing their geographic stretch at the same time. This satellite system links every store by voice and video which facilitates store-to-store and store-to-home office communications, which the management uses to communicate to all / some stores depending on the message. The management also uses this system to communicate and more precisely coach the Wal-Mart associates across stores with merchandising initiatives. This communication system makes it so easy for a buyer to communicate to the stores how the products are displayed and replicate it in their store at the same time or later. A picture is worth a thousand words, this system makes it very easy for the buyers to coach associates in the stores on how accurately display products which otherwise would be such a lengthy and time consuming task. This system also enables an open mode of two way communication whereby the store associates can contact the buyers if the face a major problem or have any suggestions for improvements relating to merchandising their products. This satellite system made a very challenging task of communication merchandising standards across Wal-Mart stores easy and time effective.

Literature Review of conflict between retailers and their customers:

Customers are always looking for value for their money and expect to be treated well. On the other hand, retailers are looking for ways to reduce their costs and increase their profits. There is clear distinction between priorities of both the parties which is the most common conflict between the retailers and their customers. Traditionally, it was more of a seller’s market as people didn’t have many options and it in a way had to depend on certain retailers for goods or services. This is why customers didn’t have much to say in the service they were receiving and neither did they have any capacity to bargain. However the market has completely revolutionized today and changed the dynamics of the customer-retailer relationship. It is now a customer’s market and customer is the king. Today a customer has so many different options to go to acquire their products/services that they rule the market be it any industry. Hence retailers are forced to give up their prime motive and look from customer’s point of view if they want to survive in the market. This means they need to ensure that their customers are satisfied and are provided with affordable products/services. However this is just the key to survival. Further if the retailers aim to be successful in their industry, they need to clearly find out the needs of their customers and find innovative ways of satisfying them. They need to ensure that they are providing products/services that form value for their money and create a favorable selling experience for them which would bring their customers back to them. This change in the market has
made it extremely important for retailers to innovate and constantly improve their products/services to ensure they maintain their customer base and not to lose them to their competitors. Hence they need to find out what their customers are looking for by requesting for their feedback and welcoming their suggestions. Although the market has changed the basic conflicts of interest still exists between retailers and customers, however the customers have an upper hand now which forces retailers, not to be persistent on just achieving their interest. Similar in the case with Wal-Mart and its customers, however they claim to be the leaders in providing the lowest prices and the best value of their products they still face a lot of competition from other retailers in the market.

**Conclusion:**

**Message Wal-Mart executives send to associates when they visit stores:**

Store visits to Wal-Mart were started by Sam Walton as an initiative to look for new ideas to constantly improve their operations. He would conduct these store visits simply by walking around throughout the stores, talking to employees and making notes. He strongly believed that this method allowed and assisted them to acquire first-hand information about the stores which in return helped him and the executives to address their associates’ problems with realistic solutions. This method is still followed by Wal-Mart executives and till date at least 100 stores are visited by them. Wal-Mart executives portray a few things when they visit the stores. To start with, they make the employees feel that they are important and heard by the top management which in turn boosts their morale. This method also facilitates and engages employees in continuous improvements as it gives Wal-Mart associates an opportunity to voice to managers what they could do to improve store operations. Another important aspect of this is that during their visits, associates can help them in identifying areas that are out of their control and require management involvement.

These visits also give the associates the message that the management care about operations of the company and take the initiative to ensure that the stores are complying with Wal-Mart nation-wide standards. This in-turn help associates to feel that they have their management’s support and they are not alone in working hard towards the goals of the company. This also gives the executives the opportunities to correct any anomalies in stores performance to the actual standards by coaching and inculcating the right behavior among the associates. Further they can also validate any specific projects that they are running effectively. More than anything it gives the executives an opportunity to meet the store associates face to face in real and build strong relationships with them which is not possible if executives are always in their headquarters and maintain only formal communication with the stores.

**Effect of satellite on formal communication:**

The satellite communication system that Wal-Mart uses had a huge impact on formal communication. The satellite in a way facilitated formal communication in Wal-Mart. Formal communication can be upward, downward or even horizontal. It can be downloaded for implementing goals, providing job instructions, educating about company’s procedure/practices, provide performance feedback and basically to influence employees. Whereas upward communication is about bringing a problematic situation in management notice, communicate customer feedback or provide suggestions for improvement or submit performance records/reports; basically it takes forms of interpretation. Lastly horizontal communication is for intradepartmental problem solving, coordination or communicating change initiatives or improvements. Wal-Mart’s satellite communication system not only enables but has made formal communication for such a rapidly growing organization easy and effective which otherwise would have been quite a challenge for the company to manage.
Wal-Mart uses this system for download communication to communicate to store associates the company’s goals and strategies, motivate them by giving pep talks, coach them on how to merchandize etc. It used the system for upward communication for giving associates and store managers an opportunity to update the company on sales/ other performance parameters, provide suggestions for improvement, obtain guidance from management on certain problems, clarify any questions etc. Further horizontal communication is facilitated through the satellite system when one store communicates their improvements to other stores with intent of improving Wal-Mart operations and processes. Overall the satellite system has completely revolutionized the way formal communication takes place within the company thereby leveraging it to its complete capacity.

**Walmart’s Success through communication:**
Communication has played a major role in Wal-Mart’s success and has helped them to propel to their current position as the “World’s Largest Retailer”. Be it through the satellite system or through store visits, clear and open communication has been the key to Wal-Mart success. To start with Wal-Mart’s six satellite communication channel connects more than 2400 stores and 100 distribution centers worldwide, with helps them to maintain low prices and inventory on shelves. The network also helps 950,000 Wal-Mart associates work more efficiently to keep their customers satisfied. This system also helps in successfully managing the company’s inventory which contributes to the maintaining low prices at Wal-Mart. It also provides mechanisms that can help in creating up-to-date information about sales as well as have strong communication with suppliers which is the key to effectively manage suppliers. Today Wal-Mart effectively collaborates with their thousands of suppliers worldwide, which allows them to manage the internal inventory in the stores which involves forecasting, planning, producing and shipping products as needed. This helps in saving huge amount of dollars for the company in inventory management, as it results in a faster replenishment of product mix, further tuned to the needs of the local customers and in-turn assists Wal-Mart in empowering their employees and improving their productivity. It helps to connect more than 950,000 Wal-Mart associate’s worldwide, thereby facilitating sharing information and ideas for improvement with the executives. Sam Walton, while visiting stores he emphasized on the key role of associates in the business, highlighting the fact that they know every corner about the business and hence their feedback should always be valued which is enabled by this communication network. Wal-Mart executives also encouraged and build relationships with associates by conducting store visits, thereby communicating with face-to-face in reality. Overall developing strong and effective communications have contributed towards Wal-Mart success and establishing its current position in the market. Hence communication has definitely played a major role in Wal-Mart success.
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