

Walmart

THE MARKET

From its beginnings as a small retail store in Arkansas, Walmart's innovation and foundation of helping customers save money have resulted in the company becoming one of America's greatest success stories and brands.

Today Walmart serves customers and members more than 200 million times per week at more than 9,700 retail units under 60 different banners in 28 countries (as of October 2011). With fiscal year 2010 sales of \$405 billion, Walmart employs more than 2.1 million associates worldwide.

ACHIEVEMENTS

A leader in sustainability, corporate philanthropy, and employment opportunity, Walmart ranked in the top 10 among retailers in *Fortune* magazine's 2010 Most Admired Companies survey.

Walmart has developed state-of-the-art technology in its distribution and retail link pricing systems. In addition, the company's "Supercenter" retail concept revolutionized shopping behavior, adding the convenience of purchasing fresh fruits and meats, electronics, home items, consumables, health-care, and garden needs all under the same roof.

In 1992 President George H. W. Bush presented Walmart founder Sam Walton with the Medal of Freedom, the nation's highest civilian honor, for his passion and leadership in helping Americans have access to quality products and affordable prices.

As a leader in the area of sustainability, Walmart's broad environmental goals are simple and straightforward:

- To be supplied 100 percent by renewable energy.
- To create zero waste.
- To sell products that sustain people and the environment.

Walmart's sustainability efforts have been recognized worldwide and with numerous awards, such as the 2010 World Environment Center Gold Medal for International Corporate Achievement in Sustainable Development and the 2009 Waste Reduction Awards Program Winner from the California Integrated Waste Management Board. In 2010 Walmart announced another major step: the pledge to eliminate 20 million metric tons of greenhouse gas (GHG) emissions from its global supply chain by the end of 2015.



HISTORY

Walmart was founded in 1962, with the opening of the first Walmart discount store in Rogers, Arkansas. The company incorporated as Wal-Mart Stores Inc., on October 31, 1969. The company's shares began trading on over-the-counter markets in 1970 and were listed on the New York Stock Exchange two years later.

The company grew to 276 stores in 11 states by the end of the decade. In 1983 the company opened its first Sam's Club membership warehouse and in 1988 opened the first Supercenter — now the company's dominant format — featuring a complete grocery in addition to general merchandise. Walmart became an international company in 1991 when it opened its first Sam's Club near Mexico City.

THE PRODUCT

Walmart Stores. Building on the opening of that first store in 1962, as of October 2011 there are more than 680 Walmart Stores across the United States. The size of an average store is 108,000 square feet, and each store employs about 225 associates.

The stores feature wide, clean, brightly lit aisles and shelves stocked with a variety of quality, value-priced general merchandise, including family apparel, health and beauty aids, electronics, toys, lawn and garden items, jewelry, automotive products, home furnishings, hardware, sporting goods, pet supplies, and housewares.

Walmart Supercenters. Walmart began developing Supercenters in 1988 to meet the growing demand for convenient, one-stop family shopping — featuring Walmart's famous Every Day Low Prices — saving shoppers time and money by combining a full grocery and general merchandise under one roof.

Most of the more than 2,900 Supercenters nationwide are open 24 hours. Supercenters average 185,000 square feet and employ about 350 or more associates.

In addition to well-stocked groceries, most Supercenters also have many specialty shops, such as a vision center, tire and lube express, a brand-name restaurant, pharmacy, hair salon, and a bank.

Walmart Neighborhood Markets. Neighborhood Markets offer a quick and convenient shopping experience for customers who need groceries, pharmaceuticals, and general merchandise — all at Walmart's famous Every Day Low Prices. First opened in 1998, there are now over 185 Neighborhood Markets, each employing about 95 associates. A typical store is about 42,000 square feet.

Marketside. Opened in 2008, Marketside stores are small community pilot grocery stores specializing in fresh, delicious meals at great prices. At Marketside, customers can shop for a variety of fresh ingredients, restaurant-quality prepared meals, and their everyday favorite national brands — even freshly baked breads and a wide assortment of wines. Marketside provides a fresh and convenient shopping experience for busy people who want an easy answer to the question, "What's for dinner?"

Walmart.com. Founded in 2000, Walmart.com brings the convenience, great merchandise selection, friendly service, and Every Day Low Prices of the neighborhood Walmart to the Internet.

Walmart.com features more than 1 million products, plus easy-to-use music downloads and digital one-hour photo services. Throughout the year Walmart.com features many special offers available only online. It's also a convenient place to find out about in-store holiday specials.

With the innovative "Site to Store" program, customers can purchase items at Walmart.com and then have them shipped free to the local store for pickup.

Sam's Club. Sam's Club saves its Members on average 30.4 percent over grocery and specialty retailers by offering quality, name-brand merchandise at exceptional prices. With more than 600 locations, it serves as a destination for solutions to help ease a busy schedule. Whether stocking a pantry or a business, selecting new electronics or getting ready for a party, Members count on Sam's Club as their source



for the products and services they need to keep things running smoothly.

Since its inception in 1983, the Sam's Club operating philosophy has remained the same — working hard as the buying agent for its Members, and delivering upon this agreement by eliminating unnecessary costs and maintaining a simple shopping environment. Savings are passed on to the more than 47 million Members who shop at Sam's Club locations and samsclub.com.

RECENT DEVELOPMENTS

Recognized by the *Chronicle of Philanthropy* as the largest corporate cash contributor in the United States, the Walmart Foundation strives to provide opportunities that improve the lives of individuals in its communities, including customers and associates. Through financial contributions, in-kind donations, and volunteerism, the Walmart Foundation supports initiatives focused on enhancing opportunities in its four main focus areas: education, workforce development/economic opportunity, environmental sustainability, and health and wellness.

Whether through donating food to U.S. food banks or providing bottled water or medical supplies in times of disaster, Walmart strives to meet unmet needs in the community and support organizations that give people access to a better life.



Walmart is partnering with Feeding America, the nation's largest hunger-relief charity, and enlisting its entire network of stores and Sam's Club locations to help those in need. Between 2008 and 2009 Walmart doubled donations to food banks at a time when they were being accessed more than ever, giving more than 127 million pounds of nutritious food — the equivalent of nearly 100 million meals — from Walmart stores, Walmart distribution centers, and Sam's Club locations.

"We've challenged ourselves to look at ways to make long-lasting impacts in communities around the globe by funding programs that address critical needs, like hunger, education, and job training," said Margaret McKenna, president of the Walmart Foundation. "Our business is growing, and as a result we're fortunate that our charitable giving is increasing as well."

A Snapshot of Walmart's Giving Impact:

- More than 93,000 children were fed through a donation to the Boys and Girls Club of America's summer feeding program.
- Forty thousand teachers were awarded \$100 gift cards as part of Walmart's Teacher Rewards program, which helps offset expenses for classroom supplies.
- Sixty-nine food banks across America received refrigerated trucks from the Walmart Foundation to help increase their capacity.
- More than 90,000 bottles of water, 24,000 blankets, 27,000 tents, and 20,000 units of medical supplies like gauze and surgical masks were donated in response to the Haiti earthquake.



The Walmart Foundation has also stepped up with an initiative aimed at providing job-skill training to those hit hardest by the economic downturn. In 2009 alone the Walmart Foundation awarded more than \$6.5 million in grants to programs designed to help train displaced workers and prepare them for the next chapter in their careers.

PROMOTION

Walmart has embarked on social networking as a method of keeping in touch with its loyal customers.

The Walmart Giving Blog (stories.walmartgiving.com) presents stories from folks who work every day to end hunger, provide basic needs, and provide support to military families. This site also offers a forum for conversations about these issues facing communities. People are encouraged to comment, contact Walmart, talk to their friends, and most important, find ways to support such causes in their local communities.

Walmart bloggers and twitterers (associates of the company) share their perspectives of what they're working on, the unique and fun aspects of the Walmart culture, the responsibility that

comes with working at Walmart, and more. Facebook is another active social networking source for news and information about Walmart. The hundreds of thousands of fans of Walmart's Facebook page indicate the popularity of this community outreach about products, services, and hot topics.

BRAND VALUES

In his autobiography, Sam Walton wrote, "If you think about it from the point of view of the customer, you want everything: a wide assortment of quality merchandise; the lowest possible prices; guaranteed satisfaction; friendly, knowledgeable service; convenient hours; and a pleasant shopping experience. You love it when a store exceeds your expectations." Through its 3 Basic Beliefs and Values, the 10-Foot Rule, the Sundown Rule, and the Walmart Cheer, Walmart continues to follow through on the service guidelines and culture that Sam Walton established.

THINGS YOU DIDN'T KNOW ABOUT WALMART

- The Walmart Visitors' Center in downtown Bentonville, Arkansas, displays thousands of photographs and lots of memorabilia dating back to the start of the company. There's a special section dedicated to the Walton family, with "Mr. Sam's" old red pickup truck and his office just as he left it. The Walmart Visitors' Center is at Sam Walton's original variety store: Walton's 5-10. Admission is free.
- Walmart sells more locally grown produce than any other company in America.
- A recent study of comparative prices showed that Americans shopping at supermarkets could have saved more than \$21 billion by purchasing the same comparatively packaged grocery items at Walmart.
- A regional Walmart distribution center (DC) can have 12 miles of conveyor belts, which can move hundreds of thousands of cases each day. Last year, Walmart DCs moved more than 5.5 billion cases of merchandise.