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## Walmart ‘good for lower prices’

WALMART’S entry into South Africa would be good for consumer prices, research has shown.

In a mega deal the Bentonville, Arkansas-based retail powerhouse last year bought 51% of the Massmart group (MSM) which includes Builders Warehouse, Game, Makro and Dion Wired for R16.5billion.

According to a consumer perception report conducted by the companies, 76% of respondents believed Walmart’s presence would be price-positive.

“This result has been accompanied by an improvement in consumer price perception during the last six months of 2011 compared to the same period in 2010,” the companies noted.

Having another go at its successful 10-week price promotion, Massmart-walmart announced a third extended price promotion, which kicks off today.

The first two promotions saved consumers over R100-million, and the latest recognises the additional expenses incurred at the start of the year – covering back-to-school, back-to-office and back-to-site.

Massmart CEO Grant Pattison said that while it was still relatively early in the process, research indicated that the extended price cut promotions had been welcomed by local consumers.

Walmart is known for its aggressive pricing strategies and wide array of merchandise, that attract thousands of customers into its stores around the world with the “Everyday Low Prices” mantra –a strategy engrained in the group’s ethos from its very beginning in 1962.

Absa Investment analyst Chris Gilmour believes Walmart’s entry is ground-breaking and revolutionary, mainly because they will bring down prices.

Pattison commented that the Walmart perspective was that the customer was number one and the intensity with which the company drove this focus was “quite remarkable” and permeated their approach to everything. — I-net Bridge