New Resource Bank: In Pursuit of Green
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QUESTIONS:  

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1. Based on the information provided in this case study and also information on the internet, conduct a PESTL (political, economic, social, technological and legal) analysis of the retail market in India.

2. Explain how the change in FDI Indian policy benefitted Wal-Mart. Why is the Indian market strategically important to Wal-Mart?

3. Analyse the advantages and disadvantages to Wal-Mart of the joint venture with Bharti Enterprises. What recommendations would you give Wal-Mart in order to make this alliance work?

4. What recommendations would you give Wal-Mart in order to overcome the challenges caused by the lack of infrastructure in India?

5. Do you believe it possible for Wal-Mart to ensure its executives do not get involved in any bribery/corruption scandals? How?

6. This case study was written in January 2013. Conduct some research on the latest events that have affected Wal-Mart India.
OVERVIEW
- largest retailer in the world
- growth for the company depends largely on international markets
- key objective strategy is to drive aggressive growth in its international markets, while improving return over investment
- poorly adapts to local culture and business practices
- 5th highest potential destination for retailers in the world
- poor infrastructure
- In 2012 FDI regulations became more relaxed as to allow foreign multi-branded retailers greater investment
- 2007 walmart established a joint venture with an indian company called Bharti enterprises
- involved in a bribery scandal
POLITICAL AND LEGAL:
- ruling on the regulation of foreign direct investment was announced.
- this wasn’t a homogenous decision by all political parties, with the government’s political...
POLITICAL AND LEGAL:
- ruling on the regulation of foreign direct investment was announced.
- this wasn’t a homogenous decision by all political parties, with the government’s political opponents claiming that it would hard small businesses, which has stalled the launch of Walmart in the nation.
- potential policy reversal, ownership risk
- expropriation with compensation which could lead to loss of freedom to operate.
- obligation of foreign retailers to invest
- reduce this political risk is to get into a joint venture with a local partner like Wal mart has done with Bharti enterprises

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ECONOMIC: CaselSM.com
- gradual increase in disposable income of the middle and upper class household.
- Indian youth is zealous, intelligent and has the will to work hard.
-- increased the demand level of the country.
- Driven by changing lifestyles, strong income growth and favourable demographic patterns, Indian retail is expanding at a rapid pace.
- Mall space, from a meager one million square feet in 2002, is expected to touch an estimated 60 million square feet by end-2008, says Jones Lang LaSalle's third annual Retailer Sentiment Survey-Asia.
- The downside economically is the infrastructure.
SOCIAL:
- India is a country built on tradition
- Vital for Wal-Mart to undergo acculturation
- Cultural imperialism is said to be growing in India, as they start to demand big name brands.
- Family and business and the ability to make a living is really important to Indians, as owning businesses are a big indicator of wealth and social class.
- Socially, however, Walmart would be providing millions of jobs.

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TECHNOLOGY:
- Walmart is reportedly investing 13 billion rupees ($214 million) in its India business, much of that for online sales.
- No specific mention of how it will handle e-commerce, and India’s growing online sales are sure to draw attention.
- Nuclear power is a major contributor to India’s energy sector.