

Study: Wal-Mart Losing Price Edge PAGE 6

RETAIL: A survey by WSL/Strategic Retail finds that the world's largest retailer is no longer seen as the Every Day Low Price option — and has some work to do to regain lost ground.

Genny in Relaunch Mode PAGE 8

FASHION: The once high-flying Italian brand has tapped young designer Gabriele Colangelo, whose first collection will be shown during Milan Fashion Week in September.

Ryan Gosling's Style Challenge MENSWEEK, PAGE 4

MAN OF THE WEEK: The star of the hit comedy "Crazy Stupid Love" may play a fashion guru in the movie, but faces his own style challenge on the red carpet. ▶



WWD

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By Sharon Edelson

Wal-Mart has lost its low-price prowess, according to a new study of the world's largest retailer by **WSL/Strategic Retail**.

Consumers' perceptions of Wal-Mart have dramatically changed in the last five years. No longer is the Bentonville, Ark.-based company viewed as the least-expensive place to shop.

"Eighty-six percent of Wal-Mart shoppers no longer believe that Wal-Mart has the lowest prices," said Wendy S. Liebmann, chief executive officer of WSL, adding, "The recession accelerated shoppers' respect for dollar stores. Wal-Mart shoppers, particularly, its most frequent shoppers, agree that dollar stores have lower prices and more national brands than Wal-Mart, and dollar stores are becoming more accepted by shoppers as being mainstream."

The WSL online survey was conducted between April 14 and April 20; findings are based on the responses of 1,437 individuals, 18 and older, who have shopped at Wal-Mart.

"We're not commenting [on the survey]," a Wal-Mart spokesman said, adding the retailer is in a quiet period because it reports its earnings in two weeks.

Recognizing that its grip on low prices was eroding, the retailer in the spring launched a

national ad campaign underscoring its low price promise.

"Wal-Mart moved away from the fundamental thing people trusted it for — Every Day Low Prices. Now, so many retailers offer and get credit for having EDLP. It's had a significant impact on the way core, regular shoppers think about Wal-Mart," said Liebmann.

The Internet has taken its share of Wal-Mart shoppers — Liebmann estimates 10 percent — but that's not all. Thirty-six percent of Wal-Mart shoppers overall said they are now going more to dollar stores; 33 percent are going more to mass retailers such as Target and Meijer; 33 percent are frequenting supermarkets more, and 24 percent are visiting drugstores more.

Some of Wal-Mart's improvements are getting noticed. The study found that 30 to 50 percent of shoppers like the changes and improvements, such as renovated toy and pharmacy departments, while 20 percent don't like the changes. The WSL study found that Wal-Mart is winning in categories such as health and beauty care and food, but strongly declining in all areas of clothing.

"The implications [of the study] are really drastic," Liebmann said. "Wal-Mart has to work to recapture its position in fashion and home."