

**Competitive Analysis of Walton Hi- Tech Industries
Limited (WHIL)**

WALTON®

আমাদের পণ্য

Name of the student

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This report is submitted to the school of Business and Economics, United International University as a partial requirement for the degree fulfillment of Bachelor of Business Administration.

Internship Report
On
**Competitive Analysis of Walton Hi- Tech Industries
Limited (WHIL)**

Course code: INT 4399

Submitted To

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Letter of Transmittal

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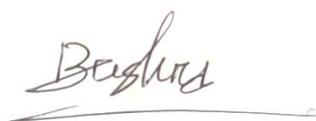
Dr. Md. Shariful Alam
Associate professor
School of Business and Economics
United International University

Subject: Submission of Internship Report.

Dear Sir,

With due respect, I am submitting my internship report on “Competitive Analysis of Walton Hi – Tech Industries Limited (WHIL)” which is part of the Bachelor of Business Administration degree and the INT course 4399. To make this report comprehensive and coherent, I have combined my work experience at Walton with the study of market development and strategies, as well as the substance of certain secondary material from their website.

I hope this report will meet your expectations. I would be grateful if you would accept my internship report with the utmost appreciation.



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Declaration of the Student

I am Khirun Naher, a student at United International University's School of Business and Economics. I hereby certify that,

- The information included in this internship report is based on three months of practical experience at Walton Corporate Office.
- The internship report on “Competitive Analysis of Walton Hi – Tech Industries Limited (WHIL)” has been prepared by my original works and efforts.
- Without following any unethical ways, I have prepared the report and this report is prepared for only academic purpose.



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Acknowledgement

I would like to express my sincere gratitude to Allah for giving me the strength and capability to complete and submit my internship report on time.

I would also like to express my gratitude to Dr. Md. Shariful Alam, Associate professor, School of Business and Economics, United International University for all of his helpful guidance and support over my academic journey so far. Without his invaluable guidance, assistance, and participation throughout the process, I would not have been successful in completing the report on time and with accuracy. In addition, I am happy about having the opportunity to complete my report under his supervision.

Finally, I would like to thanks to all employees and specially HR, brand and marketing department of WALTON Corporate Office for their time and effort on participating in the interview sessions.

Executive Summary

The electrical and electronics (E&E) sector of Bangladesh is underdeveloped due to lack of technical knowledge and production capacity. But with the growing population and improved standards of living, Bangladesh is importing huge amounts of consumer electronics products to meet the increasing demand. China remains the largest supplier of electronics products for Bangladesh. On the other hand, many foreign brands hold most of the market share in the industry of E&E of Bangladesh. The study involved on an analysis of overall external and internal environment of E&E industry in Bangladesh and how Walton meets these challenges and gains the competitive market.

Walton is the world's largest professional producer of electrical and electronic products and has established a reputation for its unrivaled capacity to produce electrical and electronic items in the most competitive manner in terms of quality, pricing, design, and innovation. Walton implemented artificial intelligence and automation into the manufacturing process in order to assure the manufacture of high-quality items in the most cost-effective and efficient manner. Among the major players in the E&E business, they have developed the country's first comprehensive production facility in Bangladesh. But after analyzing the industry and company analysis, some of the challenges have been sorted for Walton. Due to early adoption and introduction of new technologies, there is a high risk of competition among the current market competitors and they need to take some steps to keep the leading position in Bangladesh. Beside, the threat of a prospective new entry with an international brand in Bangladesh's E&E market is high; therefore, Walton should use a variety of strategies to construct barriers against this.

The internship experience at Walton have been involved in this report and based on internship experiences, some of their operational, business and product risks have been identified and few recommendations are provided.

Table of Contents

Executive Summary	iv
Chapter 01: Introduction	
1.1 Background of the Report	2
1.2 Objectives of the Report.....	2
1.2.1 Primary Objective.....	2
1.2.2 Specific Objectives	2
1.3 Methodology of the Report	2
1.3.1 Primary Sources.....	2
1.3.2 Secondary Sources.....	3
1.4 Limitations of the Report	3
Chapter 02: Literature Review	
2.1 Definition of Key Terms	5
2.1.1 Marketing.....	5
2.1.2 Importance of Marketing	5
2.1.3 SWOT Analysis for Better Strategic Planning	6
2.1.4 PESTEL Analysis for Determining External Business Factors.....	6
2.1.5 Porter’s Five Forces of Competitive Position Analysis.....	7
Chapter 03: Company Analysis	
3.1 Overview and the History of WALTON.....	9
3.2 Mission.....	10
3.3 Vision	10
3.4 Core Values and Corporate Culture	10
3.5 Organization Chart	11
3.6 Business Trends and Growth.....	12
3.6.1 Brands’ Market Share (Prospect of Local Market)	12
3.6.2 Financial Performance-Revenue (2020-2021).....	13
3.6.3 Financial Performance-Gross Profit (2020-2021)	14
3.7 Customer Mix.....	14
3.7.1 Product Variation.....	14
3.7.2 Competitive Price Offering with Superior Quality Products.....	14
3.7.3 Strong Marketing and Distribution Channels	15

3.7.4	Reliable and Efficient After Sales Services.....	15
3.8	Product/ Service Mix.....	15
3.9	Business Operating System.....	16
3.9.1	Distribution Process and Network in Local Market	16
3.9.2	Corporate Sales.....	17
3.9.3	Global Network	17
Chapter 04: Industry Analysis		
4.1	Specification in the industry.....	18
4.2	Competitive Landscape and Market Positioning	18
4.2.1	PESTEL Analysis	19
4.2.2	Porter’s Five Forces.....	25
4.3	SWOT Analysis.....	27
Chapter 05: Recommendations and Conclusion		
5.1	Recommendations for Improving Departmental Activities	30
a)	Operational Risk:	30
b)	Business Risk:.....	30
c)	Product and Price Risk:.....	30
5.2	Conclusion.....	31
	References	32
	Appendix	33
	Financial Statement of Walton (Five Years’ Highlights).....	33

List of Figures

Figure1.1: Importance of Marketing Mix	5
Figure1.2: WALTON at a Glance.....	9
Figure1.3: Core Values and Corporate Culture of WALTON.....	10
Figure1.4: Organogram (Organization Chart) of WALTON.....	11
Figure1.5: Market Share of Walton in the Context of Local Brands.....	12
Figure1.6: Turn over, Net and Gross Profit of Walton	13
Figure1.7: Product Line of Walton Hi- Tech Industry	15
Figure1.8: Distribution System of Walton Hi- Tech Industry Limited (WHIL)	16
Figure1.9: Marketing & Sales Operations of WHIL for Domestic Market.....	17

List of Tables

Table1.1: Political Factors that impact on the Business of WHIL	19
Table1.2: Economical Factors that impact on the Business of WHIL.....	20
Table1.3: Social Factors that impact on the Business of WHIL.....	22
Table1.4: Technological Factors that impact on the Business of WHIL.....	22
Table1.5: Environmental Factors that impact on the Business of WHIL.....	24
Table1.6: Legal Factors that impact on the Business of WHIL.....	24
Table1.7: SWOT Analysis of Walton Hi- Tech Industry Limited (WHIL)	28

CHAPTER 01

INTRODUCTION

1.1 Background of the Report

In this report, the marketing and positioning strategies of Walton have been highlighted. This report is being prepared as part of a requirement for a Bachelor of Business Administration degree completion requirement. Through my analysis and research of the topic, I was able to attain first-hand knowledge of how Walton has established and positioned their electronic and electrical business in Bangladesh, as well as how they have implemented and executed their marketing strategies and subsequent marketing activities for developing the growth of the sales and business.

1.2 Objectives of the Report

The objectives of this report are divided into two parts. The following is the sequence of activities:

1.2.1 Primary Objective

- To analyze the Competitive Analysis of Walton (WHIL).

1.2.2 Specific Objectives

- To know about the business profile of Walton.
- To identify the factors that is hindering the growth of Walton and becoming a competitive market leader in Bangladesh.
- To analyze Porter's five forces in manufacturing industry of Bangladesh and compare with the Walton.
- To identify the strengths, weakness, opportunities and threats of Walton.
- To provide recommendations to overcome the factors that is hindering the growth of Walton and becoming a competitive market leader in Bangladesh.

1.3 Methodology of the Report

Data have been used in this study and analysis came from two different sources. The following are the details:

1.3.1 Primary Sources

Primary data may also be gathered in the following ways:

- Conversation and discussion with the employees of Walton.
- An in-depth observation of the development of marketing and business operations in Walton Corporate Office.

1.3.2 Secondary Sources

The following secondary data sources were used to compile the report:

- Books and Journals which are related to the concept of marketing activities in Bangladesh.
- Annual Report and website of Walton.

1.4 Limitations of the Report

- The division's operations are so wide that even a 3-month study is not be sufficient to provide a comprehensive understanding of all the division does. This amount of time is insufficient for a thorough investigation. Even though there were several constraints, I made every attempt to provide the report.
- It was difficult to acquire thorough information as a new firm, due to the organization's constraints and limitations.

CHAPTER 02

LITERATURE REVIEW

2.1 Definition of Key Terms

2.1.1 Marketing

An organized collection of activities used to guide the flow of products and services from producers to consumers is referred to as "marketing" (Kotler, 2018).

In order to be successful in marketing, you need to be able to manage client relationships in a lucrative manner, acquire new customers while also maintaining and expanding your existing customer base. A marketing strategy is a plan for increasing the value of a customer's connection with a business in order to attract and retain more customers (Armstrong, 2007).

2.1.2 Importance of Marketing

The word used in marketing has also experienced tremendous change as a result of the massive alterations that have taken place in the culture of corporations. The marketing and sales departments used to be separate organizations in the past, but in modern businesses, they are usually combined into a single department (Why Marketing is SO Important, 2020).



Figure1.1: Importance of Marketing Mix

The term "collaborating with sales teams" is no longer used as the only descriptor of what marketing entails. In today's world, marketing and sales are often considered to be

interchangeable terms for many different types of organizations. When it comes to bringing in new customers or convincing existing ones to choose one business over another, the power of social media has significantly diminished in recent years. This is the only method that will lead to growth and more sales. What you do may be described using a variety of phrases, including marketing, sales, and distribution, among others.

2.1.3 SWOT Analysis for Better Strategic Planning

The process of doing a SWOT analysis of your organization is a lot more accessible than it seems. It won't take much time, and doing so will compel you to think about your organization in a whole different light. The purpose of a SWOT analysis is to assist you in developing a good business plan by ensuring that you've taken into account all of your company's strengths and weaknesses, as well as the opportunities and threats it confronts in the marketplace, before proceeding. Companies may benefit from doing a SWOT analysis since it helps them identify both dangers and opportunities that they should be aware of.

There are several advantages to using SWOT analysis in healthcare, for example, where understanding both the threats and opportunities that exist may result in safer and more productive patient care. Through the use of SWOT analysis, businesses may improve their competitiveness in their sectors and pass along advantages to their clients, such as cheaper prices and greater quality service (Berry, 2020).

2.1.4 PESTEL Analysis for Determining External Business Factors

PESTEL analysis is very important in the development of a company's growth strategy. PESTEL analysis is essential for developing strategies and planning for any business Endeavour, whether it is the extension of a product line or the establishment of a new firm in a new area. PESTEL analysis may assist any company's management in recognizing important shifts in political, economic, social, technical, environmental, and legal variables, regardless of its stage of development. It is a valuable solution for marketers engaged in long-term strategy planning (Pathak, 2020).

An advantage of the PESTEL study is that it simplifies understanding of the variables affecting the business environment. PESTEL New product development requires more strategic thought and an in-depth knowledge of different aspects, including consumer laws and new technical developments, all of which have an impact on the product's eventual release to the market. PESTEL analysis aids businesses in anticipating and preparing for external dangers that may develop. Innovation in mobile features is an example of a danger

for a mobile manufacturing firm that does not react to the changes in the innovation of their mobile brand. Consequently, they will lose market share to rivals (Pathak, 2020).

2.1.5 Porter's Five Forces of Competitive Position Analysis

Michael E. Porter, a professor at Harvard Business School, developed the concept of Porter's Five Forces in 1979 to serve as a fundamental framework for the monitoring and assessment of the competitive strength and position of a firm.

This theory expresses that the level of competition in a market, as well as its attractiveness, may be broken down into five distinct components. The Five Forces model developed by Michael E. Porter may be used to assist in determining the sources of power in a given corporate environment. This approach may also be used to evaluate a company's current competitive position in the market as well as the company's potential position in the market in the future.

Strategic analysts often use Porter's five forces model to analyze if new goods or services have the potential to be both efficient and lucrative. Other uses include discovering areas of strength, addressing shortcomings and preventing mistakes by knowing where power lies.

CHAPTER 03

COMPANY ANALYSIS

3.1 Overview and the History of WALTON

Since its founding in Bangladesh, Walton Group has grown to include dozens of new global corporations in the fields of electrical goods, consumer electronics, and transportation, as well as a slew of specialized R&D centers throughout the globe. In all, Walton today employs more than 35,000 people across 22 industrial plants across 700+ acres. The company's yearly production capacity is 10 million units, which is based on market demand. Walton is the world's largest professional producer of electrical and electronic products and has established a reputation for its unrivaled capacity to produce electrical and electronic goods in the most competitive manner in terms of quality, pricing, design, and innovation.

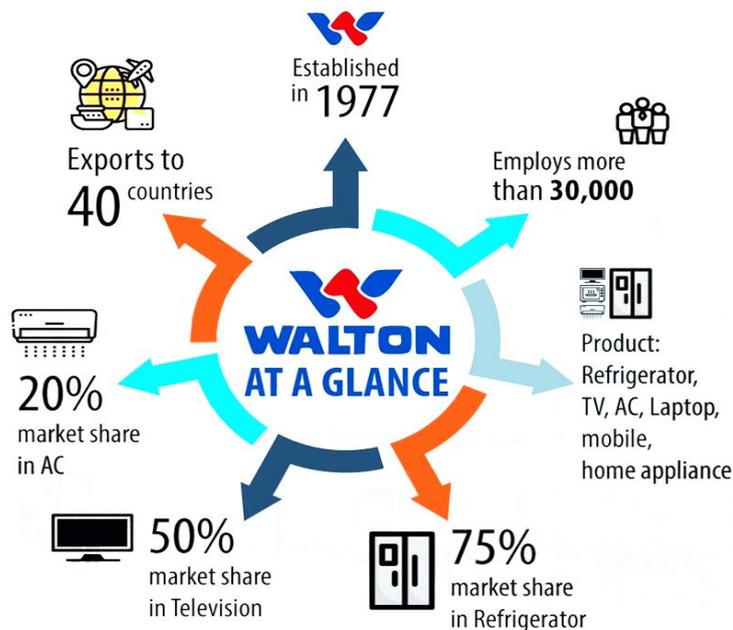


Figure1.2: WALTON at a Glance¹

Beginning in 1977, WHIPLC began producing refrigerators, air conditioners, and freezers, compressors before growing into other areas such televisions, homes, and other electrical appliances in the early part of 2008. In Bangladesh, Walton & Marcel has grown to be the most trusted and respected brand in the E&E business because of its strong production capabilities, superior goods, competitive pricing, wide distribution network, and, not least, its

¹ Ovi, I. H. (2020, November 29). Walton- 'Our vision is to be among the world's top five brands'. Retrieved from Dhaka Tribune : <https://archive.dhakatribune.com/business/2020/11/29/our-vision-is-to-be-among-the-world-s-top-five-brands>

rapid after-sales support. Thus, within a very short period, both brands have gained significant market share and have become Bangladesh's most prominent E&E players. In addition to refrigerators, freezers, air conditioners, and compressors, WHIPLC also makes televisions. Walton has a 75% share of the refrigerator market, a 50% share of the television market, and a 20% share of the air conditioner market (Ovi, 2020).

Walton now sells to 40 countries in Africa, Europe, and Asia, making a dizzying assortment of products that range from cell phones to laptops, washing machines to microwaves, blenders to gas stoves, electric fans to LED lamps.

3.2 Mission

- Responding to the ever-changing needs of consumers and markets via responsible innovation ability and established quality standards is our top priority.

3.3 Vision

- Aspiring to be a visionary leader among the top 5 worldwide E & E brands in terms of innovation and creativity.

3.4 Core Values and Corporate Culture

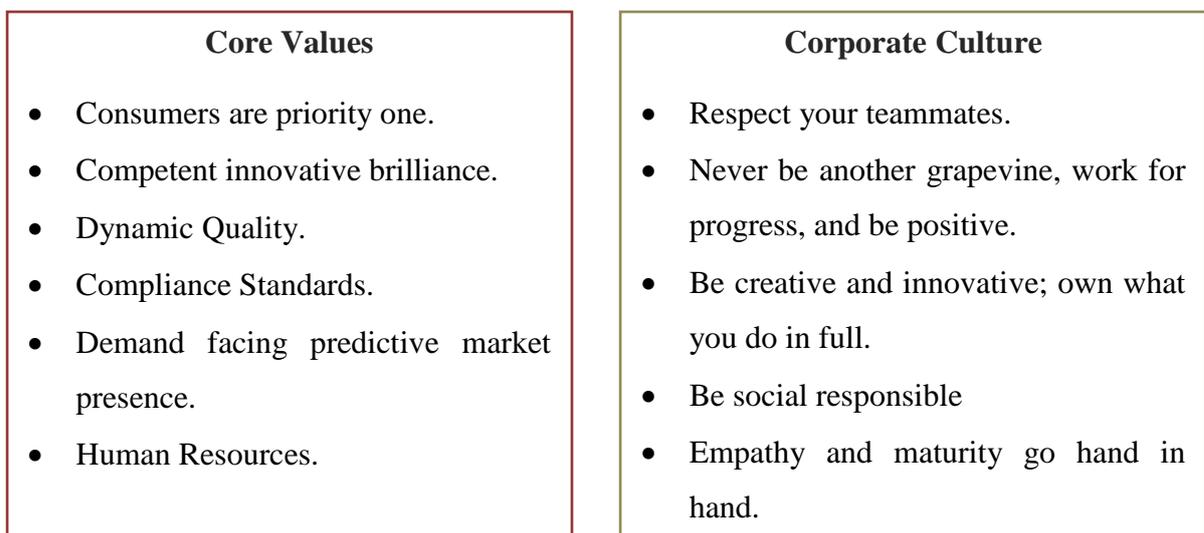


Figure1.3: Core Values and Corporate Culture of WALTON²

² FCS, M. R. (2020-2021). Annual Report. Bangladesh: Walton Hi-Tech Industries Limited.

3.5 Organization Chart

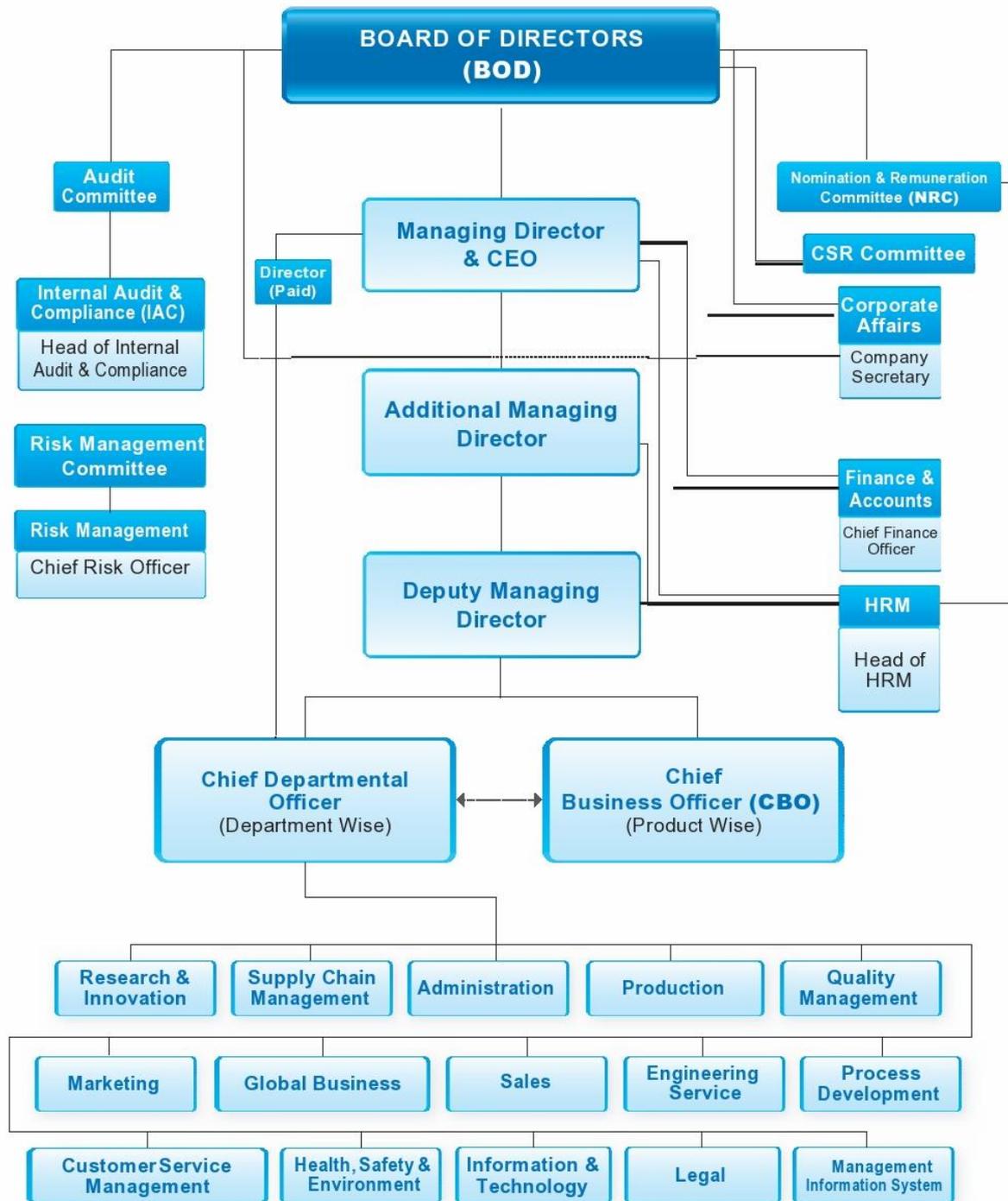


Figure 1.4: Organogram (Organization Chart) of WALTON³

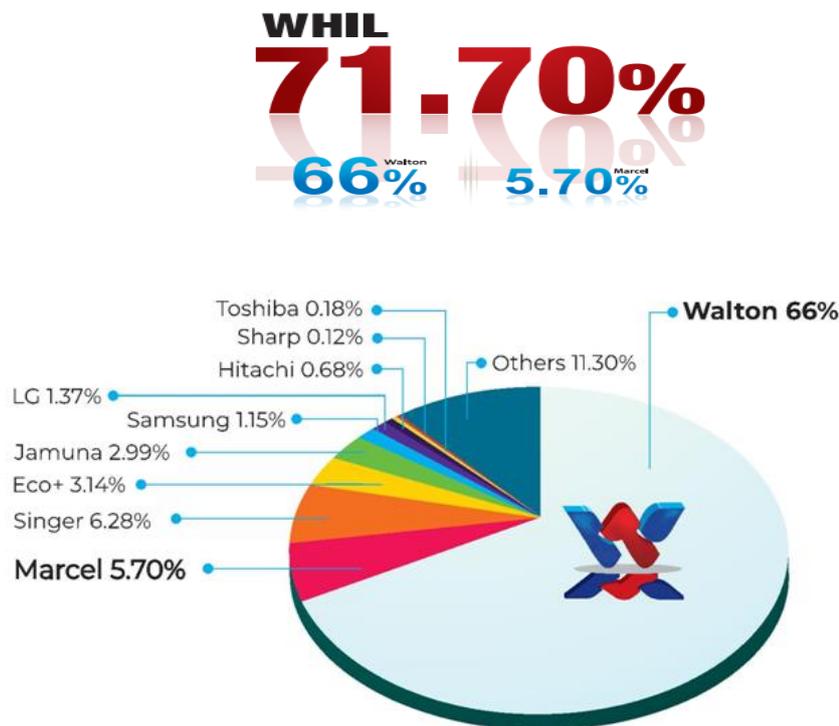
³ FCS, M. R. (2020-2021). Annual Report. Bangladesh: Walton Hi-Tech Industries Limited.

3.6 Business Trends and Growth

Walton has gained a significant amount of market share and established itself as the industry's market leader as a result of an extensive capital investment and other strong competitive advantages. In addition, Walton has lately concentrated on the worldwide market, launching a number of efforts to position its brand values in other countries.

3.6.1 Brands' Market Share (Prospect of Local Market)

Electronics and appliances for the home are in high demand due to low prices, increasing rural electrification, rising middle class incomes, and Bangladesh's sustained average GDP growth. Consumers no longer consider these items to be extravagant, but rather everyday necessities for their homes and personal lives. Walton has demonstrated the confidence to announce 'Made in Bangladesh' first with the satisfaction of carrying the phrase 'it's Our Product.' High quality items are delivered to the poor and middle-class clients of the nation at accessible prices in order to highlight the significance of human, socioeconomic, and environmental concerns.



*WHIL= Walton Hi- Tech Industry

Figure1.5: Market Share of Walton in the Context of Local Brands⁴

⁴ FCS, M. R. (2020-2021). Annual Report. Bangladesh: Walton Hi-Tech Industries Limited.

3.6.2 Financial Performance-Revenue (2020-2021)

A 70.28 percent increase, or Taka 2,887.07 core, was recorded in the income statement for the fiscal year 2020-2021, compared to the previous year's fiscal year. Refrigerators and compressors grew 86.47 %, Electrical Appliances expanded 104.86 %, Home Appliances grew 72.38 %, and Television gained 9.85 % for the firm this year. For the twelve months from 2020-2021, a prominent product line like Air Conditioner had a 0.27 percent growth over its previous year's performance. Due to the company's success, revenues increased as a consequence. Competition remained fierce owing to the rising presence of major, locally based rivals that had access to advanced production facilities. The overall state of the economy and the political climate were noticeably better than they had been in the previous year. The company had to cope with fervent purchasing habits of its customers. With a major volume of production and capacity expected for 2020, the firm continues to expand on its successful manufacturing operations for refrigerators, panel TVs and air conditioners throughout the year. The company's income was unaffected, as was the case with the 2nd wave of Covid-19. Efforts would be made to find new product introductions and distribution channels that might be expanded upon. Traditional sales promotions, as well as digital and social media like SMS promotions, Face book (fan page) promotions, etc., continued to be used by the company to find new customers.

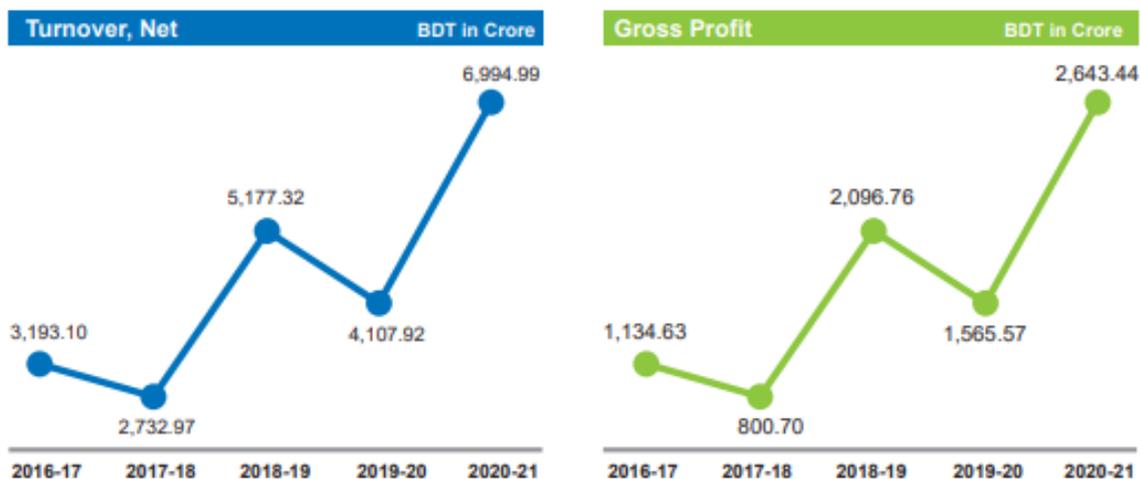


Figure1.6: Turn over, Net and Gross Profit of Walton⁵

⁵ FCS, M. R. (2020-2021). Annual Report. Bangladesh: Walton Hi-Tech Industries Limited.

3.6.3 Financial Performance-Gross Profit (2020-2021)

Profit for the year under review was Taka 2,643.44 core, up from Taka 1,565.57 core the year before, a rise of 68.85 % that outpaced sales growth. Over the last year, the company's gross margin percentage declined from 38.11 percent to 37.79 percent. There was a 0.32 percent drop in the gross profit margin for the quarter. The company's gross margin remained constant in absolute terms from the previous year, due in part to an increase in sales.

As a result of the company's increased mix of high-margin items, such as refrigerators—which have grown significantly in sales compared to other conventional high-margin product lines including TVs, electrical appliances, and home appliances—the company's gross margin % has declined. Higher-margin items continued to expand despite the company's efforts to clear out slow-moving inventory by offering discounts. As a consequence of the pricing changes and product mix, gross margin remained steady. To add insult to injury at this era of highly competitive market circumstances, it became more difficult to maintain product margins. Keeping and gaining market share was a top priority for the business, as it hoped to profit in the long run.

3.7 Customer Mix

An important part of creating customer lifetime value is looking beyond today's transaction and considering what it will take to not only sell a product but also maintain the client's loyalty for future transactions.

3.7.1 Product Variation

Walton's success may be attributed to its ability to adjust manufacturing capacity and customize new items to customers' requirements. For each product category, Walton offers a wide range of models to meet the diverse needs of its customers. As a result, one of the organization's most significant business strategies for success in the sector is the adaptability of its product line.

3.7.2 Competitive Price Offering with Superior Quality Products

When it comes to ensuring that consumers are satisfied, Walton places considerable emphasis on superior quality. Quality items at competitive prices have always been Walton's primary goal for its customers. Its management is always investing in the development of its backward linkage to provide high-quality goods at affordable pricing and to maintain the company's position as an industry leader in this regard.

3.7.3 Strong Marketing and Distribution Channels

In addition to Walton Plaza, Walton E-Plaza, Exclusively Distributors, Dealers and Sub-Dealers, as well as ODM (Original Design Manufacturer), OEM (Original Equipment Manufacturer) and International Business Unit, Walton has more than 21,000 Sales Points around the country. The company's distribution method is both economical and effective. Walton's extensive distribution network is also a major asset. There are several outlets and channels around the country.

3.7.4 Reliable and Efficient After Sales Services

It has a nationwide distribution and after-sales service network. Refrigerator compressors are covered for 12 years by Walton. Additionally, it provides a 10-year home replacement guarantee and a 3-year commercial replacement warranty.

3.8 Product/ Service Mix

A wide range of electrical and electronic items is manufactured by Walton Hi-Tech Industries Limited. They create a diverse selection of items that are available in a variety of models and colors. Their product line is divided into six categories, each with a variety of models, colors, and sizes to meet the needs of our customers. These categories are as follows:

Refrigerator & Freezer	Air Conditioner	Television
Electrical Appliances	Home & Kitchen	Elevator

Figure1.7: Product Line of Walton Hi- Tech Industry

They provide a wide range of items in a variety of categories, all with unique models. As simply detailed below, they make certain that our goods are effectively marketed and distributed so that they may be delivered to the intended recipients:

a) Differentiation Product Attributes

- There are several distribution channels all around the country.
- Product variation in terms of different models, colors, and sizes.

3.9 Business Operating System

3.9.1 Distribution Process and Network in Local Market

Walton has more than 21,000 POS (Points of Sale) across the country thanks to various distribution channels, including Walton Plaza, Walton E-Plaza, Exclusive Distributors, Dealers, Sub-Dealers, Corporate Sales, ODM (Original Design Manufacturer), OEM (Original Equipment Manufacturer), and International Business Unit. The company's distribution method is both economical and effective. Walton's extensive distribution network is also a major asset. There are several outlets and channels around the nation. Walton's product distribution may be better understood by looking at the graphs below.



Figure1.8: Distribution System of Walton Hi- Tech Industry Limited (WHIL)

The company's Head of Marketing keeps an eye on all of the company's distributors. This business is in charge of promoting Walton and Marcel items. There are 32 zones in the domestic market as a whole. In accordance with business policy, the zonal manager is responsible for the creation, supervision, and comparison of the firm's distribution chain's stock. When a product is ready, it is first held in the company's warehouse, and then sent to its final clients through the company's key distribution channels.

- a) **Exclusive Distributor:** On the exclusive distributor level, there are 5,100 distributors and roughly 16,000 sub-dealers. There are a variety of ways in which these distributors acquire things from the corporation and then resell them. Customers make orders with Walton, who then delivers the goods either by Walton's own conveyance or those of the customers.

b) **Walton Plaza:** Customers such as sub-dealers and end-consumers benefit from Walton Plaza, a major buyer of Walton goods. Walton Plaza has 382 showrooms around the nation to help Walton items be sold. Wal-Mart sells to Walton Plaza, which then ships the merchandise to Wal-Mart's storage facilities. Customers and dealers alike may buy Walton Plaza items from the company. Because Walton Plaza is an exclusive distributor, it can only promote Walton-branded merchandise.

3.9.2 Corporate Sales

WHIL also sells its goods to corporations via direct sales. From the orders of corporations, a firm provides the goods and services needed by its customers. We can see how Walton Hi-Tech Industries Limited distributes its goods in the domestic market using this flowchart:

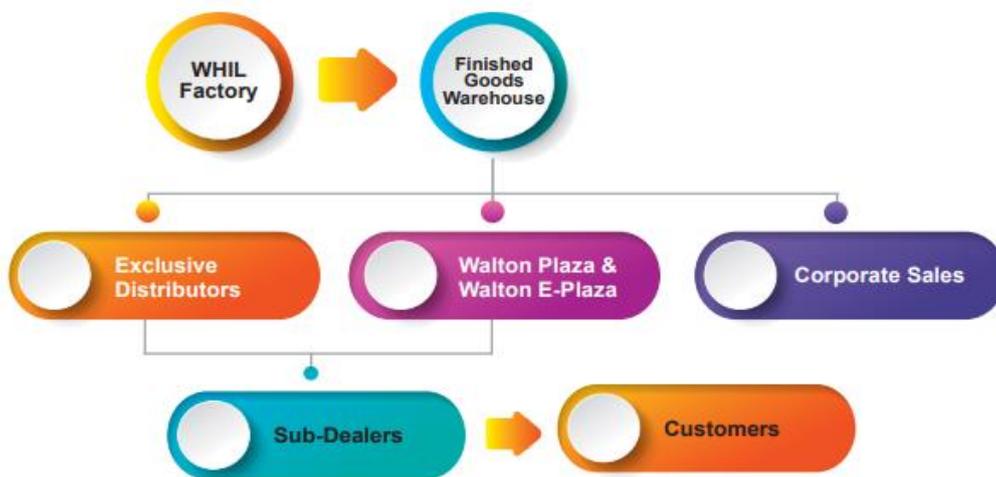


Figure1.9: Marketing & Sales Operations of WHIL for Domestic Market

3.9.3 Global Network

WALTON HIPCL, a Bangladeshi electronics manufacturer, has positioned itself as the country's leading exporter. In India, Bhutan, Nepal, the Maldives, Myanmar, the UAE, Qatar, Nigeria, and West Africa, their industry is flourishing.

For the time being, WALTON plans to join the markets of Australia; the United States; South Africa; Europe; Singapore; Romania; Poland; Saudi Arabia; Sri Lanka; and the CIS nations, among others. They've already been to Sri Lanka, the United States, and Canada.

PART B: INDUSTRY ANALYSIS

4.1 Specification in the industry

Walton implemented artificial intelligence and automation into the manufacturing process in order to assure the manufacture of high-quality items in the most cost-effective and efficient manner. Among the major players in the E&E business, they have developed the country's first comprehensive production facility in Bangladesh.



They produce a wide range of electrical and electronic equipment. Based on market demand, the annual manufacturing capacity is 10 million units. When it comes to creating electrical and electronic items in the most cost-effective manner possible while maintaining the highest levels of quality, design, and innovation, Walton is the industry's largest professional manufacturer. This innovative company utilizes a wide range of modern technology and specialized experience to help create a society that is technologically advanced, environmentally friendly, and long-term sustainable.

4.2 Competitive Landscape and Market Positioning

Competitive positioning is a marketing strategy that refers to how a business might differentiate itself from its competitors. The firm's position is established by how well the value delivered by its products and services compared to the value offered by similar goods and services in the market.

For better determining competitive landscape and market positioning strategy of Walton, PESTEL Analysis and Porter Five Forces have been utilized on this study that has been detailed below:

4.2.1 PESTEL Analysis

In order to evaluate the external environment, the PESTEL Analysis divides the possibilities and threats into six categories: political, economic and social; technological; environmental; and legal. Walton Hi-Tech Industries Limited is classified as an E&E company, thus the following opportunities and risks are analyzed:

a) Political Factors

To reduce the country's dependence on foreign imports of electronic and electrical items, the Bangladeshi government encourages local manufacture. When it comes to tax, VAT, and customs rules, the government continues to support local firms in this business. In this field, Walton Hi-Tech Industries Limited is both an innovator and a full-service manufacturer. The following are some political considerations that have an impact on strategy implementation:

Factors Affecting Business	Impact and Responses
Political Instability	<ul style="list-style-type: none"> • Including certain Covid-19 issues, the political landscape has been quite steady in the previous several years from a commercial standpoint. • Furthermore, Walton prioritizes timely strategically execution in accordance with the current political climate.
Trade Control	<ul style="list-style-type: none"> • Walton does not encounter any trade barriers, either on a local or global scale. • Approaching development and maintenance strategies in the foreign market from a different perspective.
Tax Policy (tax rates and incentives)	<ul style="list-style-type: none"> • For tax and VAT purposes, Walton is exempt from and receives lower rates. • There are government incentives for local E&E sector producers to thrive both locally and internationally.
Applicable Laws & Regulations	<ul style="list-style-type: none"> • All relevant laws, rules, and regulations must be adhered to at all times, and Walton has zero-tolerance policies.

Table1.1: Political Factors that impact on the Business of WHIL

b) **Economic Factors**

Economic contractions in Bangladesh have been exacerbated by the COVID-19 pandemic's impact on the global economy. Walton's operations and results are significantly influenced by the economic climate, in particular by the company's line of Electrical & Electronics items. Consumers' purchasing decisions and the whole market's behavior are heavily influenced by economic variables. Several aspects are discussed below, including macroeconomic and microeconomic ones:

Factors Affecting Business	Impact and Responses
Slowdown economy	<ul style="list-style-type: none"> • Maintaining health and safety regulations during the Covid-19 epidemic (Walton) was Walton's top priority. Other companies in the market performed less well than Walton did.
Interest Rates	<ul style="list-style-type: none"> • Walton tries to negotiate with a number of banks in order to get the lowest feasible interest rate. • In addition, it does business with overseas banks and takes advantage of all available financing opportunities.
Foreign Exchange Rates	<ul style="list-style-type: none"> • Walton takes advantage of the foreign currency rate by having several suppliers in various countries.
Monetary & Fiscal Policy	<ul style="list-style-type: none"> • The E&E business benefits from favorable monetary and fiscal policies, particularly for domestic producers.
Economic Growth Patterns	<ul style="list-style-type: none"> • The economy of Bangladesh is expanding at an increasing rate. Taking advantage of market advantages, Walton is growing its operations both locally and abroad.
Employment Laws & Regulations	<ul style="list-style-type: none"> • Regulations, laws, and rules in favor of the E&E industry were enacted by the federal government. Walton, as a local manufacturer, takes use of all available resources and has grown to dominate the market.

Table1.2: Economical Factors that impact on the Business of WHIL

c) Social Factors

Walton is completely devoted to the advancement of civilization and social welfare, regardless of demographic differences, via the use of cutting-edge technology. There are many things we do that have a direct influence on society and how its people live. People's well-being is our first concern, and we strive to better their lives in a way that is consistent with the rest of the world. Examples of Walton's involvement in society, such as:

- 35 new homes for the homeless were constructed.
- Every month, 450 students are awarded a scholarship.
- Walton helped more than 300 people.

From Walton's point of view, the following are some social variables to consider:

Factors Affecting Business	Impact and Responses
Demographics	<ul style="list-style-type: none"> • The term "demographic change" is most usually used to refer to changes in population, such as changes in the birth rate, living standards, and the amount of immigration that occurs. Walton takes these considerations into account while developing corporate strategy and marketing techniques to market.
Lifestyles	<ul style="list-style-type: none"> • As the world changes, so do people's daily activities in Bangladesh. Walton makes a positive contribution to society by selling cutting-edge E&E products.
Expectations and Norms in a Cultural Setting	<ul style="list-style-type: none"> • When developing business strategy, Walton takes into account the constantly shifting cultural norms and expectations.
Health & Safety Awareness	<ul style="list-style-type: none"> • Green technology and health and safety procedures are a priority at Walton, and their products reflect this. • Implemented: AAA Technology, Frost Clean, Dual Defender, Non-Frost Refrigerator Technology, R600a Gas, UVC Disinfectant, NANO Healthcare, and a slew of other innovations and improvements.

Growth in the population and the distribution of ages	<ul style="list-style-type: none"> • Bangladesh's population is expanding at a rapid pace, and the country has a large pool of talented young people. Walton's business outlook is strongly linked to the population and the need for youthful human capital.
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Table1.3: Social Factors that impact on the Business of WHIL

d) **Technological Factors**

Playing with technology is a huge part of what we can do. Walton strives to stay one step ahead of the local competition in the E&E market by incorporating cutting-edge technical advances into its R&D. Innovative technology advances are introduced to their clients in accordance with the worldwide community's living standards. In the following paragraphs, a number of technical elements are discussed:

Factors Affecting Business	Impact and Responses
Research and Innovation	<ul style="list-style-type: none"> • Walton's R&I facilities have been expanded, allowing it to take in new product, system, and service innovations.
Automation	<ul style="list-style-type: none"> • Automation and artificial intelligence (AI) were integrated into the manufacturing process by Walton in order to assure high-quality goods in the most effective and efficient methods.
E-commerce	<ul style="list-style-type: none"> • Walton included e-commerce into its business plans sooner than other market competitors in order to reach a larger number of consumers and get a greater proportion of the market.
ICT	<ul style="list-style-type: none"> • Walton developed the greatest ICT infrastructure in order to speed up and streamline its business operations and communications. • Walton also maintains its software and hardware to ensure that it is up to date.

Table1.4: Technological Factors that impact on the Business of WHIL

e) **Environmental Factors**

Walton, Bangladesh's leading E&E manufacturer and market leader maintained that its production facility and operational operations were both environmentally and socially responsible, as well as socially responsible. The following is a list of environmental initiatives and accomplishments:

- 15% energy saved in 2020-21.
- Every month, water extraction is lowered by 11 percent.
- All process waste is recycled to a 100 percent degree.
- Renewable energy is being utilized at a rate of more than 2 MW and is increasing.

Climate change and renewable energy are also important to the company, and it has erected solar plants at 10 of its locations to reduce emissions and concentrate on renewable energy. Here are a few things to keep in mind:

Factors Affecting Business	Impact and Responses
Climate Change	<ul style="list-style-type: none"> • When describing population changes, such as those caused by a rise or fall in the number of births, deaths, or immigrants, the term "demographic change" is often used. Business plans and marketing tactics are formulated in light of these considerations.
Waste Disposal Laws	<p>Walton, in accordance with government requirements, performs a variety of actions, like as</p> <ul style="list-style-type: none"> • MCP's Metal Waste Recycling • Recycling of plastic waste by the use of a recycling system • Incineration of non-recyclable and non-biodegradable waste results in the production of steam. • Making Biogas from Biodegradable waste at a Biogas plant.
Protection of the Environment	<p>Walton has put up an Environmental Management System (EMS) team to help lower the company's environmental impact and help the environment. standard EHS policy covers the management of environmental health and safety (EH&S)</p> <p>Energy Conservation, Water use, Waste Management, Wastewater,</p>

	Air Pollution, Noise pollution, Greenhouse gas (GHG), Chemical Management, etc.
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Table1.5: Environmental Factors that impact on the Business of WHIL

f) **Legal Factors**

Walton has a lot of legal difficulties to deal with, and it does so with the utmost care and attention to detail. For dealing with legal issues, the company maintains a distinct legal department with a number of attorneys and advisors on staff. Some of the legal aspects that have an impact on our company are listed below:

Factors Affecting Business	Impact and Responses
Employment Regulations	<ul style="list-style-type: none"> • Maintaining employment rules (e.g., Labor Law) is a top priority for Walton. • Such concerns are handled by a distinct staff at the facility and at the corporate offices.
Import/Export Law	<ul style="list-style-type: none"> • Walton experienced an easy economic climate for imports and exports except during the Covid-19 times. As an exporter of electronic and electrical items, it receives certain government subsidies. • During the epidemic, several commercial tactics, including import/export, were used (COVID-19).
Health and Safety Regulations	<ul style="list-style-type: none"> • The government, consumers, and the general public have all grown more concerned about health and safety risks. • Walton has used cutting-edge technology in its manufacturing process and produces items that are mindful of consumer health and safety concerns.
Product Regulations	<ul style="list-style-type: none"> • When it comes to its products, Walton adheres to all legal rules, particularly the zero tolerance policy.

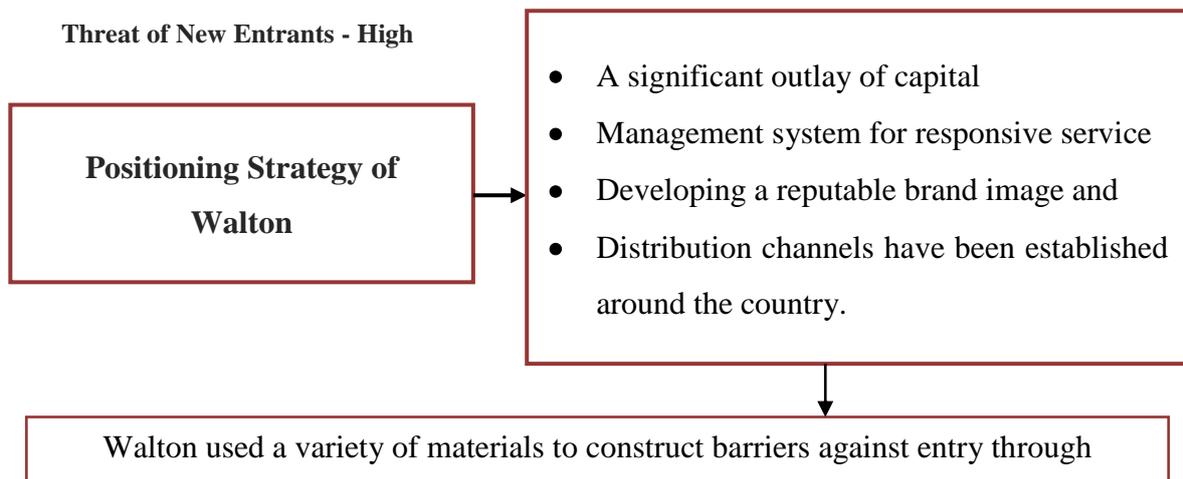
Table1.6: Legal Factors that impact on the Business of WHIL

4.2.2 Porter's Five Forces

The Porter's five forces model helps us better understand an industry and its competitive advantages. Walton Hi-Tech Industries Limited has an edge in all five of these forces, and is ahead of the competition. Following are some instances of Walton's E&E industry competitive landscape and market positioning:

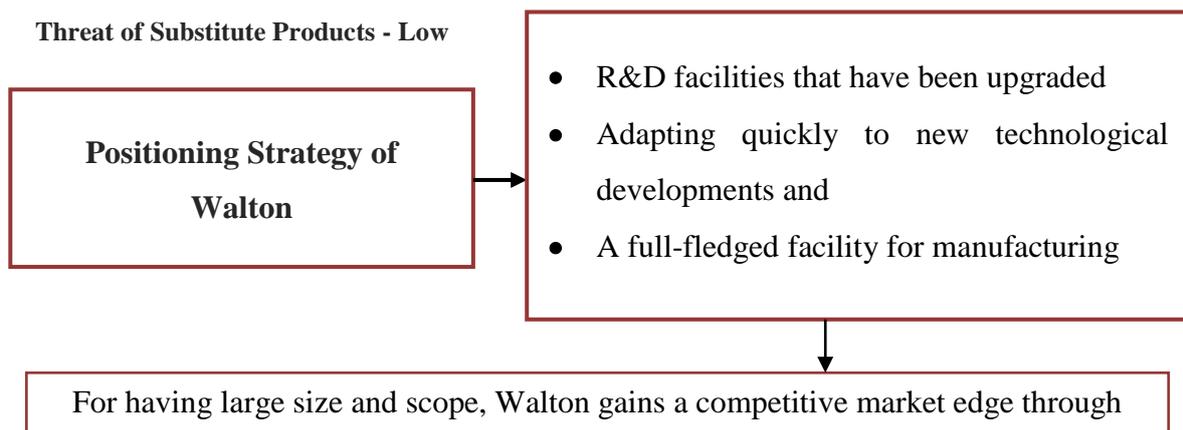
a) Threat of New Entrants

There is no entrance obstacle for global brands to invest in CAPEX to produce domestically. As a result, the threat of a prospective new entry with an international brand is rather high. Furthermore, the threat of a potential new entry from the local market is quite minimal due to Walton's extensive capital structure, which includes excellent research and development and customer loyalty.



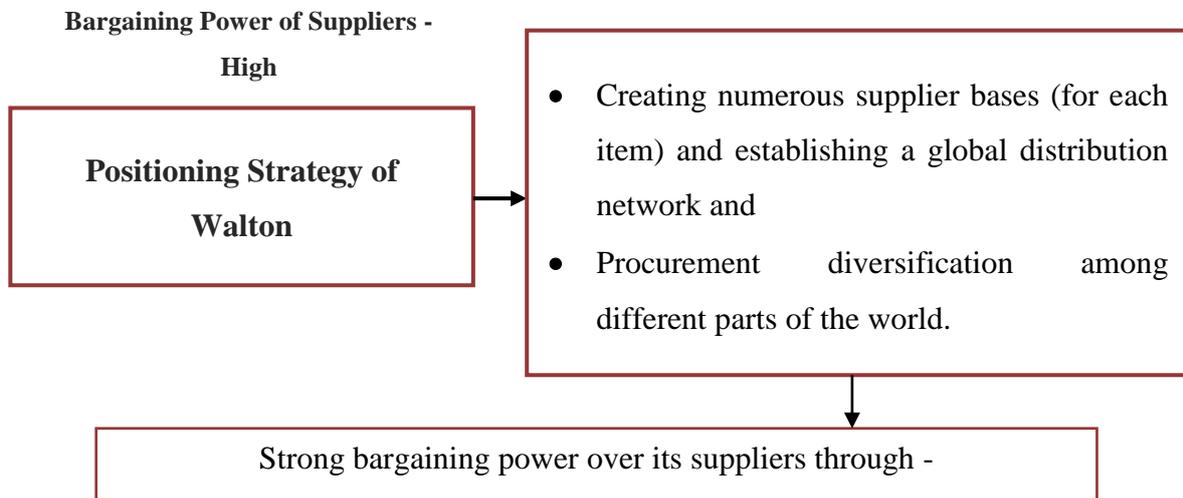
b) Threat of Substitute Products

When you consider the E&E industry's different product base, the threat of substitute items is quite low.



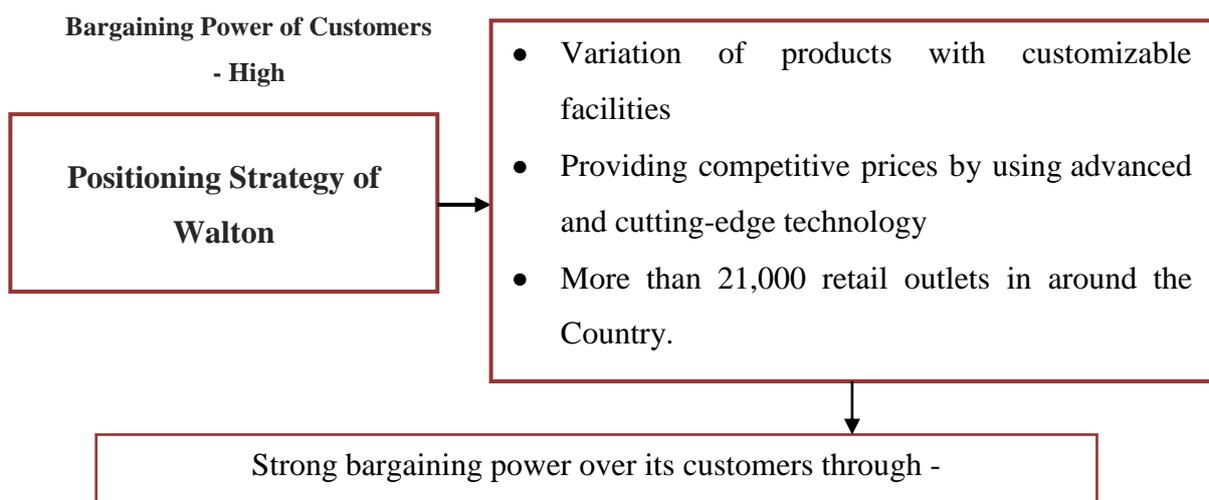
c) **Bargaining Power of Suppliers**

Suppliers' bargaining power over local manufacturers in the E&E business in Bangladesh is quite strong, since all essential raw materials are imported from outside. Whereas Walton Hi-Tech Industry limited maintains a dominant position within its supplier chain.



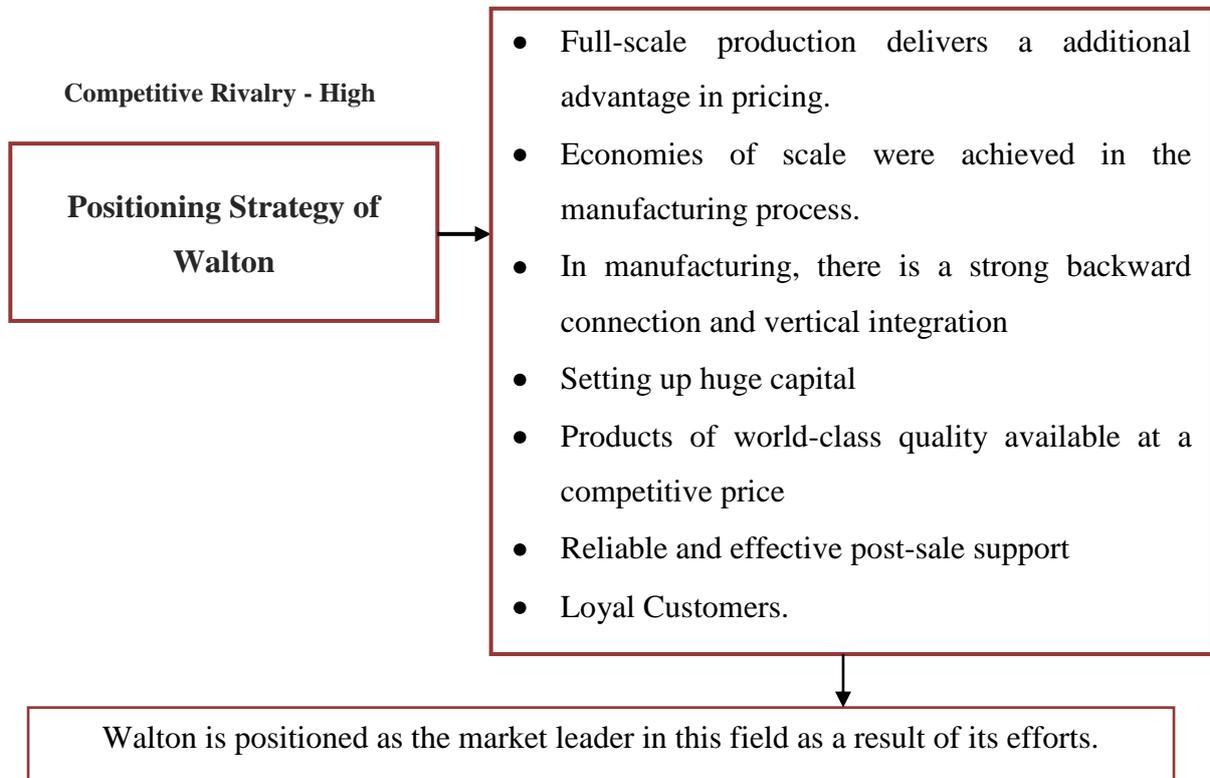
d) **Customers Bargaining Power**

Bangladesh's E&E market provides local and international brands pricing competition due to the various market players. As a result, consumers have a lot of influence in negotiations. When it comes to product price, Walton has the upper hand because to its commitment to delivering high-quality items that delight consumers.



e) **Intensity of Competitive Rivalry**

Due to early adoption and introduction of new technologies, there is a high risk of competition among the current market competitors. Walton now has the majority of the local market's share, even when excluding foreign brands.



4.3 SWOT Analysis

Strengths	<ul style="list-style-type: none"> • Cost advantages in Manufacturing. • A sufficient supply of relatively affordable labor. • Utilities at a reasonable cost. • Followed and maintained of the Government's Industrialization Policy.
Weaknesses	<ul style="list-style-type: none"> • Fluctuations in foreign currencies. • Understanding of Customers' Buying Behavior.
Opportunities	<ul style="list-style-type: none"> • Electricity development throughout the country is increasing market demand. • Population Growth is on the Rise.

	<ul style="list-style-type: none"> • GDP growth that is continuous and beneficial the buying power of a certain client. • Taking advantage of the export market.
Threats	<ul style="list-style-type: none"> • Potential competitors are injected into the mix. • Continual evolution of technological advances • Trade Is Now Open

Table1.7: SWOT Analysis of Walton Hi- Tech Industry Limited (WHIL)

CHAPTER 05

RECOMMENDATIONS AND

CONCLUSION

5.1 Recommendations for Improving Departmental Activities

There are a variety of hazards associated with our business operations and the firm as a whole. They certainly take additional precautions in terms of risk management and risk mitigation measures. They have a team of dedicated and formal procedure for assessing the amount of company risks and developing strategic plans. Some of their problems and risk have been detailed below with recommendations and proper solutions:

a) Operational Risk:

Walton operates in a capital-intensive industry, and the maintenance of critical equipment is vital.

- So for keeping away from operational risk, in operational department, the addition and upgrading of machinery are required on a regular basis to meet the increasing quantity demand.

b) Business Risk:

A constantly changing competitive landscape where consumers have a varied variety of alternatives driven by technology advancement is just what Walton is attempting to navigate in the face of an unpredictably changing market situation that can be impacted on their financial and intellectual capital.

In this case, Business department, they need to focus on internal control system and develop appropriate control system in a place that will focus on:

- The formulation and execution of advanced maintenance practices to improve plant availability and reliability;
- Best-in-class practices and technology for detection and protection of critical installations have been implemented;
- Strong quality assurance processes are in place to ensure reliability of equipment;
- Inventory levels have been optimized to achieve reduction in working capital without interruption of operations and
- Proper planning and higher project implementation pace.

c) Product and Price Risk:

Walton Hi- Tech Industry, sometimes they face on customers' complains about defective products or product price, functionality or perceived value. And for it, they are also liable to be rendered obsolete. So, price competitions, availability of variety of products and changes

of customers' choices also have an exposure to indirect product risks that can be impacted on their financial and manufacturing capital.

- So for keeping away from product risk, market department should research the market by regularly,
- Collect feedback from filed supervision in case of placing of new products
- Quality control team needs to check properly as well as product assurance system is ensured.
- Finance department should estimate the product cost and the marketing department needs to compare other similar industries and adding reasonable profit, determines the market price of a product to make it competitive

5.2 Conclusion

Walton is one of Bangladesh's biggest electronics manufacturers. It is committed to producing and providing high-quality items that allow customers to have more fun and comfort. For example, Walton encourages its staff to perform that its goods and services are of the highest quality. Walton is without a doubt one of the best four players in Bangladesh. It's no secret that Walton has worked hard to boost sales throughout the nation. They are confident in their ability to expand and prosper indefinitely.

However, based on my research and experiences with Walton employees, I've concluded that the firm's customer service is inefficient and disorganized. Walton is unable to compete with its rivals due to a number of issues. Walton's service isn't the best in the industry, but many of its competitors are. They are quick to respond, service the showrooms, and even come to your house for assistance. In addition, they maintain friendly ties with all of the firm's distributors and sales representatives. They provide bonuses to distributors, as well as occasional presents, and so forth. In this way, the Sales of Walton are lagging behind their competitors. Management and marketing professionals at Walton should be more engaged and proactive. However, if the Walton management takes immediate and imitative actions to address the issues stated above, the organization would undoubtedly be able to achieve the number one position in Bangladesh.

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Appendix

Financial Statement of Walton (Five Years' Highlights)

Five Years' Highlights

Current Year's with Preceding Five Years' Highlights:

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Statement of Profit or Loss and Other Comprehensive Income						
Total Turnover/ Annual Sales with VAT	7,196.49	4,255.18	5,236.77	2,732.97	3,193.10	2,656.63
Turnover, Net	6,994.99	4,107.92	5,177.32	2,732.97	3,193.10	2,656.63
Gross Profit	2,643.44	1,565.57	2,096.76	800.70	1,134.63	918.99
Operating Profit before Interest and Taxes	1,934.53	1,100.33	1,690.00	589.21	955.08	765.07
Profit after Finance Cost	1,818.40	883.47	1,548.55	403.42	816.99	690.49
Profit before Tax	1,780.52	833.01	1,476.61	381.24	784.54	658.26
Net Profit after Tax	1,639.20	726.45	1,376.11	352.32	734.48	621.46
Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)	2,119.46	1,254.76	1,834.81	762.85	1,072.37	886.75
Business Growth on Financial Performance						
Total Turnover/ Annual Sales with VAT, Growth	2,941.32	(981.60)	2,503.80	(460.13)	536.47	557.04
Total Turnover/ Annual Sales with VAT, Growth in %	69.12%	-18.74%	91.61%	-14.41%	20.19%	26.53%
Turnover, Net, Growth	2,887.07	(1,069.40)	2,444.35	(460.13)	536.47	557.04
Turnover, Net, Growth in %	70.28%	-20.66%	89.44%	-14.41%	20.19%	26.53%
Gross Profit Growth	1,077.87	(531.19)	1,296.06	(333.94)	215.65	228.54
Gross Profit Growth in %	68.85%	-25.33%	161.87%	-29.43%	23.47%	33.10%
Net Profit after Tax Growth	912.75	(649.66)	1,023.79	(382.16)	113.02	118.91
Net Profit after Tax Growth in %	125.65%	-47.21%	290.59%	-52.03%	18.19%	23.66%
Statement of Financial Position						
Authorized Capital	600.00	600.00	600.00	600.00	20.00	20.00
Paid up Capital	302.93	300.00	300.00	300.00	10.00	10.00
Number of Ordinary Shares Outstanding	30.29	30.00	30.00	30.00	1.00	1.00
Retained Earnings	5,909.65	4,498.11	3,858.75	2,479.73	2,417.41	1,682.93
Share Money Deposit	-	60.97	-	-	-	-
Revaluation Reserves	3,133.24	3,136.15	3,139.06	3,141.96	-	-
Total Shareholders' Equity or Fund	9,438.99	7,995.22	7,297.81	5,921.69	2,427.41	1,692.93
Total Non-current Liabilities	385.70	524.97	707.89	1,002.42	486.58	239.62
Total Current Liabilities	3,620.24	3,122.91	2,337.11	1,312.09	2,377.09	1,394.75
Total Non-current Assets	6,735.85	6,410.19	6,023.03	5,869.63	2,327.38	1,421.15
Property, Plant & Equipment	6,229.53	5,971.21	5,757.56	5,486.28	1,862.34	946.44
Investments	110.60	59.49	49.42	79.39	28.00	10.00
Total Current Assets	6,709.08	5,231.91	4,319.78	2,366.57	2,963.70	1,906.15
Total Assets	13,444.93	11,642.10	10,342.81	8,236.20	5,291.08	3,327.30
Net Current Assets / (Liabilities)	3,088.84	2,109.01	1,982.66	1,054.48	586.61	511.40
Business Growth on Shareholders Equity or Fund and Total Assets						
Total Shareholders' Equity Growth	1,443.77	697.42	1,376.11	3,494.28	734.48	621.46