



Big Bad Wal-Mart is Coming ... Watch Out

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An [article](#) in the *St. Louis Post-Dispatch* today discusses Wal-Mart's decision to expand some of its discount stores to Supercenters, which include a full-service grocery, and to challenge the local grocery industry. Whenever Wal-Mart opens a new store or expands to challenge a new market, it causes consternation in some, because of their views on Wal-Mart's business practices. This is happening in the St. Louis area, where some people — especially those who are employed at Dierbergs, Schnucks, and Shop 'n Save — fear that Wal-Mart, whose workers are not unionized, will spur job cuts at other area stores with unionized workforces:

"The impact of Wal-Mart Supercenters on the local grocery industry is an insidious attack on the region's economy," Jim Dougherty, president of Local 655 of the United Food & Commercial Workers, said Monday. "Over the years, we've lost several thousand good-paying jobs because Wal-Mart has siphoned off part of that business."

Yet grocers are taking steps to remain competitive with the coming Supercenters:

Among their moves: upscaling, in which the supermarkets have been

adding in-store gourmet coffee bars with Wi-Fi access; expanding take-out food selections and areas; boosting the selection of organic produce and natural foods; and upgrading wine and liquor departments.

Wal-Mart has been the recipient of both affection and hatred in the many years it has been a widespread chain store. One effect that cannot be denied, though, is the effect its competition has on prices – lowering them across the board when it opens a new store. And as difficult as competition can be for smaller competitors, in most cases this process doesn't cause all the other grocery owners to shutter their stores.

In a free-market economy, people have the choice of where to shop, and that decision is based on individual tastes and preferences. For example, I go to Target frequently because I have a better shopping experience there than at Wal-Mart, even though it's a little more expensive. Businesses have survived competition with Wal-Mart because they have adapted – and continued to make a profit. I'm sure local grocers will do this even with Wal-Mart in town.

It's the free market at work. [Some people](#) even enjoy it.

About the Author



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