



## Keio Business School

# Focal Point and Corporate Culture II: Walmart Retreated from Japan's Market after Struggling to Match its Operations

### Abstract

The case material "Focal Point and Corporate Culture I: Sharing Behavioral Principles as Nash Equilibria (KBS case 91-21-3224)" explained, providing practical examples, how a focal point functions in coordinating individual behaviors that conflict in corporate organizations and how it is created and maintained by a corporate culture there from the viewpoint of game theory. This material intends to provide the readers with an exercise for analyzing a practical issue by applying some notions explained in that case material. We consider the attempts that were made to introduce an external corporate culture into operations of a Japanese retailer. In December 2005, Seiyu became a Walmart subsidiary. In November 2020, however, Walmart announced that it would be reducing its ownership of Seiyu to just a 15% stake. Was the corporate philosophy of Walmart, summarized as a motto of Everyday Low Price, sufficiently mature to accommodate a corporate culture in Seiyu? Was this corporate culture successfully adapted to the business environment in Japan? This material collects and summarizes some of the relevant resources available on websites as of February 2021 (some articles on those websites were deleted as of August 2021), and then it poses questions for classroom discussion.

This case was written by Naoki Watanabe (Graduate School of Business Administration, Keio University) for facilitating classroom discussions at Keio Business School. This case is published by Keio Business School. Inquiries about reproducing the case should be referred to Keio Business School (4-1-1 Hiyoshi Kohoku, Yokohama, Kanagawa 223-8526; Phone: +81-45-564-2444; E-Mail: case@kbs.keio.ac.jp) To order copies of the case, go to the website (<http://www.kbs.keio.ac.jp>).

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