Internal Analysis of Marks and Spencer

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Executive Summary:

Marks & Spencer is one of the largest retail chains in the UK, having prominence and fame across gigantic economies in the world plans to expand its business across the globe. Its management continues to strive for the maximum and, for that purpose, has launched a comprehensive marketing campaign so as to increase its business potential and also pocket maximum financials in a comprehensive manner. Owing to the tough competitive environment, it is relying on the skills and competence of high-caliber professionals who have joined hands with its management for the maximum, and it is notable to mention here the fact that among its key shareholders in particular and others in general, it has gained widespread attention and still on the road of progress and developments at a rapid pace. Recent surveys in the UK have produced amazing feedback that such a brand has become a top priority of consumers, and even most of the industry setups engaged in clothing, luxury and home products, and they even recommend the same to others.

Introduction And Overview:

Marks & Spencer is one of the prominent names in the UK in terms of a multinational retail company, and the same is also listed on the London Stock Exchange, being one of the prominent and fast-growing stock markets in the world. Its headquarters is in Westminster, London, and is part of the FTSE 100 Index. It targets home products, clothing, and other luxury products which attract consumers at large, and owing to its widespread popularity management of such a big name has decided to ensure its presence across the corners of the world. Since its inception in 1884, it has grown at a massive level, and that fact can be analyzed in the sense that it now owns nearly to thousand stores in the world. During the year 2017 it recorded revenue of 10622 million pounds and a profit of 115.7 million pounds and all such figures are enough to justify its market standings and preference among potential customers.

Currently, many small and large investors are associated with it, and even many multinationals are part of such a gigantic group. In 1998, it recorded massive revenue of above one billion pounds, which not only maintained its position among industry segments but also truly realized its mettle and commitment of its management in the long run toward internal and external stakeholders (Grant, R. M. (1999). It is surprising to mention here the fact that in Asia, it started its operations in 1960 in Afghanistan and thereafter in 1973 in Canada and in other parts of the world so as to pocket the

customer base and trust of potential investors to ensure a sustainable position in the world. The company is strongly committed to the well-being of its customers and strictly adheres to ethical and environmental policies so that at any stage objection may not be imposed on its policies since it is inevitable for survival in the world in today's hectic environment.

Business Strategy:

Marks & Spencer is one of the largest retail chains in the world, and its presence across the globe continuously strives for excellence and innovation by providing quality products and services in accordance with the demands and expectations of valued customers. In this regard, a comprehensive internal and external analysis of the company can be done in the following manner:

External Analysis Of Company:

Marks & Spencer is one of the recognized names in retail products, and other aspects related to the organization have ensured a strong presence across the world. Its external environment can be assessed in the following manner in light of Porter's Five Forces Model:

- It offers a range of retail products and other custom products in accordance with customer requirements, and its expansion extends across the world because it is a recognized global name. Apart from that fact, it has a sound presence among its competitors and industry segments, which truly recognizes the fact that such a brand has massive recognition and acceptance across the corners of the world.
- Various buyers and other groups are also present in the industry to which Marks & Spencer belongs, and they have the potential to compete with it. Products that are offered by these competitors are also in a position to pose threats to products and services offered by Marks & Spencer.
- As a UK-based global brand, it presents a wide variety of opportunities and threats to various stakeholders, who also recognize its ability to compete globally. A new entry into the market poses threats to existing businesses, and these may be in the form of new products and services. Under such a model, this analysis has predominant significance for Marks & Spencer's strategists.
- The company has experienced massive profits during the last financial year, which is enough to justify its market potential and credibility among customers, and operational and administrative aspects are in a position to determine its profitability. To some extent, it can be revealed that the profits of the company are consistent with industry practices. Other competitors are in a position to compete with it, but not at a substantial level, given its strong market base.
- Products offered by the organization have strong appeal among customers, and the threats of substitutes and new entrants for Marks & Spencer are also negligible because its market potential is substantial compared with that of its competitors.

- Recently, the company has also introduced new products in view of changing patterns prevailing across the corners of the world, and the same proves instrumental in reshaping its potential to adjust to a new environment. In the near future, its management has the mindset to extend business towards Asia and other territories, and these are positive aspects on the part of Marks and Spencer.
- Owing to the tough competitive environment, it relies on the skills and competence of high-caliber professionals who work with its management, and it has gained widespread attention among its key shareholders and others while continuing to progress and develop rapidly. The industry to which it belongs is very versatile and possesses the ability to introduce products and services overnight and thus pose challenges for even well-established entities. Recent surveys in the UK have produced feedback indicating that the brand has become a top priority for consumers and many businesses engaged in clothing, luxury, and home products, which also recommend it to others.
- Such a model attempts to explain that businesses revolve around only five forces, which cannot be considered entirely true because other aspects are also vital to existence and success in the broader business environment.
- Such a model explains all aspects of the Five Forces Model in a well-organized manner but does not mention the priority of each element, since all aspects cannot be equal in significance. The pricing mechanisms and demand elements of customers have also been explained in a very comprehensive manner.
- Such a model has ignored all of the industry trends that prevail in the world and in relation to the industry to which Marks and Spencer belongs since these also form the basis for decision-making in terms of pricing and product differentiation for the long-term benefits of an organization.
- Changes that occur across the corners of the world have also been ignored, which are considered repetitive or cyclical in nature and affect the business of Marks and Spencer at massive levels. It also provides a framework under which an industry is described as either feasible or not, instead of providing business owners with choices to pursue feasible areas or improve areas that need development.
- Currently, many small and large investors are associated with it, and even many multinationals are part of such a gigantic group. In 1998, it recorded revenue of more than one billion pounds, which not only maintained its position among industry segments but also demonstrated the long-term commitment of its management to internal and external stakeholders. Apart from that aspect, Porter’s Five Forces Model also emphasizes competition at the individual-business level, although many owners adopt long-term policies that address changes and reforms occurring in the industry and globally.

Internal Analysis Of Marks And Spencer:

Marks and Spencer can be analyzed in the following manner owing to the presence of various factors

embedded in it, and these can be summed up in the following manner:

Financial resources:

The company enjoys sound financial resources, being one of the largest multinational retail chains in the world, and its financial strength can be judged from the fact that it enjoyed nearly 10000 million pounds in profit during 2017, and such a massive figure is enough to cement its market base and credibility among various stakeholders at large. As per VRIO, capabilities exist in view of profitability and other prospects prevailing in an organization that enables the business of Marks and Spencer to adjust to the changing business environment.

Human resources:

Marks and Spencer enjoys sound human capital, and it also includes skilled and competent team members having renowned qualifications and exposure across the corners of the world. For managing various aspects of an organization it has to target areas like payroll, professional development, human resource management, training and specialization, and other areas which are considered part and parcel of today's business environment at large. The capability of Marks and Spencer, according to VRIO, is sufficient to compete with other competitors and is also favorable for the business.

Business recognition:

Marks and Spencer enjoys a strong reputation across the world, and its credibility can be judged from the fact that it has nearly 1,000 retail outlets worldwide and is expanding and adding more products and services for its valued customers to strengthen its image and market base and sustain its position among industry segments and professional circles. Capabilities of business are at cheap rates applicable to its policies and aims as per VRIO, and the same are detrimental to its products and services.

Learning and Development:

The management of Marks and Spencer believes that, in today's competitive environment, maximum output cannot be achieved without learning and professional development of human capital at all levels; therefore, as one of the world's largest retail chains, it regularly targets employee learning and development to keep pace with changing global business trends. Since the business of such a setup covers consumer and domestic products, it is also imperative to mention here the fact that without learning and development, it is not possible to achieve stupendous progress and developments in a highly competitive environment.

Location:

Currently, Marks and Spencer has nearly 1,000 locations, and it has established a widespread presence in prominent and emerging areas of the world. It is still expanding rapidly and may further expand its business operations into underserved and developing areas of Africa and Asia to gain more customers and strengthen its market base.

SWOT Analysis Of Marks And Spencer:

A SWOT analysis of Marks and Spencer, one of the recognized brands in the world, can be conducted in the following manner:

Strength:

It enjoys sound recognition among valued customers across the corners of the world and even in the streets of the UK; it is considered a preferred and recognized brand that delivers quality products and services at a rapid pace. It also offers a wide variety of products to its customers, including Canary tomatoes, avocados, English apples, pre-prepared fruits, salads, and vegetables and as a whole massive number of suppliers and intermediaries are operating on the part of Marks and Spencer in the world.

Weaknesses:

It is a common perception among a wide variety of customers that such a brand does not target at substantial levels new trends and changing dynamics of the world in terms of customers' demands and expectations. It is also believed that its competitors like Primark, River Island, and New Look are moving far away from it in reforms and innovations for valued customers, which can prove a severe blow to its market existence since it has shown little or little concern towards innovations and creativity during last decade and such aspect is very much stressful for its strategists and top management.

Opportunities:

Marks and Spencer, being one of the oldest market brands, now enjoys countless opportunities and growth prospects, particularly because its management aims to ensure a widespread global presence and has considerable potential in Asian and African economies where the brand is still not widely known.

Threats:

Marks and Spencer operates in the highly competitive UK market, where competitors such as Sainsbury and Tesco Express are rapidly expanding their market bases; however, the brand still relies on megastores, which is concerning given changing global dynamics.

Ethical Assessment Of Strategy:

Human rights are fundamental beliefs that form the basis for dignified and unique recognition among formal and informal circles. These lead to freedom of life, liberty, security, and health and also access to other provisions of life in the context of UK society in particular from where Marks and Spencer started its operations. Such aspects are highly significant because, in today's business world, merely making profits by selling products and services worldwide is not considered sufficient. In a corporate environment, this aspect also plays a vital role, and the management of Marks and Spencer pays great heed to it to achieve an increasingly sustainable position worldwide. Since its establishment in 1884 with the vision of providing home and clothing products to valued customers, Marks and Spencer has remained committed to maintaining a strong foundation so that, in the long run, it may rank among well-established and revitalized businesses worldwide.

Here at Marks and Spencer, our ethical policies are supported by the UN Human Rights to Water and Sanitation, Children's Rights and Business Principles, the International Labor Organization, and also due diligence towards basic human rights at substantial levels. In 1998, the concept of global sourcing principles was introduced at the organization for the first time, and later it was implemented in letter and spirit while considering concerns for global suppliers and environmental standards in accordance with ethics (Quinn, J. B., & Hillmer, F. G., 1995). It also adheres to the UK's modern slavery act and strictly avoids any sort of flexibility in relation to slavery and suppression of basic human rights of labor. Our organization also follows the concept of ethical auditing so as to highlight and check any acts that may be against human rights and other aspects prevailing internally here at Marks and Spencer. Management of the company also targets human rights, and in this regard, in 2016, it officially published insight in relation to locations owned and managed by the organization for food and clothing activities in the UK.

Evaluation Of Strategy:

Strategies that have been adopted here at Marks and Spencer can be analyzed in the following manner:

- The publication of reports by the company in 2016 and 2017 clearly indicates that the management of Marks and Spencer strongly adheres to human rights and values such principles internally, which is commendable for a corporate organization operating on a large

scale.

- The organization also adheres to the UN Charter for Human Rights, and the same has been justified by its commitment and will since it is also inevitable in view of challenges posed to it by social and cultural values and competitors prevailing in the world.
- Concern for ethical auditing and for social and moral values regarding human capital are worthy aspects that clearly distinguish the organization from others.
- At Marks and Spencer, management is committed to investigating any identified breaches of work ethics and standards adopted in the industry and recommended by regulators and to implementing solutions accordingly to maintain a strong position among industry segments.
- It also strongly believes in collaborating with others to support and protect human rights in the corporate environment, whether with other industries or regulators, as is evident from its policies, commitments, and available facts and figures.

Recommendations And Conclusions:

Marks & Spencer is one of the prominent names in the UK in terms of a multinational retail company, and the same is also listed on the London Stock Exchange, being one of the prominent and fast-growing stock markets in the world. Its headquarters is in Westminster, London, and is part of the FTSE 100 Index (Rafuse, M. E. (1996). It targets home products, clothing, and other luxury products which attract consumers at large, and owing to its widespread popularity management of such a big name has decided to ensure its presence across the corners of the world. According to Rumelt, the strategies of Marks and Spencer cover four aspects, including consistency in organizational policies and consonance, which reveals that its management is well aware of external trends. The feasibility and advantages of these strategies correlate to each other at comprehensive levels.

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