

Blacks leisure group



**ASSIGN
BUSTER**

Submitted] SWOT Analysis: Blacks Leisure Group, plc Strength Blacks Leisure Group plc is one of the United Kingdom's leading sportswear and sporting goods retailer and is market's largest specialty outdoor retailer. The company's strength lies in its recognition that outdoor activities are not only confined to adult men. It has already integrated in its product range women's sportswear and sports fashion that culminated with the launching of the Pure Women store concept. It has also incorporated Millets chain of family-oriented sporting goods stores and the higher-end Air and youth-oriented Free Spirit retail chains. This diversity makes the company capture a wider market.

The company's strength also lies in the availability of capital enabling the company to weather periods of large losses and allocate budget to cover expenses for closure of its non-performing stores. This is the result of a comprehensive and effective financial management scheme.

Weakness

Most of the products sold by the company are designed for cold and moist conditions which make it inappropriate or warm and dry conditions.

Whenever such weather conditions occur, the company will surely suffer from decreased sales. The company is also lacking in activities that encourage participation and industry growth. It has minimal presence in advocacy campaigns geared towards the availability of land/waterways upon which to recreate, strong outdoor ethos in the next generations and integration of a variety of activities into the active outdoor lifestyle. These activities are necessary to ensure that people will prefer to go outdoors than just enjoy indoor activities.

Opportunities

<https://assignbuster.com/blacks-leisure-group/>

According to the 2007 full preliminary report of the company, the new e-commerce web sites for Blacks and Millets have resulted to a 70% increase on online sales. The provision of online shopping as a distribution channel presents opportunities for the business firm to increase their sales as they can widen their coverage. It can also lessen their operating costs by eliminating the need to put up more stores and hire employees to man them. While physical retail will always hold certain advantages over e-commerce - namely that customers can touch and feel the gear and try things on - it now becomes undeniable that e-commerce can provide a competitive edge over other competitors. However, the company must bear in mind that they need to put in all the most relevant information, from objective customer reviews to detailed features to comparative product specs right in front of their customers.

Threats

Both Blacks and Millets thrive in a traditional British climate. Thus, whenever the weather deviates from the usual cold weather, product sales are shown to be adversely affected. This is shown by the large losses incurred in 2001 and 2006 fiscal years when the weather was rather warm and dry in spite of being in the winter season. The challenge is ensuring these businesses also thrive when the climate is dry and warm, particularly in the winter. While the company can diversify their clothing line to include lighter, more breathable fabrics and are designed for warm and dry conditions, it runs the risk of budget allotment to developing products that are availed only in certain special occasions. The cost of developing new ranges for the beach, garden and festival activities may not be enough to cover for the sales of the product.

The company should also consider the changing demographic preference. Research conducted by the Outdoor Industry Foundation (2007) shows that Indoor Fitness activities is becoming increasingly popular and the industry is now seeing former participants of outdoor activities and team ball sports migrating to this field. The trend is more pronounced among females. Participation in indoor fitness reaches parity with outdoor by the young adult age group (18-24). What this means is that there is a need for the company to sponsor events that could make the populace become interested still interested in outdoor activities. Research conducted by the Outdoor Industry Foundation found that creation of or enhanced access to places for physical activity, combined with informational outreach has been shown to produce a 48 percent increase in frequency of outdoor physical activity.

References:

Blacks Leisure Group, plc (2007). Blacks Interim Report and Financial Statements 2007. Retrieved Dec. 11, 2007 from <http://www.blacksleisure.co.uk/flash.htm>

Outdoor Industry Foundation (2007). The Next Generation of Outdoor Participants, 2007. UK: Outdoor Industry Foundation Publications.