

Marks and spencer is clothing and food based commerce essay



**ASSIGN
BUSTER**

Marks and Spencer is clothing and food based Company. The Company is committed towards creativity, innovation, and customer satisfaction, through enhancing quality and value of their products. Marks and Spencer enjoyed great profitability and success, due to the presence of a large market with few competitors (BBC, 2004). However, this did not last for long, and the Company, started facing many challenges, in the context of global competition and management (M&S: Fighting Structural Decline, 2006). These challenges emanated from the internal and external environment. Despite these setbacks, the Company has major opportunities arising from the large market segment, increase in demand, and technological advancement (Research and Markets. 5). This paper explores the challenges, and sources of competitive advantage include knowledge management, social media marketing and the use of virtual organizations for Marks and Spencer Company.

Discussion

The current and future of the fashion and food industry favours the business ventures of Marks and Spencer (Company Spotlight: Marks and Spencer Group plc, 2004). The company has a well- established market positioning and brand image, which enhances its current and future advantage over other competitors (Marks & Spencer Group PLC SWOT Analysis, 2007). However, these alone are not enough, as the Company has to consider other internal and external factors, useful in supplementing these attributes in order to achieve sustainability and profitability (Webster, 2006). In order to remain competitive, Marks and Spencer has to embrace change strategies,

and Human Resource policies, which will enable it to gain a competitive edge (Grundy, 2005).

The Company seeks to recruit worldwide talent in order to acquire competent employees (Marks and Spencer, 2012). The sources of competitive advantage are costs and differentiation, competent and capable workforce, and effective knowledge management, which serve as great assets to any organization (Chesebrough, 2006). Cost and differentiation leadership seeks competitive advantage in a broad industry, while cost and differentiation focus strategies are useful in a narrow industry (Wheelen and Hunger, 2010). Marks and Spencer Company must come up with new strategies, in order to remain competitive, and sustainable (Ogden and Wersun, 2006). Competitive advantage can be gained through offering greater value to customers, which justifies higher pricing. One of the key assets that the Company can exploit is its employees. The Company is faced with the challenge of pleasing its customers, and getting the best from its employees.

Marks and Spencer can use its employees as a source of competitive advantage since it has high reputation for focusing on customer service. Competent employees can innovate and use their skills to ensure that they revive the Company's lost glory (Kemp, 2012). The Human resource department can seek to attain competitive edge by strategic deployment of capable and highly committed workforce. It can use a variety of integrated structural, personnel and cultural techniques. Some of the techniques include equal employment opportunities in order to create a diverse workforce. Diversity has introduced new talent and increased the potential of <https://assignbuster.com/marks-and-spencer-is-clothing-and-food-based-commerce-essay/>

the Company, which is highly required in the face of stiff global competition (DATAMONITOR: Marks and Spencer Group plc, 2011).

Gaining and retention of a competitive edge is vital to success of an organization (Banfield and Kay, 2008). Competent and diverse employees are valuable assets in an organization, and can enhance profitability and sustainability of an organization. Human resource department is liable for employees within an organization. HR functions such as selection, recruitment, training, coaching and motivation, are among the methods used by the HR in order to enhance the capability, and diversity of the workforce (Luthans, 1998). Marks and Spencer can provide equal employment opportunity in order to enable the organization to overcome the impacts of past discrimination against minority groups, and gender bias, and continue to attract, recruit, employ, promote, and retain competent employees in the Company. This helps in achieving diversity goals within the organization (Le Pla, 2012).

Effective human resource practices enable an organization to gain a competitive edge over other competitors. Human resource department is responsible for ensuring that the employees are adequately motivated, and qualified for their jobs, in order to achieve profitability and sustainability of an organization (Banfield and Kay, 2008). Effective management of resources enhances sustainability, and profitability of an organization. Training and employee empowerment helps to decentralize decision-making and authority delegation to the store managers (Cole, 2004).

Human resource tools and techniques are potent instruments for achievement of competitive edge and sustainability of an organization (Boddy, 2005). The human resource function is closely associated with sustainability and competitive advantage of an organization. Capable employees are an important asset, and enhance the success of the organization. It is crucial for the Company to enhance the potential of their employees, through provision of equal employment opportunities, in order to remain innovative and competitive in an evolving business world (Kemp, 2012). One of the Company's strategies is to regain the core customers through delivery of significant improvements in the product value, appeal, and availability (Chiang, 2011).

Capable workforce explores all the opportunities, and innovates products in a bid to remain competitive and provide solutions to various challenges that arise due to the dynamic business environment (Le Pla, 2012). For instance, there is need to differentiate the different markets and come up with fashions that suit the needs of the younger and older generations. Innovative and competent workforce will be committed to delivery of trendy and fashionable clothing that suits the different markets (Kemp, 2012). Effective management of human resources results to enhanced potential to attract and retain capable employees, who are committed to performance (Banfield and Kay, 2008). This enhances profitability, sustainability, and places the organization at a competitive advantage.

Knowledge is viewed as a crucial asset in an organization (Chesebrough, 2006). Effective knowledge management offers a competitive edge to an organization (Lin, 2006). The success of a business depends on its system <https://assignbuster.com/marks-and-spencer-is-clothing-and-food-based-commerce-essay/>

and intellectual capabilities. Knowledge management is a widely applied technique in Marks and Spencer and the worldwide which is a key element towards innovation of new ideas and processes. Effective management of knowledge reduces operational costs significantly, especially now, when Marks and Spencer is trying to reduce its operational costs. It can significantly improve the quality of services and products and makes a remarkable contribution towards improving business excellence (Laudon and Laudon, 2002). This can be evidenced by a significant reduction in operational costs, enhanced productivity, profitability, sustainability, growth and improved product and service delivery (FSN 2007). In business, prior knowledge on the consumer needs and market dynamics helps a business to be more proactive (Marks & Spencer: 'fail fast', 2012). Knowledge on employee, customer, stakeholders and industrial needs, has a direct effect on relationship management.

Effective application of knowledge improves the performance and productivity of a business significantly (Davenport and Beers, 1998). It helps to deliver the stakeholders expectations and earn their trust, which is highly applicable to the Company, especially during its recovery period. Companies practicing effective knowledge management are able to turn their ideas quickly into innovative services and products. Knowledge management of the global economy will help the business significantly.

In the current business world, knowledge has become major strategic asset and organizations must acquire and develop effective strategies in the identification, development and application of knowledge in order for them to succeed in their goals (Davenport and Beers, 1998).

<https://assignbuster.com/marks-and-spencer-is-clothing-and-food-based-commerce-essay/>

Social media marketing via the web offers a cost effective marketing options (Gibson, 2009). A marketer can reach many people, and they too can share the information with their friends thus, creating a large social network (Kimberly, 2012). The social media marketing offers an organization, a platform to connect and communicate with the customers (ADWATCH, 2006). It helps businesses to reduce the operational costs through minimizing the publication and distribution costs (Zarella, 2010). Effective use of social media will help the Company reach many potential consumers all over the world (Marks & Spencer set to enter Egyptian retail market, 2010).

Conclusion/ Recommendations

To conclude, Marks and Spencer achieve the advantage it enjoyed so far by some reasons. Firstly, it was the quintessential British store since its establishment. The price of its products was always reasonable with high quality. This helps to consolidate its brand image and keeps the customers. Furthermore, the employees form a crucial element in the recovery strategy of Marks and Spencer. They are important assets in enhancing the success of the customer-based efforts, business refocusing, handling reforms, and correcting the issues that have challenged business at Marks and Spencer. Competent and dedicated workforce will help in bringing innovative fashions that will suit the older and younger generations' needs. However, the Company needs to focus on its workforce in order to achieve their innovative goals for their present and future business growth and demands. It should also make a substantial amount of investment in the creation and implementation of the most appropriate knowledge networks, tools,

processes, methods and technologies (Hibbard and Carrillo, 1998). This will enhance profitability and sustainability of the Company.