

# Swot analysis of holland and barrett

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**Weaknesses Threats**

Over-reliance on foreign Commercial property price labor Government law on foreign labor. Location of outlets Pollution of environment Weak internet presence Currency conversion rates Price and range of product Competitors Dull and boring layout of outlets

**Strengths**

The purpose of identifying the company's internal strengths is to take advantage of these strengths, so as to increase a company's competitive edge and business opportunities. Membership Card Melanin Group introduced a membership card, which incorporated EX-link and cash card functions.

As consumers' expectations are ever-changing, this multipurpose serving card allows consumers to avoid the inconvenience in having to carry several Barrett, but also at all brands the under the Jay Geefamily. As a result, the membership card helps the company to cross sell and cross-market products and rand's, by helping to make the presence of brands like Holland & Barrett, known to the public. This is because a shopper at Levies and Aledo may discover the existence of Holland & Barrett through the card.

**Strong Product Branding**

Another strength of the company is that the Melanin group has invested heavily in promoting itself as a company that brings in brands of high quality and of a certain pedigree of prestige. This accounts for why the company maintains a selective choice for the locations of its shops only in shopping malls and not in retail spaces found in the housing estates. The company

also advertises the brands it carries heavily in glossy periodicals and mainly in English newspapers, mainly, in the Straits Times.

As a result, by way of association with the Melanin group and also locating only in shopping malls, Holland & Barrett has also been embedded with the impression that the health supplements it carries, are of high quality.

### Socially Responsible

Holland and Barrette's products come in recycled plastic bottles which are biodegradable. This will attract and encourage consumers to purchase from their outlets knowing that they themselves are doing a part in saving mother earth.

### **Weaknesses**

The purpose of identifying the company's internal weaknesses is to allow the company to improve on or if possible, remove it.

This is the stage where management have to rectify the identified weaknesses. Over-reliance on Foreign Labor Based on anecdotal evidence, almost all the sales associates employed at the Holland & Barrett, are foreign workers. As far as one can tell, most of these workers are from the People's Republic of China or the Philippines. While such a HRS policy may be borne out of necessity in Singapore tight labor market, especially in the retail industry, it has implications on the quality of service rendered. From personal experience, staff from PRE were unable to efficiently articulate the information with regards to products in English.

In fact, when the staff reverted to their mother tongue, they were then able to provide more in-depth information about their products. Location of the Outlets Unlike its competitors, such as Nature's Farm, Watson and Guardian Pharmacy, the 22 outlets of Holland & Barrett are wholly located in shopping malls. This may limit the clientele of the business as it may not attract the "heartlands" who do not shop in malls. ND have steadily opened outlets in HAD Town Centers, so as to capture a greater market share of the health supplement retail industry.

### **Weak Internet Presence**

While the Melanin Group has a website, its franchise, Holland & Barrett does not have an active website, or a Facebook or Twitter pages. The local franchise only has a website which displays a banner that highlights the current promotions of the business (Holland and Barrett, 2013). This is a contrast to the active internet presence the parent company has in the I-J. In I-J, Holland & Barrett has not only an active Facebook, but also a Facebook page and a mobile application. Read also Bloomingdale's SWOT Analysis

However, the I-J website and mobile app is not that useful to a Singapore customer as the pricing of the products are in pound sterling, and a host of the products are not available in the Singapore stores. Furthermore, such a discrepancy may frustrate a Singapore customer as the I-J website and mobile app features a wide range of products and services offered in the I-J, but are not available in Singapore.

## **Opportunities**

The purpose of identifying the external opportunities is to allow the company to aka full use of it at the right time.

Collaboration with companies. Holland and Barrett could work with companies that deal with beauty products to promote their health supplements, especially companies that sell organic products. This is to expand their product range, which in turns, brings in more customers and expose these customers to the products of Holland & Barrett. To secure retail space in upcoming hospitals As MOM (Ministry of Health) had announced that there will be 4 more hospitals and 12 more polyclinics build. Holland and Barrett and take part in the bidding for retails spaces.

This will target a different market segment as an alternative to seeking retail spaces in public housing estates (MOM, 2013). To create high amount of awareness through sponsorship of SEA (South East Asia) Games in 2015 By sponsoring SEA Games, it will help to build on their reputation (CAN, 2013).

## **Threats**

The identification of external threats is to allow the company to better prepare Commercial property prices With its stores located only in malls/shopping centers, Holland & Barrett is very much subjected to the mercy of rising rental costs of retail spaces.

This costs could be reinstated to higher priced products that would disadvantage the franchise's competitiveness, especially in a highly competitive retail environment.

**Rental Price of Shops**

Government policies on foreign talents Another rising costs is the higher labor costs all businesses in Singapore are facing, as employers have to employ more Singapore, due to tighter restrictive labor laws on the employment of foreign labor. This again will impact the franchise's competitiveness (MOP, 2013). Currency Conversion Rates As Jay Gee import the supplements from Europe directly.

Currency plays an important role which will affect the amount of revenue that the company can generate. In this case, sterling pound will continue to do well as reflected in the forecast (Pound Sterling Forecast, 2013).

**Recommendations**

Holland and Barrett could initiate do more as a socially responsible company, other than using recycled bottles. The company could have a green policy whereby for every bottle that is returned, a customer receives a stamp on a stamp card. Once a customer collects 5 stamps, the company would offer discounts for the next purchase.

The more stamps the customers accumulate, the more discounts they will enjoy. In addition to the promotion of recycling, the company is also increasing its sales. Holland and Barrett could also invest in creating a greater internet presence such as setting up a website that provides updates on products and services available in the Singapore stores and also, online shopping. The company could also collaborate with nutritionists to conduct public talks/ seminars on how the deficiency of certain vitamins, could lead to chronic diseases.