

# Marks and spencer (mands) famous brand

[Business](#), [Company](#)



## **Abstract**

Currently, the retailer Marks and Spencer (M&S) is not only well-recognized among the UK citizens, although its branches are well established across the globe with many product categories available. During recent years, it has been found that the sales growth of Marks and Spencer's merchandising, which has been its oldest and most important sector, has been in decline while the growth of M&S's food sector has increased at an impressive pace. This study will attempt to find the factors responsible for the declining sales in clothing and the rising growth in food of Marks and Spencer, and hope to shed some lights on which areas the company should focus on to fix this decline in sales. The method will rely on the literature reviews of article from credible sources as well as published books. The paper will be analysed in two sections: factors affecting a sales slump in clothing, and factors affecting the rapid sales growth in the food department.

### **1. Introduction**

Established in 1884, Marks and Spencer has grown from a single-market company to a multinational corporation that has many branches around the world, including in England, the United States, and Thailand (www.marksandspencer.com, 2014). Not only has the 130-year-old corporation expanded across the globe, but it has also increased its product diversity as well. Although it began as a merchandising business, M&S currently sells a range of products, including women's lingerie, sportswear, cosmetics and food. However recent sources, including Ahmed (2014), Ficenec (2014) and Pinnington (2014) have observed that the sales of the clothing division of

M&S has been declining in recent years while that of the food department has increased; for instance, Ahmed (2014) at the BBC found that clothing has gone down by 1.5 percent in 2014, while a like-for-like sale of food has gone up by 1.7 percent in this time. Ficenec also added that the decreasing sales in the clothing department has been going on for up to three years. As of late 2013, the sale of food accounted for more in the total sales of clothes, with 55 percent against 45 percent respectively (Ruddick, 2013). For the clothing department, this event could be classified as relative product failure (Dibb et al., 2006).

Though one may argue that the drop in sales might be an industry trend for that year, Primark was found to receive a 5 percent like-for-like increase in sales during this time (Ruddick, 2013). Therefore, marketing problems in M&S's clothing department have emerged as an interesting research topic. This report will discuss several marketing factors that could account for the widening sales gap between Mark and Spencer's food and clothing divisions, focusing primarily on the UK. The study is divided into two discussions of the factors affecting the sales slump in clothing and will discuss the factors affecting the rapid growth in sales for the food department. Elements analysed in this paper include marketing variables, such as: target markets and customer profiles, price, quality and product positioning. Finally, a conclusion on the relevance of the examined factors towards the sales diversion will be made.

## 2. Literature review

Marketing strategy can be defined as an organisation's strategy that combines all of its marketing goals into one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business. According to the Business Dictionary (2014), the marketing strategy is the foundation of a marketing plan.

Marks & Spencer is one of the oldest supermarkets in the UK. Established in 1884 by Michael Marks and Thomas Spencer in Leeds, the company became the first British retailer to make a pre-tax profit of over ? 1 billion. It has delivered to more than 30 countries from its UK site and has 8 International websites and 644 UK stores (www. marksandspencer. com, 2014). Various sources, including Ahmed (2014), Ficenec (2014) and Pinnington (2014) have observed that Marks & Spencer as a company has been expanding and diversifying its products so that it includes foodstuffs as well as clothing and plastic materials.

### 3. Methodology

This study took place in Middlesex University on the pre-sessional programme in August 2014. It was completed by a group consisting of three people from the pre-sessional course, these were: Mohammed, Maram and Buk. We chose Marks and Spencer Company from FTSE 100 because M&S is one of the most popular and oldest companies in the UK. It also offers a wide range of products such as food or clothes. Once we had selected this company, we performed research in the library to find out the factors that made sales grow for Marks and Spencer, and why this was greater for food

than clothes. After that, the researchers interviewed others at Middlesex University. We performed secondary research by using websites and search engines, likeGooglescholar. We also looked at a database of Middlesex University as well as library catalogue to find sources that were related to our research and supported our ideas towards answering this question. We found many credible sources such as journals articles, books, newspaper and website. ?

#### 4. Findings

The researcher explored for sources that would be useful for this report. Three articles were found that are used in this report and were widely useful because they provided updated information. Further information was extracted from the company website, which was cited as particularly useful for historical information about the company and its origins, and also its subsidiaries. Moreover, it was found that book were used to provide general information and the views ofacademicsources. From these sources, it was identified that there is clear disparity between the sale of food and sale of clothing in Marks and Spencer Company. This was observed from various sources, including Ahmed (2014) who notes that while food sales were on the rise, clothing sales were falling. Ahmed from the BBC found clothing sales have dropped by 1. 5 percent in 2014, while like-for-like sales of food rose 1. 7 percent. However, there are several reasons for this disparity which will be explored in the following section.

#### 5. Discussion and Analysis

There is a clear disparity between the sale of food and clothing in Marks and Spencer Company. Various sources such as Ahmed (2014) from the BBC saw that while food sales were on the rise in M&S, clothing sales were falling. Ahmed found that the sale of clothing dropped by 1.5 percent in 2014, while like-for-like sales of food rose 1.7 percent. However, there are several reasons for this disparity. The first factor, or the reason for the success of the food sales in M&S, is the diversity of items in the food range and also the quality of the food. These were identified as the most important reasons that helped promote the sale of food products at M&S. The company's success in the sale of food can also be attributed to the popularity of microwavable foods, which have proved to be the most popular product in the food sales (Tresidder, 2010).

A further reason that can be attributed to the success of the food sales in M&S is due to the marketing campaigns surrounding them. The advertising for the food can be seen as one of the primary reasons for the success of the food sales in M&S. The adverts appear on websites, television and marketing texts and all have an effect on promoting the M&S food products to consumers. As a result, the company actually relies on the M&S logo to attract consumers along with the company slogan – “this is not just food.” Kress (1996) and Van Leeuwen (2001) describe how this could be a good way to market the product and is a modern way to attract consumers. Furthermore, this marketing campaign can contribute to create effective promotional images on the TV which will lead on to higher sales of M&S food. Among the factors that have helped the growth of sales of food products is the location and quality of the product.

These are all factors that have been cited as attributing to the increase in sales of food products; however, the decline of the sale of clothing products is not entirely associated with the success of the food products but, more so, poor handling of the clothing line. For example, it has been argued that M&S clothing range has been guilty of poor product positioning, both in stores, shop windows and in marketing texts (Tresidder, 2010). Furthermore, the clothing department website has been criticised for being overly complicated and difficult to navigate (Ahmed, 2014). Therefore it could be suggested that the M&S clothing department learn the lessons of effective pricing, advertising and use of branding tools, such as slogans, used by the food department, to halt this decline and reverse the movement of their sales growth.

## 6. Conclusion

In conclusion, M&S has faced several issues in the Department of clothing, as sales fell dramatically; yet the sale of food products continue to rise. Several contributing factors to this pattern have been discussed, including effective branding, marketing for the food products, and poor product positioning of the clothing items. However,

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