

Marks and spencer essay samples

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



Company Overview

Marks & Spencer is one of the leading retailers in the United Kingdom, well known for offering financial services, clothing and foodstuffs of superior quality. The company was formed in 1884, following the partnership of Michael Marks and Tom Spencer. Since its formation, the company has evolved, and continues to evolve, to be one of the largest retailers globally. Currently, the company operates more than 600 stores within the United Kingdom and over 200 others in more than 40 countries globally (Chislett, 2009). The rapid growth of the company is accredited to its visionary leadership, which has seen the company to diversify its operations to match the ever changing market dynamic.

External Environment

External environment entail factors that affect the functioning of an organization, but over which the organization has no control. Such factors include political, economic, social, and technological factors.

Political Factors

These are factors that are associated with business regulations and consumers' spending power. An organization has to incorporate these factors in their marketing plan because the marketing strategy, as a whole, would depend on the existing political environment in which it is operating. Some of these political factors include the political stability of the given country, the influence of the government on laws business regulation, the government policy on the economy, and any possible threat to the current government (Bevan, 2007).

The UK has a stable political scenario, and no any significant threats to the country. Although the country has faced terrorism threats in the past, security has been increased and everything is under control. Therefore, Marks & Spencer is assured of security in the country, which allows it to effectively plan on future business and marketing strategies (Tse, 2005). In addition, the UK is one of the countries that have attractive tax system, with low personal and corporate taxes. Similarly, Marks & Spencer focuses on venturing into countries with similar characteristics, as the UK, when implementing its internationalization objectives. Particularly, Free Trade Agreements and European Integration have opened opportunities for the company in the Eastern Europe region (Worth, 2007). Nevertheless, terrorism is emerging as a significant threat in some of the countries in which it is has already ventured into, such as the United States and most of its allies, something that has forced the company to cut down its ventures in the affected countries.

Economic Factors

The UK operates an open economy, and it is among the largest economies in the world. The UK government has implemented favor fiscal and monetary policies, which have resulted to an expanding economy characterized with low inflation rates. As such the consumer spending power has been relatively high. Therefore, Marks & Spencer has been enjoying good financial returns not only in the UK, but in most of the countries it has ventured into (Hollender & Breen, 2010). However, following the recent past global financial crisis, the company has recorded declining sales in almost all its outlets. To deal with the crisis, most economies were forced to implement

strict fiscal and monetary policies, which contributed to a reduction in the consumer purchasing power. Consequently, the company was forced to close some of its stores and reducing its employees to manage its financial objectives (Easey, 2009). Nevertheless, the situation is changing and the company has started realizing increasing sales in most of its outlets worldwide.

Social Factors

The effects of social and cultural factors on business differ from one country to another. Besides, the society is evolving with time, which implies that tastes and preferences of consumers are also changing with time. For any business organization to survive in the current market, it must embrace these changes (Mathur, 2010). As mentioned above, Marks & Spencer operates not only in the UK, but also a number of countries throughout the world with different social-cultural setups. Therefore, the company always designs its business operations depending on the social-cultural aspect of the country in which it is venturing into (Cole, 2007). The management has to ensure that issues such as tastes and preferences of the consumers; amount of time consumers spend for leisure; the attitude of consumers towards imported products and services; and aging of population, have been accounted for in their business and marketing plans. In the past, Marks & Spencer has been affected by failure to consider some of these factors in certain markets. For instance, in 2001, the company was forced to pull out of France, a year after launching its store (Sullivan & Adcock, 2002). The store failed to pick because the company failed to embrace the social-cultural

aspects of the French people. However, in 2011, the company launched another store in Paris, which has so far shown signs of growth.

Technological Factors

Technology has emerged as one of the factors that make a significant difference when it comes to success and failure of a business. Besides, technology is dynamic in nature, meaning that it keeps on changing from time to time. Most importantly, technology has a big influence when it comes to cost-effective production, innovation in products and services, as well as product and service distribution (Samli, 2009).

Marks & Spencer is facing competition from companies that have heavily invested in advanced technology. For instance, Marks & Spencer was among the last companies to embrace online shopping, something that affected the competitiveness of the company. For the company to grow, improve security of the business, and improve its competitiveness, it has to embrace the new technology. Ever since the company followed suit in introducing online shopping, its sells have increased with a bigger margin (Zentes, Morschett & Schramm-Klein, 2011). In addition, through embracing modern technology, the company has experienced a reduction not only in the marketing costs, but also the overall costs. For instance, Marks & Spencer has relied on Facebook to keep the consumers updated on recent and upcoming events and promotions. This mode of communication is not only cheaper, but is also capable of reaching potential and existing customers in every part of the world in real-time (Sivakumar, 2011).

Internal Environment

Internal environment of a business comprise of factors that affect the operation of a company, bit over which the company have control. Such factors include the strengths, weaknesses, opportunities, and threats. The company can easily work on these factors to its benefit (Samli, 2008).

Strengths

Marks & Spencer is one of the market leaders in the clothing and foodstuff industry. Therefore, over time it has developed various strengths over its existing and upcoming competitor. To begin with, the company has a well-established brand (Mills, 2002). As such, it can easily be distinguished from the other players, which has given it a competitive edge over its competitors. In addition, the company offers a variety of products and services. This is seen as a diversification strategy, and it has come in handy in many occasions. For instance, during the global financial crisis, the clothing and home ware business segments of the company were affected considerably, but its food segment experienced minimal impact (Thompson & Martin, 2010). The loss of sales in the clothing and home ware segment was compensated by the sales made in the food segment. As such, the company was less affected by the recession, unlike most of its competitors. Lastly, the company has a strong social corporate responsibility (SCR) sector. For instance, it is one of the few retailers working on developing a method to fisheries management that brings together fisheries, local communities, and environmental NGOs. Its SCR has seen it acceptable in the community, further strengthening its brand within the market (Stokes & Lomax, 2008).

Weaknesses

Marks & Spencer is faced with various weaknesses. For instance, the company largely depends on the performance of its own labels. As such, the company needs to focus on embracing diversification in this particular area. Furthermore, expansion is becoming a major problem because of the coverage of its existing stores. Lastly, Marks & Spencer seems to be concentrating on the younger generation, risking losing loyal customers among the older generations (Doole & Lowe, 2008).

Conclusion and Recommendation

As discussed above, Marks & Spencer is a leading retailer not only in the UK where it was established, but also in most parts of the world. The company is well-known for its strong brand in the clothing, foodstuffs, and financial services sectors. Perhaps, the growth of the company is attributed to the political, economic, social, and technological, as well as its strengths and weaknesses as discussed above. From the political perspective, the company has to take into account government laws and regulations with regard to taxes. The company has to submit corporate tax, which vary from one country to another. From the economic point of view, the company's performance depends on the purchasing power of the consumers, which in turn is influenced by the fiscal and monetary policies implemented by the government. The social factors that affect the company include tastes and preferences of the consumers, which also vary from one country to another. On the other hand, the new technology, especially the internet, influences the performance of the company. Since the introduction of online shopping, the company has managed to increase its sales.

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