

# Marks and spencer plc report sample

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



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Introduction](#) \n \t
2. [SWOT Analysis](#) \n \t
3. [Weakness](#) \n \t
4. [PEST Analysis](#) \n \t
5. [Economic Factor](#) \n \t
6. [Social](#) \n \t
7. [Technological](#) \n \t
8. [Conclusion and Recommendation](#) \n \t
9. [Works Cited](#) \n

\n[/toc]\n \n

## **Introduction**

Headquartered in the City of Westminster, London, Marks and Spencer Plc. is one of the leading British multi-channel retailers of garments and high quality food products. Founded in 1884 by Thomas Spencer and Michael Marks, the company has 766 stores in the UK alone with 361 more stores spread across globally in over 50 nations (M&S #3 2014). With about 82, 000 employees worldwide, the company aims to provide an excellent shopping experience to its customers, whether in stores, by phone or online. The company seeks to follow a green way of doing its business and hence it has engaged itself in various green programmes. The company has successfully reduced greenhouse gas emission by 23% through reduced emission from refrigeration, following a policy of no waste to landfill, improved energy

efficiency and better fuel consumption (M&S #1 2014). In recognition of its effort at ethical and green programmes, the company has earned the title of 'Responsible Retailer of the Year' in 2012 (M&S #2 2014). This paper will give a SWOT analysis and a PEST analysis of Marks and Spencer and then present recommendations based upon those analyses.

## **SWOT Analysis**

### Strengths

High quality of its products is the major strength of Marks and Spencer. The company ensures to maintain hygiene standards in all its food production. The company maintains the quality of its food products by using only the premium quality ingredients, no irradiation and highly regulated additives (M&S #4 2014). The clothing lines of Marks and Spencer are of high quality too. The fabric used in garments, their design and their manufacturers all bespeak excellent quality.

Marks and Spencer provides an excellent shopping experience to its customers, whether in stores, by phone or online. The company always listens to and acts upon the feedback of its customers with utmost value (M&S #4 2014). If any customer shows dissatisfaction with the food hygiene or anything related to the products and service of the company, the staff at M&S stores makes sure to take down the complaints so that the problem can be rectified later. For instance, M&S has stopped using irradiation method to treat the food products of micro-organism in response to the wishes of its customers (M&S #4 2014).

The well trained staff and managers also add to the strength of the company. M&S makes sure to provide the majority of the training on-the-job

so that the staff members become aware of real life situations and learn how to deal with them. Besides on-the-job training, the managers and staff receive specific job-related training to increase efficiency in performance (M&S #5 2014). For instance, the section managers of M&S are trained on stock management, how to increase sales and motivate the team members.

## **Weakness**

Lately, M&S in order to compete with its competitors has compromised with the quality of its garments to a great extent. In order to allure more customers of all ranges, M&S has started manufacturing cheap clothes in line with the high street fashion and resultantly, it has lost its edge over its premium customers (Watkins and Masters 2013). M&S is a brand known for its British elegance. Unless it aims at providing premium quality products to few target customers, it will lose its high class brand value in the market. Stock problem is one of the major weaknesses faced by the company. In high season, often some of the items go out of stock. For instance, following an ad campaign in 2013 featuring stars like Tracey Emin and Dame Helen Mirren, many of the clothes advertised went out of stock and M&S failed to replenish the stock quickly, much to the disappointment of its customers (Holland 2013).

## **PEST Analysis**

### Political

Politics plays an instrumental role in any business. Political parties make decisions about market conditions, tax rates, regulatory rules on products and import-export barriers. Marks and Spencer earns the majority of its

revenue from UK, which is by and large politically stable (Riley 2012). Marks and Spencer has been operating in United Kingdom for the last 120 years, and hence it is very well aware of the operation of political institutions in that country. One major political problem that stirred UK for some time was after the terrorist attack of 2005 took place. The tax system in UK is one of the lowest among all the developed countries (Riley 2012). The personal taxes are also very low. This makes it even more attractive for any business to operate out of UK. Marks and Spencer can continue to operate out of UK without problem from political front.

### **Economic Factor**

The major revenue for Marks and Spencer comes from food and clothing the consumption of which depends a lot on the economic situations. Though the company has done well over the decades, its growth has stalled in last few years. Especially, the clothing business has seen high competition but very little or no growth (Riley 2012). Due to the current recessionary condition in Europe and UK, the consumption of both the items are not growing. This has affected the growth of Marks and Spencer. However, the company still holds the number one position in the UK clothing market, and its growth in the food market is better than the industry average. Food is a business that gets less impact from a recession. During the high growth periods also, the sale of foods does not go up by very high percentage. On the other hand, clothing is a highly cyclical business (Prokhorova 2013). In the coming years, the economy is slated to do better and with that the growth of Marks and Spencer probably will improve.

## **Social**

With the evolution of social factors, the needs change. For example, the consumption of organic food has seen a growth in recent times with the changing food preference of people. Low calorie diets, ready-to-cook foods and organic foods are the new social trend in the food industry (Riley 2012). Marks and Spencer needs to change its portfolio to capture this new social trend. Clothing markets is driven by the upcoming fashion trend which constantly changes depending on what is in for fashion at the time. Fashion trends can be triggered by movie icons, fashion events, music stars and so on. Marks and Spencer needs to upgrade its clothing line according to the changing social trend.

## **Technological**

Technological changes are taking place rapidly. Technological advancements are required continuously to operate efficiently in a competitive market. The recent technological trend is to implement IT systems. A properly implemented information technology system can help improve productivity, lower costs and improve the visibility in the supply chain and operations. The implementation of real time information systems in logistics and supply chain can help in better tracking, superior planning and automation of ordering process. E-commerce systems can help lower the cost of purchasing raw materials (Prokhorova 2013). Marks and Spencer needs to invest in all those technologies to improve the overall operational as well as the supply chain process. The profitability of Marks and Spencer is not as good as its main rival Tesco. The company has huge opportunity to invest in technology properly and improve its current processes. One of the major technological

changes that happened in the last decade was an increase in the number of people using the internet (Prokhorova 2013). This has opened up a completely new avenue for business. Online sales and advertising are the current as well as future trends. Marks and Spencer already has presence in the online sale of goods and services. It should try to effectively market its products using the internet technology.

## **Conclusion and Recommendation**

Marks and Spencer is the largest clothing company in the United Kingdom, and it is also one of the largest food retailers in the country. It has mainly three business lines; foods, clothing and financial services. The majority of its revenue comes from the UK market. However, Marks and Spencer has started expanding globally. It has acquired a significant presence in the global market. As the clothing business in UK market is not growing and the food business is stagnant, Marks and Spencer should shift its focus more towards the international market. It already has started operations in three of the fastest growing markets in China, India and Russia. If it can increase its presence in those markets then the overall growth of the company will be back on track. It may also diversify its risk. Currently, the business of Marks and Spencer is considerably dependent on the UK economy. With more global presence, it will be able to diversify the risk. In food business, the overall trend is shifting towards more organic and low calorie food. Marks and Spencer should follow the change in trend in the food market to allure the segment of young customers. For the clothing business, Marks and Spencer needs to continue incorporating changes as it is doing now. It should continue to rebrand its image as a fresh fashion retailer.

## Works Cited

Marks and Spencer plc (M&S) #1. 2014. How We Do Business. Viewed on 3rd February 2014

Marks and Spencer plc (M&S) #2. 2014. About Us. Our Plan. Viewed on 3rd February 2014

Marks and Spencer plc (M&S) #3. 2014. About Us. Company Overview. Viewed on 3rd February 2014

Marks and Spencer plc (M&S) #4. 2014. Our Food Policies. Viewed on 3rd February 2014

Marks and Spencer plc (M&S) #5. Careers. Learning & Development. Viewed on 3rd February 2014

Make It British. 2013. M&S Best of British collection – is it any good?. Viewed on 3rd February 2014

SWOT Analysis for Marks and Spencer. Scribd. Viewed on 3rd February 2014

Watkins, S. and Masters, S. 2013, Marks and Spencer reeling over 'poor quality' fashion slump as chief executive faces pressure to stop the rot, Daily Mail. Viewed on 3rd February 2014

Holland, T. 2013, Marks & Spencer insists it has no stock problem despite selling out of key autumn lines. Retail Week. Viewed on 3rd February 2014

Saner, E. 2013, Why did Marks and Spencer lose its edge, and how can it get it back?. The Guardian. Viewed on 3rd February 2014

Marks & Spencer's PEST Analysis. 2014. Viewed on 3rd February 2014 <  
<http://mr-gadget.hubpages.com/hub/Analyse-your-own-organisation-or-division-in-organisation>>

Prokhorova, Anna. 2013. Marks and Spencer PESTEL and SWOT analysis.

<https://assignbuster.com/marks-spencer-plc-report-sample/>



Prezi. Viewed on 3rd February 2014 < <http://prezi.com/ejpqvc6vcrb/marks-and-spencer-pestel-and-swot-analysis/>>

Marks And Spencer - SWOT Analysis Pest Analysis. 2010. Researchomatic.

Viewed on 3rd February 2014

What is PEST Analysis? 2014. Marketing Teacher. Viewed on 3rd February 2014

Riley, Jim. 2012. PEST Analysis. Tutor2U. Viewed on 3rd February 2014