

The swot analysis of the north face



**ASSIGN
BUSTER**

Strength As previous said, the North Face, Inc. is a well-known outdoor product company. In the China, it is the second-best selling outdoor product, just behind the Columbia. Hence, the first strength that the North Face has is popularity. In outdoor product in China, or we can say in Chinese first-tier cities, the North Face has almost one-sixth of market shares (14.09%, see in Chart 1). The second strength is the North Face has Particular brand culture. " Culture is Brand, Brand is Culture" Hugh ever said it.

When people talk about the North Face, they will first think about the North Face's particular culture. This could be strength for the North Face because a well-known story about the product can attract lot of fans to purchase this product. Since 1966 the first North Face product came out, the North Face has written almost 50 years history. (Quyeba. com, 2013) The North Face's third strength in China is that, it has leading technology ability. In 2006, one of its famous products, the Ultra GTX XCR running shoes, won the awards of " Installation of the Year" by Outdoor Magazine.

High consumer loyalty needs high product quality. As previous said, every product of the North Face use the highest technology fabric to make sure each product has high quality. With leading technology ability and ultrahigh product quality, the North Face owned quite a lot of market share in the world. Talk about the strength of the North Face, its marketing method is cannot not mentioned. The North Face made double line market, the online and offline. This makes it stay leading in the business.

Weakness

Although the North Face established almost 50 years, it started very late in China. In 2008, the first flagship store settled in Beijing. Compared with other famous outdoor product brands (see in chart 4), the North Face is the last company to enter the Chinese market. This weakness may lead to some decision-making errors in China and pressure from competitors because it knows less about the Chinese market. Chart 4 Data from Baidu.com. Different from Converse, CAMEL or other brands, the North Face focuses only on studying its professional products in China.

This decision strongly limits its product market and leads the North Face unable to find an advantage in competition. The North Face may face a single target market. In addition, this kind of target market just holds a little part of the consumer in China. Hence, a single product company could face more challenges nowadays in this changing world. Though the North Face's high product quality brings it a well-earned corporate reputation, however, high product quality means an expensive price. In 2010, the outdoor average consumption per year reached 5 billion RMB in China, consumption per person is 3.8 RMB. (Chinanews.com 2011)

This means quite a little of the consumer in China can adopt the North Face's products. It is not a good trend for the company. Another weakness of the North Face is its marketing in China. As previously said, the number of exclusive shops of the North Face focuses only on first-tier cities and in addition, the awareness is not known intimately by consumers in second and third-tier cities. The channel manager should be blamed for this. The weakness of marketing skills slows down the company's development.

Opportunity From chart 4, it is easy to find out that, although the outdoor product industry just started in China, the development tendency shows substantial. The total volume of domestic retail sales of outdoor products in 2011 achieved 10.76 billion and keep develop rapidly. (Xiaokun X & Qingye Z, 2012) The market gives huge opportunity when it develops at top speed. Therefore, it is a good chance for the North Face. Since the reform and open in 1997, Chinese purchasing power increasing rapidly. From a behindhand country to a powerful state which can compete with America and EU, China became an economic giant.

When the economy growth, people will more and more focus on improve their life quality. Hence, the purchase of professional outdoor products will also greatly increase. The North Face can use this opportunity to enlarge its industry in China. Treats The report shows that the number of outdoor product brands reached more than 700 in China in 2011. (Xiaokun X & Qingye Z, 2012) Though the North Face is an internationally renowned company, compare with the local companies, it also faces the challenge of close down.

This is because the low product price from local companies. Chinese people have the characteristic of covet little advantages, compare with the different price on a seemingly same products, they may prefer buy the cheap one. Therefore, it's a real big treats for the North Face which has the high-end and expensive products strategy. For the North Face in China, it has another great challenge, the counterfeit and inferior goods. As research mentioned, during 2011, the CQCA (China Quality Control Association) totally

captured the counterfeit and inferior goods which worth 5. 53 billion.

(Xinhuanet. com, 2012)

Obviously, the industry will be influenced easily by the counterfeit and inferior goods. In China, there is a distinctive treats, the cost of public relations. It is Chinese culture. For the North Face which just started business in China for 5 years, public relations may be a real problem. The high cost on public relations may cause the process of governing and decision-making become messy. Hence, for the North Face, public relations are still kind of knowledge worth learning.