

Man utd – swot and pest

Business, Industries



Manchester United Manchester United (ManU) is one of the leading football clubs in the world. ManU has won many titles in the football competition making the club to be the most successful football club in the world. The success of this club is contributed by the good management of Sir Alex Ferguson who has been the manager since 1986 when Ron Atkinson left (Official website, ManU). Introduction The football industry in UK has become popular because of the first successes in the industry, an attribute that made it a viable business.

The main aim of this report is to analyze the SWOT and PEST analysis of Manchester United. From this analysis, it will be possible to identify both the internal and external strengths of the company. SWOT analysis SWOT analysis can be used to know the success factors of ManU as well as to identify the strategies to be overcome the club's weaknesses. Moreover, SWOT analyses will enable the company to identify the opportunities to improve performance. SWOT analysis of Manchester United is presented below: Strengths The key strength of Manchester United is its well recognized brand all over the world. ManU has achieved such good brand name by heavy advertisement through the internet, TV and magazines (Andrews, 2004). This massive advertisement has made the club to get various sponsors. This means that whenever the company raises any merchandise in the market, indicating their name and symbol, it will be identified by its fans all over the world.

Strength of the club is the presence of a big fan base which has improved the financial stability of the club. This big fan base has made a very high purchase figure whenever the tickets are being sold. Furthermore,

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Manchester United has various distribution channels which enable it to deliver new products introduced into the market. Furthermore, these channels can be used by the Manchester United to obtain feedback from the market concerning their products and performances. Weaknesses From the website of the company, it shows that the major weakness is the products and product variety. It is evident that the company has been introducing many diverse products at different occasions.

All these diverse products have been introduced from the jersey to credit cards indicating that the company has exploited the available sources of income within the company. This action needs to be researched as soon as possible so as to help the company to situate and analyze its products, adopt the use of effective instruments such as the Boston Matrix which will help the company to identify that the products are doing well in the market. Lastly, the club has been so affluent, and it is still operating on such a high level, there is a worrying within the management of the company that it will lose its origin, which has a diverse concentration of the club from football to the proceeds. Such moves might have a great effect on its fans because the fans come from all over the world. Opportunities Penetration of the Manchester United to the American market has been one of the major opportunities to the company. The company will in future structure its club by entering into coalition with the New York Yankees. The New York Yankees is one of the well-off teams in the world.

This will assist the company by ensuring that exclusive distribution channels are established in the United States of America. Through this the company

will be in a position to enter and present their products in a new market. Furthermore, the Manchester United will be in a position to lead all the football clubs in the America, though there will be superior height of risks concerned.

The managers believe that by entering a coalition with the Yankees, this threat will be reduced (CNN, 2010). Threats Manchester United operates under a great threat in this field because other big teams like Manchester City and Arsenal which are currently improving in their performances. These and other teams have become very big competitors to the club.

Furthermore, the Manchester United FC has been facing internal threats to the team.

There is a frequent change of leadership in the company making the club to be disunited. Nonetheless, this will affect the sale of merchandise. Lastly, the club is lacking enough finances for financing academies and junior football, so that they can train the best footballers to ensure smooth succession in the future. PEST Analysis of the Manchester United The club's decision has been affected by macro-environmental factors such as the changes in taxes, new laws, demographic changes and the changes in government policy. The managers of Manchester United can classify these as the political, economical, social and technological factors.

Political factors This comprises of the laws which govern the issues affecting the activities of the club. Currently the team is undergoing a problem of paying out its debts which amount to \$1.5 billion, a figure which was misappropriated by the greedy owners. The fans of Manchester United from

England are preparing to join their efforts to force legislators to consider pro-football legislation in parliament which will aim at fighting the total arrears which has not been paid because of corrupt owners who misuse the funds of the club. Such an action has exploited the loyalties of fans of Manchester United. Economical factors The club has boosted the economy through employment opportunities which have been created to the players and the officials. The positive effect of Manchester United FC is felt globally because they employ the best players globally. Secondly, this soccer club has been a catalyst in the regional development because of the positive financial flows which are generated by the supporters of the team across the world.

Lastly, the club has a positive influence on the economy because its officials are thrown from all over the world. These officials spend an average of 15 ? on basic needs such as food, drinks etc. in a single match. If the supporters are from foreign countries they bring in foreign currencies which will eventually boost the Balance of Payments in the country Technology Technology has contributed positively to the football games since the players are capable of playing at night due to the availability of electricity. Furthermore, technology has facilitated various people from different parts of the world to watch football regardless of their locations. Technology has facilitated fans of the club to obtain information from the internet concerning the performances of the company. This has benefited those Manchester United fans to get updates in case they had missed to watch the game.

Social Manchester United just like any other football team has united many people especially the fans of football. People have interacted all over the

world because of football. People from different age groups normally watch football because it is either their favorite game or because they want to watch just for leisure. Football has become part of the society in the current world, everybody in the world talks of football, either English Premier League or the world cup championships. This is very important since it has affected the society in a positive way i. e. it can create employment in the region. For example, the world cup will be in South Africa this year.

The South African government will collect a lot of revenue in terms of taxation, sales of tickets and any other taxable stuff. This will have close relationship with the social cultural factors though indirectly (Masterman, 2009).

Manchester United has contributed a lot in the context of the social cultural factors as it employs players from different parts of the world. They normally select stars from different leagues and employ them. From a research done by Masterman, Manchester is the leading club in the payment package they offer to its employees. Business strategy The team has carried research concerning their product development in the market.

This is very important as it will help the team to improve their performance in their product in the present market before strategizing on how to enter the new market. Conclusion Manchester United is the leading team in the football industry and to maintain this position, they have to focus on the market and the needs of its clients and followers. The company has further improved on their product through carrying research; these improvements have brought success in the club and improve the support of the team. The board of directors has also done their best by employing the best players to

represent the club. This will make the team to perform well in the field whenever they have a game.

Furthermore, these directors ensure that the discipline is well maintained in the company because the fans and its competitors are closely watching what is going on in the company. Bibliography ? Andrews, D. L. (2004) Manchester United: a thematic study. Routledge: UK.

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