

Next plc: swot analysis

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The level of intensity of rivalry in the industry is high, as there are other firms that are well established like NEXT, and thus they tend to constitute a rival to the operation of NEXT business. “ There exist a huge number of clothes retailer in the UK approximately over 25, 000 combined with other outlets makes them more than 45, 000. This indicates a high rivalry between competitors. In this phase of the market cycle where there is more or less no growth, competition is often price-based and therefore very aggressive” (ibid).

The level of rivalry in the UK clothing industry makes it difficult for firm to build up its network of customers; as they have choice to make and move around from one seller to another. Presently the current competitors to NEXT are those who operate outside UK. Swot analysis of next plc. The SWOT analysis is a vital tool of assessing the operational performance and the environment in which an organization operates. For NEXT Plc the organization's strength lies in the quality base of its products, individual style, and touch in its production, and quality for money.

According to Schilbach (2001), “ The key for this success is that NEXT designs its own products and sells them under its own label. As one of the largest retailers, they use their extensive market overview to recognize changes in customer wishes and behaviours. ” The ability of NEXT Plc to create products under its brand name has made the organization to cope in with the dynamics and changing conditions in the market. This has made the organization to adapt to its changing industrial environment.

The weakness of NEXT has to do with the non-availability of all-inclusive products that will make customers stick to buying from the NEXT stores only.

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The absence of some products like gift may force some of the organization's customers to visit other competitors in the industry for it to get these products. Sometimes, some customer may have the intension of buying gifts along with clothing they buy from NEXT, but the non availability of these products means they have to continue their shopping else where. Sometimes, some customers may be trapped by this move, as the competitors will try to convince them to stick with them. In addition, the adaptation to the same corporate culture in expanding to international countries tends to weaken the level of operation of the organization as it franchises its business operations.

Opportunity abounds for the clothing industry where NEXT operates. The demands for clothes are taking a new threat with men metrosexual desire to fit into the fashion trend of their feminine counterpart. There is also the need to produce more clothing for people with increasing body size. People are growing bigger and taller, and there is a need that they sought for clothes that would fit them properly. Then it is the opportunity at the NEXT-Door step to fulfil the desires of these set of people. Read about NEXT PLC Competitors

The threat to NEXT business operation is the keen level of competition in the clothing industry in UK. Some rivals to next tend to sell cheaper and discount on their products, despite the difference in quality, comparable to NEXT's product customers may be forced to patronage these cheaper product. In addition, large supermarket sells products similar to NEXT. They from season to season give out rebate in their product making it cheaper and thus attracting more customers to themselves.