

SWOT ANALYSIS ON ATHLETE'S WAREHOUSE (A)

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BUS 1101 - PRINCIPLES OF BUSINESS MANAGEMENT

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Following is the detailed SWOT analysis of Athlete's warehouse;

STRENGTHS:

1. **Unique product mix** - Athlete's Warehouse specializes in good quality athletic footwear and clothing, which is not available in other stores in Grand Falls. This unique product mix would give the store a competitive advantage in the market.
2. **Knowledgeable and Experienced staff** - Colin and Ed have the required expertise and knowledge to provide expert advice to customers on the purchase of athletic goods, especially running shoes. This would help in building customer loyalty and trust.
3. **Cost-effective** - The initial investment required to open the store is only \$30,000, which is relatively low. Moreover, Colin and Ed have already invested \$12,000 in inventory, which reduces the investment amount further.

WEAKNESSES:

1. **Limited inventory** - The store's inventory is limited to \$20,000, which might be insufficient to cater to the demands of the target market. Additionally, the requirement of COD for the first order by some suppliers might also impact the inventory.
2. **Limited market** - The store targets people between the ages of 13 and 34 who are involved in some type of athletic endeavor. This is a relatively limited market and might not provide significant growth opportunities in the future.
3. **Limited working hours** - Ed would work in the store as his shift schedule allows, which might limit the store's working hours, impacting its ability to attract and retain customers.

OPPORTUNITIES:

1. **Growing economy** - The economic conditions in Grand Falls and neighboring Windsor are favorable, with Abitibi Price Paper working to capacity, and the Central Newfoundland Regional Health Centre undergoing renovation. This might lead to an increase in disposable income and hence demand for athletic goods.
2. **Growing population** - Grand Falls is the primary service center for a retail trading area of at least 50,000 people. This might provide a larger customer base for Athlete's Warehouse.
3. **Deficient inventory of competitors** – As Colin states “According to my estimates there are at least 3,000 people in this market area are willing to pay good prices for good quality merchandise. These people are not being serviced by the existing businesses”. (Howse, B. 1992). This can help the store reach a wider audience and provide better accessibility to customers.

THREATS:

1. **Established competition** - Athlete's Warehouse would face competition from three existing sporting goods stores, as well as Woolworths and other clothing and shoe stores in the area. These stores might have established customer bases and could impact Athlete's Warehouse's ability to attract and retain customers.
2. **Economic uncertainties** - While the economic conditions in Grand Falls are currently favorable, there might be uncertainties in the future that could impact the demand for athletic goods.

3. **Supplier dependency** - The requirement of COD for the first order by some suppliers could impact the store's ability to maintain inventory levels, which could impact customer satisfaction and trust.

Overall, Athlete's Warehouse has a unique product mix and knowledgeable staff that can provide it with a competitive advantage. However, the limited inventory, market, and working hours are some of the weaknesses that might impact the store's growth potential. The growing economy, population, and the option of online sales can provide the store with opportunities for growth. On the other hand, the established competition, economic uncertainties, and supplier dependency are potential threats that could impact the store's success. Therefore, Athlete's Warehouse needs to focus on building customer loyalty, expanding the inventory, and exploring online sales to tap into the growing market. It also needs to keep a close eye on the competition, economic conditions, and supplier relationships to ensure long-term success.

Reference:

Howse, B. (1992). *Athlete's warehouse (A)*. Atlantic Entrepreneurial Institute.

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