Why SWOT:

Both PESTLE and Porter’s 5 Forces account for external factors analysis for strategic decision making, whereas SWOT looks at both internal (Strengths and Weakness) and external (Opportunities and Threats)forces.

However, SWOT analysis framework doesn’t prioritize issues after the identification. There is reliance on the strategy managers to effectively prioritize the elements depending on impact and/or relevancy. Hence, in my opinion, after an initial SWOT analysis, it would be highly recommendable to study individual threats under the Porter’s 5 forces and PESTLE, according to the category of the threat identified.

Stitch Fix SWOT Analysis:

**Strengths**

* Stitch Fix has a highly interactive website which brings in a lot of internet traffic. The business model is very well crafted within the website to drive optimal sales.
* Stitch Fix has a strong presence in social media with more than million followers on Facebook, Instagram, and Twitter.
* They have a large number of categories in their product portfolio, including a number of unique offering in style and brands to cater to individual tastes. The diverse nature of the offerings is unique to the company and not offered by competitors.
* There is high brand awareness. With brand endorsements like ‘Fast Company’ magazine’s as “Most Innovative Company”, Stitch Fix has already gained a reputation and trust of the market.
* Stitch Fix’s low cost structure helps in gaining an ever increasing customer base due to its affordability

**Weaknesses**

* There is considerable number of articles on their worker morale, which has stemmed from company culture, higher workload per worker, etc; which raises the question of efficiency in hiring and retention policies within the organization.
* There is a high cost of inventory associated, which may lead to unnecessary costs to the business
* Stitch Fix has been flagged by auditors recently, for not being able to assess controls for their outsourced IT service providers, which has a correlated effect on their financial statements and hence is categorized as a material weakness.
* Most of Stitch Fix’s sales are from repeat customers, and if in there is any change in that, whether from customers who no longer see any appeal in the service, or other shifts in activity, may hurt the business quite significantly.
* Stitch Fix has not been consistently profitable. Moreover, the company does not intend to pay dividends in the foreseeable future, so initial returns are dependent on stock price gains.

**Opportunities**

* E-commerce is still booming with increase in number of users all over the world.
* Technological developments in analytics for every department would help the company from RnD to Operations management.
* Fashion is fickle and here to stay. With fast fashion taking over the landscape, Stitch Fix has great opportunities in the sector if they can manage inventory successfully.

**Threats**

* Stitch Fix collects a considerable amount of data from clients. Any data breaches, fraud or lack of internal financial reporting are a significant threat.
* Increasing competitive threat in the personal stylist sector like Amazon Prime wardrobe.
* Stitch Fix needs to keep improving on the accuracy of their technology. Since its not just algorithms that pick the ‘Fix’ for a shopper, the paired stylist can override an algorithmic suggestion. However, this model is dependent on stylist and hence can lead to situations of human error, which could direct a significant loss of faith within the customer base.