

# Research Paper SM

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**A BUSINESS PLAN OF MARKS & SPENCER**

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### **Abstract**

Marks and Spencer are a world-renowned company striving for a better strategy to maintain their commitment to being environmentally friendly and better make quality products. They have tried to focus on expansion and made departments of food, clothing, and premium home products. They are reconstructing and transforming for a better customer experience and brand loyalty. One of the biggest challenges for the company has been the perfect strategy which they time to time failed in executing and making. Even after investing in a new product line, the company is struggling to keep up with the numbers and brand loyalty. Also, the other huge challenge has to be up to date with new trends and current trends. Enhancing the customer experience has also been a challenge that the company is overcoming now with its investments in advertisements and merchandise including promotions. Overall, Marks & Spencer's new business strategy is planned to position the firm for long-term success in a swiftly altering retail landscape.

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## Introduction

One of the most renowned companies Marks and Spencer is a Britain Multinational retailer, founded in 1884. The company grew majorly in the UK and then led to 450 stores in 50 countries all over the world and 950 stores all alone in the UK. The company is reconstructing and transforming phase for expansion and to adapt to the new trends and also stick to their new commitments of quality, sustainability, and environmentally friendly to reduce wastage. The company is focusing more on social media and online presence from web design to new product lines and being up-to-date. They are well known for food items, home products, and majorly in the clothing industry. The company is trying to modernize and also maintain relationships. Their strategy has failed before and according to a few theories it was predicted yet some tough decisions were taken.

The company has learned that brand loyalty and maintaining the relationship with customers and suppliers is an important aspects. Hence now the company is making high investments in advertising and online presence and, refurbishments. They are trying to provide a personalized shopping experience for customers on the website as well as retail shoppers with the new changes and strategies. They dedicated themselves to ambitious goals like low-carbon production but also expanding their digital marketing efforts. The company has tried making new partnerships, maintaining them, and strengthening them. The company has tried to use the strategy of internationalization by entering new markets and making new partnerships but the strategy didn't work for long if only a more flexible approach was taken.

## Literature Review

### I. "An Analysis Report of Marks and Spencer Business", Oday Alnabhan

The paper entails the strategic changes that the company went through in the year of 1999 which was to revitalize the business, which lead to a huge amount of investment with low returns. The company brought in developments in the retail industry, resulting in a rise in e-commerce. The paper highlights the online platform and how sustainable and ethical the company's products are. The company tried to adapt to the new changes and new trends but failed due to a change in strategy wasn't seen through. Also, other than the strategy failure the rivals were doing a great job hence Marks and Spencer lost a lot of its shares to rivals like The American Gap Inc. and the food department also faced huge rivals. The paper concludes that even after so many failed components the company was able to reposition itself in the UK market and is

doing very well despite the rivals. (Alnabhan, An Analysis Report of Marks and Spencer Business, 2005-2006)

- II. "Embedding Corporate Responsibility and Sustainability Marks and Spencer", David Grayson

The paper focuses on trust and entrepreneurial activity and their role in the business plan. The paper explains elaborately that resources, access, and network formations are important and as important as trust in the company. Many of the stakeholders and entrepreneurs build the company based on trust and resources. The company's essential component is to maintain trust and relationships with stakeholders. (Grayson, 2015)

- III. "The Evolution of Marks and Spencer", Gary Davies

The study evaluates the financial records of Marks and Spencer for the past 5 years through growth and acquisitions. Two theories were seen in this paper, the Wheel of Retailing and the Retail Accordion. The paper has concluded that both theories have predicted an overall failure of strategies used in the company. He discusses many other strategies that the company could have used for better development. (Grayson, 2015)

- IV. "Marks & Spencer - The business case for Plan A", Spitzeck, Heiko

The study has a comprehensive sustainability program that leads to the environmental impact, ethical practices, moral principles, and well-being of the employees and customers. The paper talks about plan A and the aspects like reduction of waste, sourcing sustainably, generating opportunities, and important challenges. All these aspects help in brand and customer loyalty, and cost saving. The paper talks about the reduction of waste and the sustainability of the quality of clothing.

- V. "The Impact of Customer Experience on Brand Loyalty: A Comparative Analysis of Retail and E-commerce Customers", from the University of St. Gallen in Switzerland
- The study was used to compare the customer experience on brand loyalty. There was a comparison between retail customers and e-commerce customers. The paper has seen positive customer experience increased sales and brand loyalty. Many aspects help with brand loyalty especially keeping up with the trend like website design and increasing convenience for e-commerce customers. The paper proves that brand loyalty and customer experience prove major aspects and build stronger customer relationships. (Gallen, 2020)

- VI. “Retail internationalization and retail failure: issues from the case of Marks and Spencer”, S. L. Burt, K. Mellahi, T. P. Jackson & L. Sparks

Authors specify the challenges like issues related to implementing strategies, market conditions, and cultural differences. They talk about local market conditions and poor maintenance of relationships, leading to failure to adapt to the current trend and consumer preferences. The paper looks into the international challenges and problems that become a huge issue during expansion and understands the current market and trends. (Bernard Burnes, 2003)

- VII. “Business strategy re-engineering and the bid battle for Marks and Spencer, Tony Grundy

The study talks about the bid wars and the re-engineering of the brand. It talks about the re-evaluation of strategy and making changes to compete. The company brought in change and was back in competition after it changed its strategy. Also, they changed their supply chains, invested again in better stores, and brought in the trends that were current times, increasing their customer preference for products. The paper focuses on the changes the company brought in like web design and online presence felt by loyal customers. Diversification has made a huge impact on retail customers. (Burnes, 1996) (Moran, 2001)

- VIII. “Marketing communications: How Marks and Spencer does it”, John Stanley

The study focuses on the marketing communications done in the company and how everything is kept smooth flowing and engaging with improving customer experience. They tried to build an emotional connection with the customers with memorable campaigns featuring celebrities. The company had a stronghold in the social media world from advertisements to promotions on Instagram to Facebook trying to capture all ages and all trends of the customers. The company invested highly in making itself seen, from store displays to continuous promotions to merchandise. They communicated well with their brand-loyal customers and new customers by being everywhere.

- IX. “How Social Media Marketing is Helping in Customer Retention and Customer Engagement: A Case of Marks and Spencer”, Niyati Joshi<sup>1</sup>, Dinesh Gabhane<sup>1</sup>, Parimala Devi B<sup>2</sup>, and Somashekhar C<sup>3</sup>

The study covers the companies’ social media presence but also how they were having informative content and engaging customers. They also used social media to eliminate their problems of inquiries. The company made a commitment to improving

with every feedback and trying to change the negative reviews to positive ones. The company showed that social media can be a great tool to build brand loyalty. By strengthening customer relationships and publicly addressing negative feedback, the company has made wise decisions with the use of social media. (Steven H. Appelbaum, 1998)

X. "B2B 'Relationships' - A Social Construction of Reality?: A Study of Marks and Spencer and One of its Major Suppliers: Keith Blois

The study talks about maintaining strong relationships can prove to be a great asset to the company that Marks and Spencer have proved. The company has socially constructed the relationship by shaping and maintaining it. Establishing support and trust has been maintained in the company and also has been a commitment. Many external factors matter but the company has proved that understanding social construction and taking care of every relationship from retailers to suppliers helps in sales and expansion.

#### Keywords

Strategy, targets, challenges brand loyalty, customer experience, relations.

#### Problem Statement

Making the perfect strategy to capture the customer's attention and increase their brand loyalty is a major aspect seen here. The problem statement over here is the making of a strategy including all the challenges the firm is facing. Even after being a renowned company, they are having issues like brand loyalty and customer negative feedback. After a huge amount of investments, why are the numbers not showing improvement? Why after all the marketing efforts brand loyalty is still a question mark?

#### Strategy

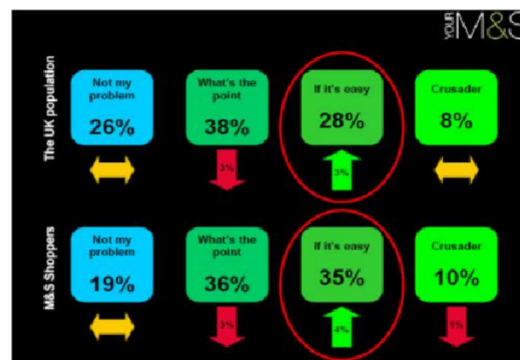
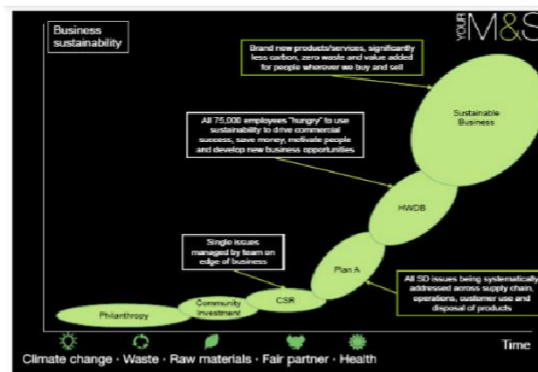
- Strengthening the core business is one of the important challenges to be covered. The company is still facing issues like brand loyalty and customer experience hence a stronger core is required for stable sales. They have many departments but they are mostly wanting to focus on clothing, food, and home products departments.
- Entering the digital world is a trend required to be adopted in this swift-growing industry. Enhancing the customer experience shopping experience for e-commerce customers and making the digital marketing effort be seen by the customers.



- Sustainability has to be one of the ambitious goals of the company. Addressing targets like carbon reduction, sustainable sourcing, and reducing wastage.
- The company's main objective should be aiming to remain a trusted and cherished retailer for generations to come. Making and maintaining new partnerships and old retailers and partners is important.
- Internationalization is a great strategy that can be useful strategy here in the company if with a flexible approach. Adaptation to local market and expansion would be easier and faster.

### Findings and Observations

M&S has functioned with a varied range of existing and new allies (some commercial, some academic, some public sector, and some not-for-profits). Diversification is one of the important factors that has been neglected. The company can function better with better planning and with the current trend update according the country and locality.



According to my observations, the company has been focused on the targets and not on how to achieve them. Many of the hurdles in the pathway toward the goal weren't predicted due to which the strategy failed miserably.

#### Conclusion

M&S is an important case that many companies should look into as a cautionary tale for expansion as proper planning and strategizing is an important aspects. As we see even in daily life without proper planning things turn out haywire, so if a great investment is to be going through planning is of the utmost importance. Calculated risk and accounts for challenges and predictable challenges are to be for seen and then planned for the suitable strategy. The company should have predicted other external factors like cultural differences from country to country, market conditions, and keeping an on the competition and rivals. Entering new markets and ventures with new partners and local retailers is important as it will be a crucial aspect during the expansion. A wake-up call is necessary for the company to be in the competition again with new products and better marketing efforts.

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