

# A critical examination of M&S's current strategic and marketing position, as well as potential sustainable competitive marketing strategies

LE LI, YIJIE WANG & YANG YANG ZHANG

## Abstract

The current study focuses on a critical discussion of M&S's current business background situation, as well as current marketing strategies and competitive advantages for the development of M&S Markets. Therefore, the first section used SWOT analysis and 5C analysis about M&S's significant marketing environment and how to keep their competitive advantage in creating sustainable value for customers. due to M&S's status as international global firms in the different countries. Therefore, the focus on the M&S food and clothing retailer had many competitors. The positioning map is a useful tool that can assist M&S in defining its marketing positioning. As for the sections, find and choose M&S's potential marketing strategies. Because the new economic and business environment has changed, M&S must use differentiated marketing strategies to compete with low-cost competitors in different countries. Based on the prior studies, the current investigation focuses on identifying four approaches to help M&S maintain long-term sustainable development in global marketing using Porter's generic competitive advantages. The current review article has many significant practical implications, especially for identifying M&S's current strategic and marketing position as well as potential sustainable competitive marketing strategies.



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## 1. Introduction

In the late 1980s and early 1990s, shops in the United Kingdom began to provide additional choice and fashionability to their clients, adding mid-season shopping to their prior two-season calendars, and a high-trend, low-priced "throwaway market" arose on the retail landscape (Tokatli et al., 2008). Therefore, retail internationalization has received a lot of attention in recent years as the size and nature of the business have changed (Burt et al., 2002). Marks & Spencer (M&S) is one of the most reputable UK retailers. They also concentrate on their own-brand food retailer, clothing, home products, and M&S Bank. However, the M&S was established in 1847. Originally an 1884 "one penny convenience" shop, until 1915 it only developed into a chain of retail stores; nowadays, M&S has 1382 shop stores around the world (M&S, 2017). M&S operates 914 UK stores, including 222 owned-brand stores and 349 franchised food stores. The goal of this report is to analyze and evaluate M&S's current strategic and marketing position. Furthermore, the sustainability of M&S's competitive advantages is called into question based on an examination of its previous situation and critical analysis. Therefore, this report will have two parts. The first section focuses on the use of appropriate models or analyses of M&S's current internal and external business factors for its marketing strategy (Palmisano, 2007). Indeed, use 5C analysis to understand how M&S is related to various business elements. The sections are based on previous analysis and evaluate M&S. However, the new economics and business environment have an impact on M&S's ability to compete with lower-cost competitors in the long run. Moreover, identify two potential strategic marketing scenarios and how these will impact M&S. Fundamentally, the current study focuses on M&S's current strategic and marketing position as well as potential sustainable competitive marketing strategies.

## 2. Marketing Strategy and Competitive Position for M&S

### 2.1 The SWOT analysis about M&S

SWOT analysis is a way to look at the strengths (S), weaknesses (W), opportunities (O), and threats (T) of an industry, sector, company, or organization (Chang & Huang, 2006). This SWOT analysis contains two dimensions, namely, four (4) components: internal elements of strengths and weaknesses and exterior features of opportunities and threats. The following is how to do a SWOT analysis: (1) SWOT analysis session (2) Meeting recap and job description, (3) Using brainstorming approaches, identify strengths and weaknesses as well as possibilities and threats. (4) Determine the steps required to move from strategy action to strategy effects. (5) Make the SWOT matrix and include the priority selection within it. (6) Compare with other internal and external elements, as well as SO, WO, ST, and WT strategies; (7) determine the actions required to move from strategy action and their effects; and (8) the SWOT matrix is updated on a regular basis (Oktari et al., 2023). The current study focuses on the critical analysis of M&S's basic and current marketing strategies. SWOT analyses of M&S's strengths and weaknesses are critical internal factors. Furthermore, M&S retailer can use the opportunities and threats for external analysis (see Figure 1). Obviously, the table-1 depicts M&S's strengths and weaknesses, opportunities, and threats, making it critical to assist M&S in its business activities with strategic marketing (Hooley, 2012). As a result, M&S's strength lies in its many different product varieties and higher brand awareness in the minds of customers. M&S Food Retail, on the other hand, can offer customers value-for-money foods (Palmisano, 2007). Furthermore, M&S maintains high-quality products and makes it easier for customers to buy products. On the other hand, the weakness of M&S is that it wants to expand markets in different countries. However, based on the new economic and business environment for different countries, M&S wants to expand into new markets in different countries. Therefore, for example, emerging markets and countries with big potential for development can be M&S's future target markets. Above all, expanding and exploring for new markets in different

countries is also a good approach for enhancing brand value for M&S's external markets. M&S does not segment its customers for Asian clothing markets (Palmisano, 2007). On the other hand, according to marketing news, in 2008, M&S decided to close stores in Taiwan. Due to performance and analysis about the Taiwan market, customers preferred to shop in large department stores rather than medium-sized outlets (Hall and Retail, 2008). As a consequence, although M&S had good market share and brand awareness in the UK markets. However, how to keep a long-term sustainable and competitive advantage in foreign markets is one of the significant challenges M&S faces in the future marketing landscape.

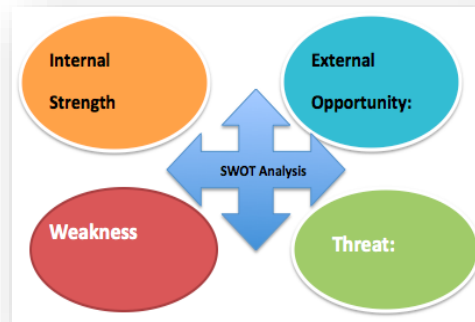


Figure 1: SWOT analysis

Table 1: SWOT analyses of M&S

<b>Strength:</b> 1.High Recognition for M&S Brand 2.Widely and Variety of products and services for customer 3.Reasonable products cost and good products quality 4.Good relationship with supplier. 5.Higher ethical and social responsibility for customer.	<b>Opportunity:</b> 1.Stability about in the UK markets and find expand in the global markets. 2.The new economics environment and shops online customer need increase, therefore, increasing and developing online stores in the global markets.
<b>Weakness:</b> 1.Clothing retailer lack of segmentations in the International markets. 2.Lack of suitable Marketing communication strategy for young people target customer in the foreign clothes countries.	<b>Threats:</b> 1.Big and strong competitors for M&S food retailer Eg: TESCO, Asda, Lidi, Sainsbury, Waitrose. 2.The clothing strong competitors in fashion clothes retailer. eg: H&M, Zara, The Top Shop

Based on previous research, Table 1 showed that M&S's strengths were high brand recognition, a wide range of products and services for customers, reasonable prices and good quality, a good relationship with the supplier, and a higher level of ethical and social responsibility for customers. Also, table 1 showed that M&S's best prospects were because the UK market is stable, they are growing in international markets, and the economy is changing and customers' needs are growing, which is making online shops grow and develop in global markets. Furthermore, the clothing retailer's lack of segmentation in international markets, as well as its lack of an appropriate marketing communication strategy for its young target customer base in foreign clothing countries, were major weaknesses for competing in the competitive market. Finally, the current study discovered that the main threats to M&S were big and strong competitors in the food retailer, such as TESCO, Asda, Lidl, Sainsbury, and Waitrose; and strong competitors in the fashion clothing retailer, such as H&M, Zara, and The Top Shop.

## 2.2 The 5C Analysis for M&S Marketing Strategy

Based on an earlier examination of M&S's current marketing development situation, this study looked at how to use 5C analysis to better understand M&S' current marketing strategy, as well as how to connect with and develop relevant stakeholders and customers (Keegan, 2010). The

5C analysis involved customer and market environments, and the firms operated capabilities and predicted future trends in a dynamic environment (Knowles, 2010). This is 5C's main focus on the M&S customer, company, competitors, climate, and collaborators. The first section of the 5C analysis is about M&S Company. The company handled the politics and strategies. M&S marketing strategies maintain high social awareness as well as high-quality products to meet customer demand (J M&S, 2010). Furthermore, the M&S of collaboration included discussions about distribution and product suppliers. and shared interest with different department stores in foreign countries (M&S, 2017). The third section, on the other hand, focuses on the customer perspective in order to analyze the M&S value and satisfaction. The primary goal of this section is to introduce M&S's first membership cards and how to connect their food and clothing departments. Due to this, M&S increases customer loyalty and shop revenue. They provided a more convenient customer experience. The fourth section focuses on the climate of M&S strategy. They include the M&S PES analysis so that M&S can continue to develop long-term sustainability in the future (Hobbs, 2015). Furthermore, The M&S will maintain high ethical social responsibility in the future. The five sections included analysis about the main competitors for M&S.



Figure 2: 5c analysis

source: Knowles, 2010

**Table 2: 5C of M&S**

**2. A: Company**

Company Political	The M&S brand need political power and environment Higher CSR ethical policy They want to keep and having political Voices: Not included about one or two products can keep whole brand sustain development. The M&S center company Political environment in the UK (Lower corporate Taxes and personal Taxes)
Strategies:	Entre and expanding in the new emerging markets, for example in Indian, China, European had branded demanded. The marketing strategy moving to another area proves better positioning and marketing for the product.
Objectives:	Create and building sustainable business strategy in the international markets. Make demanded for shareholder and relevant stakeholders.
Technology:	Creative and innovation adapted for products can demanded for customer needs.
Culture:	Keep high sustainable development in clothing products. And provided High quality products.

**2. B: Climate**

Climate of M&S Political	Choose and developing safety and stable political environment and being as high sense of Ethical social responsibility and sustainable value.
Economics	Attractiveness for different countries and the new economics change. The Business to business and online economics purchase ways in customer buy behaviors.
Social/Cultural	Staff and employees in different countries Local and cultural affected for customer buy behaviors. Recruitments local managers and how to solved conflict in different countries firm operation.

Legal	Security and local ethical corporate law and international trades. The ethical prices and keep High brand value in the customer.
Environmental	Pressure of lower cost and for Less cost affected products and how to keep sustainable value in the future. Refuse and reduce and recycling

## 2.C: Collaborators:

Shared interest of M&S	Collaborators with another good supplier and make more good products can demanded for the customer. REDUCE about the supplier and products cost, Make more promotion and profit on each products
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## 2.D: Customers

Customer:	The M &S provided for first membership card for customer, and increase customer loyalty.
Value:	The Loyalty can provide more customer buy and generate more cross-sector purchase in different variety products. The sparks loyalty links with use between the clothing and food group. Which is cash back on purchase (Hobbs, 2015).

## 2.E: Competitors:

Food retailer	Tesco Sainsbury and Alidi
Clothing Retailer	The Top Shop and H&M Zara River Island
Bank	The Sainsbury bank and corporate food bank

## 2.3 The competitive position of M&S

Based on the previous analysis of M&S's opportunity and threats, as a result, this chapter focuses primarily on an examination of M&S's current prospects at various levels (Knowles, 2010). M&S offered a wide range of products. They primarily target food retailers, clothing brands, home products, and bank products. However, each variety had distinct strong competitors who accounted for a significant portion of the market share (Kerin, 2010). On the other hand, M&S wishes to maintain long-term and sustainable growth in global markets (Keegan, 2010). The key steps are to build, find a clearly defined positioning, and find a market-specific competitive advantage. Following that, for example, the position map is a good approach for defining M&S's market position as a food retailer and clothing brand (as shown in figure 3).



Figure 3: The food retailer-positioning map of M&S

Sainsbury's, Tesco, and ALDI are M&S's main food retailer competitors. This three-food retailer is a competitor for M&S's key position. Furthermore, Sainsbury's and Tesco are traditional UK food retailers. They also held the majority of the market share in the UK food retailer markets.

Customers are more likely to purchase from Tesco and Aldi because of their lower prices and generic quality. Customers with varying incomes can make purchases. M&S targets markets that focus on some middle-income customers. As a result, some lower-income customers, such as students and young people, prefer to shop at lower-priced retailers. On the other hand, some higher-income customers are more concerned with food quality and freshness. Sainsbury's has always valued local products, including eggs and milk (Mintel, 2017). M&S, on the other hand, had significant competitive advantages over another retailer, which it targets as providing value-for-money products. Furthermore, M&S's own-brand products are less expensive, resulting in lower prices for customers. However, M&S's own products have maintained high quality and customer service. As a result, the high quality and value of M&S's products can attract more new customers of various types.



Figure 4: The clothing retailer positioning map for M&S

Meanwhile, fashion clothing retailers are M&S's main competitors. In addition to UK markets, global clothing retailer main competitors such as Zara and H&M, The Top Shop and River Island fashion clothing retailer accounted for much of the market share in UK markets. Due to fashion clothing design, it can be adapted for young customers' purchase needs. Therefore, the M&S clothing design style is too basic and classical. According to research on young customers, they buy clothes because they want to choose more fashionable items that are also reasonably priced. In comparison, the clothing at M&S had good quality and a classical design. The raw materials used in M&S clothing are of high quality, and quality is a key competitive factor for the main customer. Clothing and home products, for example, account for 42% of M&S's financial outcomes (M&S, 2017). Therefore, M&S clothing is not about young people buying their first choices. However, the main customer wants to choose better-quality clothes. Because clothes can be worn for a longer period of time, M&S has a significant competitive advantage over other fashion clothing retailers.

### 3. Two potential strategic options for M&S

#### 3.1 The potential strategies competitive advantages for M&S

Based on the critical analysis of M&S's current marketing strategy and competitive positioning advantages, in addition, this section will concentrate on selecting two strategies and applying them to the M&S food and clothing brands. First and foremost, these two areas have market competitive advantages as essential conditions for M&S analysis. As a result, Porter's Generic Strategies for Competitive Analysis (1988) provides useful approaches to the competitive analysis of M&S strategies. Porter's generic strategies for competitive advantage can be defined as narrow, and they target markets. The four generic strategies are shown in Figure 5.





Figure 5: Porter Generic Strategies

Porter (1998) suggested generic strategies as a prominent paradigm in strategic management and marketing literature (Salavou, 2010). In response to Porter's five competitive forces, Porter recommended three key strategies: distinctiveness, cost leadership, and focus (Manteghi & Zohrabi, 2011). According to Porter, a corporation operates best when it focuses on one strategy. However, most studies, such as those by Hlavacka et al. (2001); Kim et al. (2004); and Allen & Helms (2006), believe that combining these might increase the likelihood of gaining a competitive edge. In this work, we employed generic strategies as criteria for screening the first strategy of an educational institution. Because these porter generic strategies for competitive advantages for M&S provided more low-cost competitors and gained more competitive advantages in the marketplace. In global markets, M&S Food is a low-cost brand (Keegan, 2010). They focused on first-time purchases and demanded that customers buy products that were good value for money (De, 2011). In fact, food has always remained competitive in existing markets. However, lower-cost competitors for M&S food need a local and different supplier chain. because the food retailer has key competitive advantages in global markets. As a result, M&S can continue to provide high quality while also developing market potential. In addition, M&S keeps innovating for its food products and uses more social media and celebrities for marketing communication. Meanwhile, M&S decided to reduce more advertising costs in its marketing communications. According to the Petro Analysis of the M&S, the Petro analysis of M&S shows a lower cost of 20% effort and 80% results in the future (Knowles, 2010). Because marketing communication plans rely on advertising, they consume an inordinate amount of marketing budget. However, social media is a popular marketing communication way to let more customers enhance M&S brand awareness.

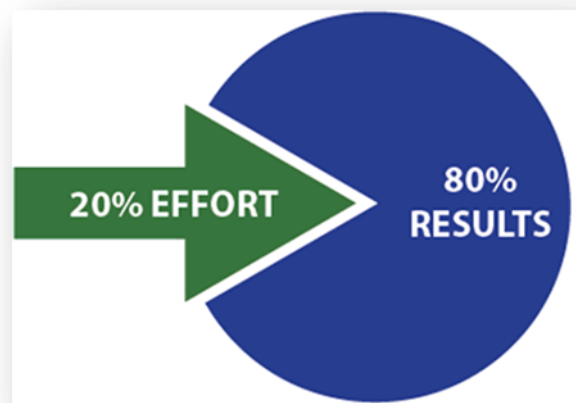




Figure 7: strategic options for M&S

On the other hand, the clothing brand for M&S closed its stores in Taiwan. For example, M&S Food can use customer segmentation approaches in the target markets. Hooley (2012) defines segmentation approach strategies as differentiated marketing strategies. The differentiated marketing strategies involved using different marketing approaches for each of the segments (Hooley, 2012). This is a differentiation strategy, and a broad scope using different segments is a good approach that can help M&S segment their clothes customers in foreign markets. M&S, for example, has shut down stores in Taiwan. M&S clothing cannot be appealing to people because some young customers believe the style is too basic. As a clothing retailer, understanding how to segment and design new styles of clothing to meet customer needs and wants is critical for the market's potential future development. As a result, M&S must concentrate on using different segmentation approaches for different local customers. This is a marketing strategy to help M&S enhance its market share in different countries. Above all, this can assist M&S in maintaining a competitive advantage and long-term growth in global markets.

#### 4. Conclusion

To summarize, on the previous critical analysis of two sections of M&S. The first sections were based on M&S's current marketing strategy and used SWOT models to discuss internal and external factors affecting marketing development at M&S. Based on prior research, the present study found that M&S's strengths were strong brand recognition, a broad selection of goods and services for consumers, fair pricing and excellent quality, a solid connection with the supplier, and a greater degree of ethical and social responsibility for customers. We also revealed that M&S's greatest chances were because the UK market is steady, they are increasing in foreign markets, the economy is changing, and consumers' wants are changing, which is causing online stores to grow and develop in worldwide markets. Furthermore, the clothes retailer's lack of segmentation in international markets, as well as its lack of a suitable marketing communication plan for its youthful target customer base in foreign apparel nations, were important limitations for operating in the competitive market. Finally, the present research revealed that the greatest risks to M&S were significant and powerful rivals in the food store, such as TESCO, Asda, Lidl, Sainsbury, and Waitrose; and strong competitors in the fashion clothes retailer, such as H&M, Zara, and The Top Shop. Furthermore, the 5C analysis focused on M&S's various product varieties and how to use marketing strategy. M&S had high quality and a sense of ethical social responsibility as competitive advantages in the food retail industry. In contrast, two positioning maps were used to define value-for-money products in food retail. M&S's clothing retailer, on the other hand, needs to adapt more fashion designs to meet customer needs. The sections focus on finding two potential M&S marketing scenarios and choosing appropriate marketing strategies for M&S to maintain sustainable long-term



development in global markets. Finally we concluded that M&S needs to find an appropriate segmentation approach that can enhance its brand value and increase its market share in global markets.

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