

**Your topic:** This element accounts for 50% of your final mark. To complete this assignment you must produce a 1,500 (10%) word essay based on a successful company of your choice. The word count excludes the bibliography. Your task is to explore how your chosen organization manages to achieve global competitive advantage. You are expected to employ FOUR COMPONENTS [Home country, Supplier country, Customer country, and Partner country] of Spulber's (2007) Star analysis framework to structure your work. This assessment task requires you to evaluate the global competitive strategy of the organization based on all the three components of the framework. Broadly you are interested in how the organizational strategy meets geography to influence its competitive performance. Please note: This assignment is not a star analysis. You are only expected to use the prescribed four components of the star analysis framework as an organizing device to structure your essay. The word count excludes the bibliography. Please avoid using appendices- the inclusion of any essential figures and tables in the body of the assignment is preferred. The key to doing well is to demonstrate that you can discuss theoretical ideas and apply these in an analysis of an organization. The organization may be of any size and established in global markets. Your ability to select a relevant case organization is part of the assignment; therefore, please don't ask which organization to choose. The essay MUST be based on secondary sources, i.e. using newspapers, databases, journal articles and websites rather than primary research which would involve actually talking to firms. If you decide to carry out research directly with an organization (e.g. through interviews with organizational members) you will need ethics clearance from the faculty's ethics committee and this does not sit until after your assignments are due in! Similarly do not, under any circumstance, choose an organization linked to the NHS. If you do again you will need ethics clearance. The other constraints on your choice of organization are that normally you should not choose an organization which is being used for case study work in the module, or in any other modules. If you have any queries about this consult your tutor.

**Your desired style of citation:** HARVARD

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Marks and Spencer

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## Marks and Spencer

### Introduction

The company chosen for this assignment is Marks and Spencer (M&S). Marks and Spencer is known as a major British multinational retailer which has its headquarters in London, United Kingdom. The company has 700+ stores in United Kingdom and 350+ stores in more than 40 countries. Marks and Spencer has achieved global competitive advantage in the form of four components which are home country, supplier country, customer country, and partner country. The discussion of this paper is how M&S achieved this global advantage with the help of the four components.

### Discussion

Marks and Spencer's first store was started as a market stall in Kirkgate Market in Leeds which was started by Michael Marks in 1884. The continuing success of the penny section made Michael Marks to start a partnership with Tom Spencer in September of 1884. The standard on which the new company was based is quality, value, service, innovation and trust. The main business of Marks and Spencer was largely on the sale of food products but throughout 1920 to 1940 the company had extended into clothing with one of its utmost well-liked product, the underwear (Cousins, 2013). The attention of customers was mostly maintained on the wearability and usefulness of the clothing produces obtainable by the company, which was mainly owing to a restricted finance. This was observed in the powerful execution of the lingerie, menswear, and kids-wear although the women-wear section was considered to be demanding.

Marks and Spencer were additionally disturbed by the general market situations for clothing owing to slight progress in either the capacity or the worth.

The global competitive advantage that Marks and Spencer have reached is through Spulber's "Star Analysis" framework. The "Star Analysis" framework is basically used for gathering and processing data about global markets. There are five components of "Star Analysis" which are home country, customer countries, competitor countries, partner countries, and supplier countries (Kramer, 2011). For this paper, except for competitor countries, all four components will be used to see how they helped Marks and Spencer in achieving global competitive advantage.

Home country –

As the company started in London, United Kingdom, it has a home advantage of knowing its competitors first-hand before entering the foreign market. Since the company has home advantage, it has an idea about what its customer wants and what they like and dislike are. Due to this, the company provides the exact products that are preferred by the customers in United Kingdom. Marks and Spencer used the home country advantage in a way that they got to know about their competitors entering in the market. They studied the competitors and their tactics of what they were offering to consumers. This overall study helped them to make their products better and remain the top choice for consumers in their home country. This led them to achieve competitive advantage in their own home country.

Supplier country –

Supplier countries are those countries which provide materials to the company. In a way, Marks and Spencer have the upper advantage in this area because they have variety of choices

among the countries from where they can ask for supplies. The company that is looking to ask for supplies from various companies, goes through their options and takes each country into consideration, then checks from which country they want to use supplies from. The reason that Marks and Spencer has the best quality in their clothing line is because their management makes sure to get its material from the suppliers that provide the best quality material (Dauvergne, & Lister, 2012). Since the company has their own labour in their organization, they can just get the materials and rest of the assembling of clothing can be them by their own work force. This is how Marks and Spencer has achieved competitive advantage globally through the component suppliers' country.

Customer country –

Customer country is basically related to all aspects of customers. For start, in order to achieve global advantage, Marks and Spencer had to make sure that they targeted customer from all forms of culture. For that, they had to also provide products that would include people from all cultures. The company made sure that they were having all types of clothing (menswear, women-wear, and kids-wear) to please customers of all ages.

However, in order to provide the type of clothing for each type of customer, the company made sure to perform a survey and got to know their consumers in every country. They took out a survey and got to know the likes and dislikes of the consumers in a foreign country. Setting up a company in international market is not easy. There are high chances that the consumers might not accept your product and the whole business can go down into a failure. Therefore, it is important that a proper survey is done and the likes and dislikes of consumers are known. Once the consumer likes and dislikes are known, the company can then decide on the type of clothing

they want to sell in that foreign country. There is one more factor that plays a role in the consumer choice and that is the local company which is already the first preference for the consumers of that country. Marks and Spencer, in order to gain consumers, had to get information about the local company and what their tactics were and how they worked.

Once, Marks and Spencer had all the required information, they introduced their clothing line and made sure to gain consumer attention (Meale, & Smith, 2011). Initially, it was a tough job for the company, but with the passage of time, they have gained a much stronger grip on the consumers and their loyalty. This is how Marks and Spencer achieved its global competitive advantage through customer country component.

Partner country –

Partner country factor is about how Marks and Spencer joined hands with a competitor in order to create a product that was not only a win-win situation for Marks and Spencer but for the competitor company as well. Marks and Spencer joined hands with Amazon website. M&S and Amazon joined hands to make a win-win situation for both the parties. Marks and Spencer wanted to promote its clothing line on the Internet. The problem was they were not able to figure out the right kind of partner to do this work for them (Wessel, & Christensen, 2012). On the other hand, Amazon wanted to include the clothing line section on its website; however, they too were facing issues in finding the right partner whose clothing line they could sell, which would be a famous brand.

The executives of both the companies met and discussed the idea of joining hands. From this deal, both would be in a win-win situation. Amazon can sell Marks and Spencer's clothing line on its website, while Marks and Spencer can promote the website by telling its consumers

that they can purchase the M&S products from Amazon.com without any hassle. This is where a win-win situation is created. Both Marks and Spencer and Amazon got the consumers and gained popularity as well (Fernie, & Perry, 2011). This is how Marks and Spencer made use of the partner country factor to achieve the global competitive advantage.

## Conclusion

Marks and Spencer has gained global competitive advantage through the four components of the “Star Analysis” and each of the components has helped the company in some way to make it reach the height of success it is at now. The company started in England and has now spread its stores everywhere in the world. The management of the company has made sure to make it reach to different countries and different people belonging to different cultures. The four components which are used in this paper for the analysis of the Marks and Spencer’s achievement of global competitive analysis are home country, supplier country, customer country, and partner country. The company used the home country to their advantage and made sure that the residents of the country got what they preferred and provided them with the best of quality. The supplier country was used to make sure that the best of supplies were taken from the supplier countries. The company made sure that they provided their consumer with a quality that the clothing line would be the best in the market. The customer country was a difficult task for Marks and Spencer. They had to perform surveys and had to know the likes and dislikes of consumers in order to provide them the quality of the clothing line that they would prefer to have. Once they got to know the likes and dislikes, they provided the exact clothing line that the consumers of the foreign country wanted. The partner country was the last component. The

company was looking for a partner with whom they can have win-win situation, not only for themselves but for the partner as well. They opted for Amazon as the online shopping site was also looking to add a clothing section on their site, though they wanted to have a branded line. M&S wanted to sell their clothing online as well.

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