

Example of how to right up a SWOT Analysis Report

NOTE FROM SARA: The report itself (Discussion to Conclusion) is 1000 words. You only need 300 words in your portfolio. This is just to show how it is to be done.

You are now going to read a SWOT analysis report, in order to see the end result of using the SWOT framework to analyse a case study.

The SWOT analysis report you will examine is of the British high street clothes store, Fat Face. This report was written by a first year business and management student, Natalie Andrew, in 2013. Natalie gathered the information for her analysis primarily from her work surroundings, but also used the internet to gather more information about her own and other companies in the same line of business. She wrote the report in response to this assignment question:

Assignment question

Write a report analysing your organisation in its business environment, and the issues that are important to it at the present time. Use appropriate business concepts or frameworks as taught in the course when analysing your organisation.

Read through Natalie's SWOT analysis of Fat Face, and then answer the questions which follow.

Natalie's SWOT analysis:

SWOT Analysis of Fat Face Limited

STRENGTHS

- Large chain of more than 200 stores in UK and Ireland
- Strong customer base – mostly loyal customers
- High quality and brand strength
- Low staff turnover means faster processes and increased product knowledge
- Recently updated IT system across all stores – use of technology to enhance efficiency
- Transactional website increases sales
- Childrenswear products – advantage over competition

WEAKNESSES

- Middle market prices push younger customers away
- Lack of available payroll means staff shortages within stores
- Little sales training for staff

OPPORTUNITIES

- Growth in demand means opportunity for new store openings
- Increased business/brand awareness among consumers
- Increased marketing opportunities
- Increased interest in online presence

THREATS

- Competition from more sought after brands
- Middle market prices can be undercut by high street stores

DISCUSSION

Fat Face Limited was founded in 1988 by Tim Slade and Jules Leaver. Initially designing t-shirts and selling them from a Volkswagen campervan, the first store was opened in 1992. The company has grown to over 200 stores, selling womenswear, menswear, childrenswear, accessories and footwear. An evaluation of the current business environment and the internal capabilities of the organisation will be conducted through the use of a SWOT analysis.

STRENGTHS

The company has more than 200 stores within the United Kingdom and Ireland alone, as well as stores in Singapore and Dubai. This makes for wider spread brand awareness and therefore increased profits as compared to smaller businesses. The high quality of products has led to a very strong customer base, with a high percentage of consumers being loyal to the Fat Face brand. As a result of recently updated software systems, particularly on the tills, customers are able to purchase items which may not be in stock in that particular store, but are available somewhere else. Making use of more modern technology also increases the general efficiency of the store. The benefit of having a low staff turnover means that operations such as transfers between stores, or warehouse orders, can be processed quickly and efficiently as staff knowledge of both IT systems and products is extensive. In addition, the company has a fully functional website which allows customers to view products online, browse store locations, make purchases and choose delivery options. These strengths work together to produce a cohesive business, where the company endeavours to provide great products and customer service in order to improve sales. Lastly, a major advantage over the competition is that Fat Face stock childrenswear (Parkinson, 2013). Some of their main competitors, such as White Stuff (White Stuff, 2000) and Superdry (Superdry, n.d), fail to meet the demands of parents who are looking for a similar clothing style for their children. Since Fat Face is a lifestyle brand, the concept of family is held to be at the core of the business. As a result, providing childrenswear that mimics the Fat Face image fills a niche in the market.

WEAKNESSES

Despite the strengths of the business, there are also a number of weaknesses. Firstly, the middle market prices deter younger customers whose income is less disposable. Although the target market is 25-55 years old, customers are generally within the 30-35 and upwards age range. Younger customers have made it clear that those who are willing to pay middle market prices would prefer to do so for younger and more sought after brands such as Superdry or Hollister. There have also been problems in-store concerning staff shortages due to a lack of available payroll, meaning that despite staff being available to work, head office has not given enough hours in which to do so. This has been identified by Area Managers, during visits to store, who realised that stores need more than three staff members during the day. In some instances, extra payroll has been granted. One final weakness is the lack of sales training for staff. The company has introduced a 'vision and values' concept (Fat Face, 2013), which explains to both staff and customers how the products are designed to be 'loved by all our customers' (Fat Face, 2013) and also how the brand desires to be incorporated into customers' lifestyle. However, many of the sales assistants are younger than the target market (16-25 years old) and so can find it hard approaching customers and encouraging sales. Attempts were made to address the issue in recent staff meetings, asking staff to highlight areas in which they required help in order to develop, although there has been little follow up.

OPPORTUNITIES

Naturally, there are opportunities for improvement. In response to the growth in demand, new stores can be opened across the country, leading to increased profit, brand awareness and marketing opportunities. This creates chances for the customer base to grow, and loyal customers to develop. The business can use competitions and incentives to take advantage of their increased marketing

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opportunities – the most recent competition was the chance to win a Volkswagen campervan. As well as encouraging customers to make purchases in any case, online entry increases this chance, since customers are likely to browse the website after entering the competition. Similarly, promotions can be offered in order to entice customers to make large purchases.

THREATS

It is apparent that the main threat is from the competition. Brands such as White Stuff and Joules are Fat Face's closest rivals since customers regularly shop in all three stores. Middle market prices are not always appreciated by all customers, particularly younger customers. Although Fat Face does have student age customers, these individuals do not often have a lot of disposable income and therefore will look for the cheapest option. For example, a basic women's vest top in Fat Face would cost £18, though companies such as New Look produce a similar item for less than £10 (New Look, 2013). Although the main customer base consists of older, more middle-class individuals willing to pay middle market prices, the fact that other stores can undercut so heavily on price is a disadvantage for Fat Face.

CONCLUSION

Fat Face has many strengths and plays to them by taking full advantage of every opportunity and by introducing new ways to increase profit and advance the brand. However, it is clear that the business has to address a number of weaknesses as well as finding ways to counter the threats posed by competition. To respond to the weaknesses identified, investment in improved staffing levels and enhanced staff training is a priority. In order to address the threats from competitors, there needs to be a high level review of branding and pricing. The aim of this recommendation would be to differentiate the store more clearly from other popular brands and those who undercut on pricing. By attending to these issues, the company will try to consolidate its already strong position in the market.

References

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(Adapted from text written by Open University student Natalie Andrew)

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NOTE from Sara: You do NOT have to answer the questions below. Just use them to structure your own report.

Now answer these questions on the material you've just read. Add your answers to the box below:

1. How is the report structured?
2. What information is included in the introduction?
3. Where are the recommendations?
4. How many recommendations are made?

Discussion

This was an example of a full SWOT analysis report discussing issues at Fat Face. It was written for a first year university course and it was awarded a high grade. Natalie used this analysis to provide an overview of the company in 2013 and identify any issues. Having identified some issues through her SWOT analysis, she made two recommendations. If the report had been written for the workplace context these could be used to address the problems identified.

Source: retrieved 29.09.2023

<https://www.open.edu/openlearn/money-business/business-communication-writing-swot-analysis/content-section-4.1>