

Competitive Capabilities of a Firm

Neiman Marcus SWOT Analysis:

<p>Strengths:</p> <ul style="list-style-type: none"> - multichannel retail formats - strong luxury brand portfolio - premium costumers, high spending limits - loyal costumers - reliable suppliers/ strong distribution network - highly skilled workers - recession resistant clientele - wide variety of products: clothing, footwear, furniture etc. 	<p>Weaknesses:</p> <ul style="list-style-type: none"> - Limited marketing and global exposure - Controversy over fur usage - Need for investment in new technology - Loss of market opportunities - Inefficient financial planning
<p>Opportunities:</p> <ul style="list-style-type: none"> - Entry in e-commerce - Expanding into the global market - Online retail sales growth - Increase in consumer spending - Growth into mid-tier costumers 	<p>Threats:</p> <ul style="list-style-type: none"> - Increase of counterfeit items - Intense competition ex. Barney's, Lord and Taylor etc. - Demand of highly profitable products is seasonal - New environmental regulations - Luxury designers selling through their own websites

In the Neiman Marcus SWOT Analysis its evident that the group internally has more strengths than weaknesses. However, externally they have more threats than opportunities.

Neiman Marcus prides itself on the quality of workers they employ. A majority of the resources of the group are invested in the training and development of the employees. Due to this allocation of their resources, the workers are highly skilled in their area and are motivated to make every customer their priority. The Neiman Marcus group is one of the few retail stores where this dedication to the customers can be found, it makes them stand out from their competitors. Another internal factor that strongly impacts Neiman Marcus is the brands they offer. They are a luxury retailer that offers a large variety of designer brands from Balmain and Balenciaga to Zydeco. These luxury brands make clothing, accessories, and even shoes creating an even bigger variety to choose from in the stores. Additionally, the choices are very diverse, they have contemporary high-end brands and then more classic or posh brands for a shopper to choose from. The wide variety of choices makes Neiman Marcus favorable by shoppers compared to other retailers.

Externally, the Neiman Marcus group could face many lawsuits in the future due to

changing laws. It was seen in the past with their real fur usage controversy and this risk continues to rise as the years go on and rules evolve. There are continuously changing regulations of product standards regarding the markets Neiman Marcus is involved in. Due to the changing laws and regulations the chances of lawsuits and losing profits increases.

Another struggle the retailer faces is that they need to allocate more resources to the integration of new technology. Neiman Marcus relies mostly on physical stores, but consumer buying habits have shifted towards online channels in recent years. As consumer habits change, if retailers don't follow suit they will ultimately fail. In comparison to competitors, Neiman Marcus is falling behind technology-wise, this poses a big threat to the company as they are not evolving with the times.