

Marks and Spencer's Global Sustainability Strategy: A Case Study

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Abstract. In recent years, driven by globalization and digitalization, competition in the retail industry has become increasingly fierce, and the survival and development of retail companies has become a hot topic in the industry. How to achieve long-term, stable growth while meeting consumer needs has become a core issue facing retailers. Marks & Spencer, a century-old British retail brand, has leveraged its deep experience and ongoing exploration in the retail market to develop a representative sustainable development strategy. This strategy not only encompasses environmental protection, supply chain management, and social responsibility, but also emphasizes the balance between operational and social value. Therefore, its practical experience in sustainable development can provide valuable insights for other retail companies in developing and implementing sustainable development strategies. Based on the implementation of Marks & Spencer's sustainable strategy, this paper uses a case study as its primary research method. By analyzing the performance of Marks & Spencer's sustainable development strategy during implementation, it explore the strengths and weaknesses of its strategic system. It then discuss possible solutions and improvement suggestions, hoping to provide a valuable reference for other multinational retailers in their sustainable development practices.

Keywords: Marks & Spencer, sustainability, cross-border retail, sustainable development goals, corporate strategy.

1. Introduction

Existing research demonstrates the crucial importance of multinational corporate activities, which can play a central role in promoting sustainable development and creating value [1, 2]. Furthermore, multinational corporations need to strive for consistency and balance across markets and adapt their strategies to local cultures and environments. These factors influence expectations regarding issues such as sustainable development. Developing a global sustainability strategy is closely linked to the triple bottom line of corporate sustainability: economic, social, and environmental, and thus can contribute to achieving the Sustainable Development Goals. A growing number of scholars and international organizations are discussing how multinational corporations can implement this global sustainability agenda [3]. However, few studies have empirically examined how multinational corporations achieve this, the challenges they face, and how this interacts with local conditions [4, 5]. Marks & Spencer, the largest British multinational retail group, operates numerous stores and a vast supply chain worldwide. As its business expanded globally, Marks & Spencer (M&S) began its internationalization process in the 1970s, gradually entering North America, Europe, and other emerging markets. However, M&S's globalization journey was not without its challenges. In 2001, due to poor performance in overseas markets, M&S underwent a major contraction in Europe and the United States. In 2008, M&S resumed its international expansion, entering the Chinese market as a wholly-owned subsidiary. However, after entering the Chinese market, Marks & Spencer continued to face numerous challenges, such as product shortages caused by supply chain issues and product sizes that didn't meet local needs. In 2016, under pressure from various parties, Marks & Spencer finally announced its withdrawal from the mainland China market. According to its mid-year financial report, Marks & Spencer was profitable in Hong Kong, but its ten stores in mainland China continued to suffer losses, leading to the company's decision to close all ten stores in mainland China [6].

This article analyzes Marks & Spencer's global sustainability strategy, uncovering the opportunities and challenges the company faces on its path to sustainable development, and providing valuable insights and lessons for other retailers and businesses across various industries.

2. Case Study: Marks & Spencer's Sustainable Strategy System

2.1. Plan A 1.0

In 2007, Marks & Spencer launched its landmark strategy, Plan A. The plan initially outlined 100 measurable commitments covering five key areas: climate change, waste management, sustainable resources, healthy lifestyles, and fair trade [7]. For example, the company pledged to achieve carbon neutrality within five years and to gradually implement more efficient lighting and cold chain systems in all stores. Plan A achieved significant short-term results. According to a 2010 company report, Marks & Spencer reduced waste by 23% and reduced CO₂ emissions by 60,000 tons through improved logistics. These achievements not only enhanced the company's public image but also gradually led consumers to associate "green retail" with Marks & Spencer. However, the sheer number of targets, the long timeframe for implementation, and the lack of specific implementation paths for some plans led to limited execution.

2.2. Plan A 2020

Building on the foundations of the first phase, Marks & Spencer upgraded Plan A, expanding the number of commitments to over 180 and gradually embedding them into its supply chain management and corporate culture. During this period, the company strengthened supplier sustainability training and certification, promoted the sourcing of sustainable cotton, palm oil, and timber, launched "eco-stores," and implemented a comprehensive energy and water monitoring system at the store level. By 2015, Marks & Spencer reported that its UK operations had achieved near-zero waste to landfill and significantly improved its store energy efficiency.

At this stage, Plan A evolved from a brand Public Relations (PR) tool into an institutionalized operational model. Marks & Spencer's sustainability performance received high praise, with sustainable energy experts acclaiming it as one of the most advanced strategies in the retail industry. However, as its goals gradually expanded, M&S faced new challenges. On the one hand, the complexity of its international supply chain led to rising costs and inconsistent execution, potentially wasting resources and causing strategic inefficiencies in different locations. Furthermore, in the late 2010s, M&S faced shareholder pressure due to declining profits, forcing it to cut its environmental protection budget in certain years. This raised questions about the true sustainability of its sustainability strategy. How to maintain profitability while pursuing sustainability became the core challenge for M&S in its second phase.

2.3. Plan A 2025

In 2017, Marks & Spencer launched Plan A 2025, further enhancing its strategy and focusing on addressing global climate change, reducing food waste and plastic use, and promoting a circular economy. For example, the company pledged to ensure all packaging is widely recyclable by 2025 and to fully integrate sustainable materials throughout its supply chain. At the store level, Marks & Spencer launched community programs, attempting to transform retail spaces into "community hubs" that drive social value.

In its 2024-2025 Environmental, Social and Governance (ESG) report, Marks & Spencer emphasized its goal of achieving net zero emissions by 2040 and pledged to fully transition to renewable energy for Scope 1 and Scope 2 emissions, while strengthening supply chain collaboration for Scope 3. However, Plan A 2025 faces significant challenges in its implementation, including uncertainty in Scope 3 emissions data, global supplier capacity disparities, and high investment costs. External analysts believe that Marks & Spencer needs to further align its short-term actions with its long-term science-based carbon reduction targets to ensure the feasibility of its implementation. Plan

A aims not only to reduce carbon emissions from Marks & Spencer's own operations but also to help customers reduce theirs. Marks & Spencer has developed programs such as "Shwopping" to encourage customers to recycle their used clothing. However, due to the limited reach and high barriers to entry of most programs, ordinary consumers lack awareness of sustainability concepts and are reluctant to participate in most projects. Furthermore, consumer acceptance of sustainable products varies significantly, which also affects the effectiveness of sustainability strategies [7].

3. Analysis of the Obstacles to Sustainable Development of Marks & Spencer

Although Marks & Spencer's Plan A is widely regarded as a pioneering practice in the retail industry, its long-term implementation has exposed a series of problems. These flaws were not accidental; they were the result of a complex interplay of internal and external factors.

Insufficient strategic understanding among middle management and frontline employees. Although Marks & Spencer's senior management clearly identified sustainability as a key corporate strategy, the complexity of the corporate hierarchy and the fragmentation of departments led to information gaps and implementation delays in the strategy's dissemination. Many employees viewed Plan A as a symbolic move by management to promote the concept of "sustainability" and lacked a genuine commitment to the strategy, resulting in a lack of initiative in its implementation.

Inadequate market education and low consumer engagement. The effectiveness of a sustainability strategy depends heavily on consumer cooperation and participation. However, Marks & Spencer failed to effectively educate customers about sustainability concepts and guide their behavior during its implementation, resulting in a lackluster market response for its environmental programs.

Inadequate adaptability of its international market strategy. Marks & Spencer used Plan A as part of its global strategy, but overlooked the cultural, legal, and economic development differences between countries. In some emerging markets (such as Asia and Eastern European countries), the concept of sustainability has not yet been deeply rooted in people's minds, consumers' willingness to pay for environmentally friendly products is relatively low, and local supply chains lack familiarity and execution capabilities in the production of environmentally friendly products.

4. Solution

In response to the above-mentioned shortcomings exposed by Marks & Spencer in implementing its sustainable strategy, this article puts forward the following suggestions, which may help the company improve its strategic effectiveness.

4.1. Strengthen Internal Strategic Understanding and Execution Capabilities

In the current wave of sustainable development in enterprises, Marks&Spencer is facing the problem of insufficient understanding and implementation of sustainable development strategies by middle-level managers and frontline employees. The root cause of this phenomenon mainly lies in the imperfect internal strategic communication mechanism of the company, and there are obvious shortcomings in the employee training system. Middle level managers, as key bridges in strategic execution, may find it difficult to effectively communicate sustainable development strategies to the front line if they have only a superficial understanding; If frontline employees lack a deep understanding, strategic implementation can easily become a formality.

To solve this problem, Marks&Spencer needs to build a multi-level and comprehensive strategic communication platform to ensure that the concept of sustainable development not only stays on paper, but also deeply penetrates the hearts of every employee. Specifically, the company can regularly hold special lectures on sustainable development strategies, inviting industry experts or internal executives to provide in-depth interpretations and help employees grasp the strategic significance from a macro perspective. At the same time, using modern multimedia technology, successful case videos of sustainable development strategies at home and abroad are played to allow

employees to intuitively experience the positive changes brought about by the implementation of the strategy and stimulate their enthusiasm for participation.

4.2. Deepen Market Education and Drive Consumer Participation

Lack of consumer awareness and engagement with corporate sustainability initiatives are among the main reasons limiting the effectiveness of Marks & Spencer's sustainability strategy. Therefore, Marks & Spencer should make sustainability a core marketing concept, effectively and deeply communicating the company's commitment to sustainability and the data demonstrating the effectiveness of its environmental initiatives to consumers. Furthermore, the company could establish dedicated brand accounts on social media platforms like Tiktok, Instagram, and YouTube to promote and educate consumers about environmental issues, thereby closely connecting its brand philosophy with consumers' lives.

4.3. Improve Strategic Adaptability to the International Market

Marks & Spencer was once caught selling clothing with European-sized labels in the Chinese market, creating a poor shopping experience for Chinese consumers and undermining the brand's previously cultivated reputation. This demonstrates that Marks & Spencer lacked a deep understanding of local markets, not to mention local laws, regulations, cultural backgrounds, and consumer habits, when expanding internationally. This makes promoting sustainability even more challenging. Therefore, Marks & Spencer needs to establish a team of local sustainability advisors during its international expansion. For example, Marks & Spencer could work with local suppliers to develop supply chain plans that comply with local standards and ethical sourcing criteria, and provide training and technical support to local employees.

5. Conclusion

In summary, Marks & Spencer's sustainable development strategy encountered numerous problems during its global expansion, including a lack of systematicity and synergy, insufficient adaptability to market changes, and a lack of localization strategies. These issues stemmed from limitations in its management philosophy and insufficient market research, hindering its development in various markets and preventing it from achieving sustainable growth. For retail companies expanding internationally, developing a sustainable development strategy requires fully considering the specific characteristics of each market, strengthening market research, balancing brand consistency with localization, and establishing a flexible strategic adjustment mechanism to adapt to the ever-changing market environment. Furthermore, it is important to prioritize the synergy between different market strategies to foster an overall competitive advantage and achieve long-term, stable growth.

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