

Success of primark in the fashion industry



The aim of this study is to identify and evaluate the success of Primark in the competitive environment of the fashion industry. The fashion industry is considered being a really risky industry for any new organisations entering but it is also very rewarding in terms of revenue if managed successfully. Furthermore this study is emphasized in detail examination and analysis of a successful well Managed Marketing Strategy that had led Primark to success, in terms of profits as well as its customer's satisfaction. The combination of increase in profits as well as increase in customer satisfaction is considered being the backbone of a well structure Marketing plan that will inevitably lead to a more successful organization. Furthermore Primark is a new retail group in the value sector of the fashion industry which had been very successful from the very beginning of its operation in the Market of UK, Ireland and more recently in Spain. PRIMARK operates a total of 181 stores and employs In excess of 25. 000 people. Primark Stores Ltd. is a subsidiary of Associated British Foods. Associated British Foods is a diversified international food, ingredients and retail group with global sales of £6. 8bn, and 85, 000 employees in 43 countries (Primark).

Research Questions and Objectives

â- The impact the Primark' Marketing strategy on its sales

â- Investigate the implementation strategy in relation with customer's satisfaction

â- Recommendations for further study and improvements

Literature Review

In a competitive and continuously changing environment Business strive to gain a competitive advantage within the Market they operate. Over the years various techniques and strategies have been developed by Managers in order to gain a better understanding of how the Market works and what approach to be used when either trying to enter a specific Market or already exist within a Market and try to gain sustainability. Nowadays every organization has a Marketing plan based on a Marketing strategy that uses the various elements within the Market in order to better understand and control the market that the organization is within. ' A strategy can be defined as a set of decisions taken by management on how the business will allocate its resources and achieve sustainable competitive advantage in its chosen markets' (Doyle, cited in Fifield, P.(2007: page)) . According to Primark's (date) reports their marketing strategy is based on the concept ' use a low cost product to attract customers'. Furthermore Primark Marketing Managers used their strategy to form a marketing plan that will deliver customer satisfaction as well as revenue for Primark shareholders. The areas emphasized within their plan are super competitive prices, mainstream market product quality, third high street locations, superior store fit and clear focus on the target mix (Primark, date).

All these areas are based on a well establish marketing concept the ' Marketing Mix'. . The term Marketing Mix was first used by Professor E Jerome McCarthy. He suggested that The Marketing mix contained 4 elements, Price, Place, Product and promotion which are known today as the 4 P's. Furthermore he describes these elements as the key factors that when

used efficiently through monitoring, Managers can control them in order to best satisfy a customer in a target Market. From this theory Booms and Bitner's have later added another three elements in the Marketing mix, which are people, process and physical evidence. This new formation containing a total of 7 elements came to full fill all aspects within a Market. Booms and Bitner's argue that this new formation will further contribute for the service industries as well as knowledge-intensive environments (McCarthy, 1960).

The Marketing Mix

Further analysis based on the concept of Marketing Mix for the service industry since its suits the organizations needs best as Primark is responsible from the start product (production) till the end product (when the product has reached the consumer), highlights some useful information on where Primark success is responsible.

Primark use the economy pricing policy as well as the value pricing policy when pricing its products. This is a no frills low price. The cost of marketing and manufacture are kept at a minimum, while value pricing policy is used when external factors such as recession or increased competition force companies to provide value products and services to retain sales. According to Primark reports the factors that allowed the organization pricing its products that low are technology, efficient distribution, supply and volume buying. Overall it seems that the strategies behind their prices are working pretty amazingly (Brassington and Pettitt, 2005)

In terms of quality, Primark is using a value for money policy. According to Erlendsson (2002) value for money (VFM) is a term used to assess whether or not an organization has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. Since quality is one of the key controllable elements within Primark Marketing mix plan that had lead to success, it means that the Primark Production Managers have managed to produce at a very low cost, thus allowing a low selling price and at the same time they have managed to gain customer satisfaction through the value for money concept (Marketing Teacher).

Place is another controllable element within the Market. Place is also known as channel, distribution, or intermediary. It is the mechanism through which goods and/or services are moved from the manufacturer/ service provider to the user or consumer (Brassington and Pettitt, 2005). In this case, Primark is using Direct Marketing (from manufacturer to user without an intermediate), therefore it's responsible choosing a place within the market in which it will distribute its products to the end consumer. In addition Primark strategy when choosing the right place to sell its products it's all about close interaction on a regular basis with the consumer. This concept is best served when choosing high street locations and this is because the products are displayed at the hart of the target market.

The next element that had lead Primark in a competitive advantage is superior store fit. Some organizations depend heavily upon physical evidence as a means of marketing communications (Blythe, 2000). This is a very crucial element for Primark since it uses the economy pricing policy, <https://assignbuster.com/success-of-primark-in-the-fashion-industry/>

therefore minimizes marketing cost. This means that since there is Minimum cost on advertising which is usually the major marketing cost Primark is using its superior store fit as a means of communication with it customers. Therefore a modern stylish atmosphere should do in terms of communicating with its customers, and this is what Primark have actually succeeded (marketing teacher).

Finally and most importantly is a clear focus on the target market. This is a very delicate issue that many businesses fail to understand. Before we describe what they mean for a clear focus on the target market we need to understand how the market can be segmented in different groups. Marketing segmentation is the division of a market into different homogeneous groups of consumers. By segmenting the Market into different groups it is easier for the firm to better satisfy the needs of its potential customers. Therefore by segmenting the marketing the firms can target a market using all their resources as efficiently as possible in order to try to satisfy its target market as best as possible (Brassington and Pettitt, 2005). In these case Primark is targeting young, fashion-conscious less than 35's, offering them high quality, fashion basics at value for money prices. Almost half of sales are in Women swear. A quarter of sales is dedicated to Menswear and Children swear, with other items constituting the remaining sales (Primark: date). Organizations that fail to understand this may find themselves in trouble. Marks & Spenser has a policy of mass marketing, and that may be one of the reason that its pre-tax profits were down 44 per cent to £307. 8 million in the first half of the year where as Primark's were up 17 per cent at £233 million (Evening standard).

Methodology

In every research made there are various stages that the researcher must follow in order to gradually collect and analyse the additional information so that he ends up with a correct conclusion. Think of this as the different layers covering the core of our planet. As scientist started studding the surface of the earth they found out that it's made mostly from rock as they continue their studies they found another layer that was made from mantle, with further studies they had found another two layers the outer core and the inner core of our planet.

The different layers of the earth.

Ok, what is this?????? Are you pissed ...too much zivania

The different layers (stages) of this research

4. 1 Research philosophy

There are three different views on research philosophy, Positivism, Interpretive and Realism. Positivism can be defined as the philosophy that the only authentic knowledge is knowledge that is based on actual sense experience. Such knowledge can only come from affirmation of theories through strict scientific method (Walsh, 2001). Therefore if deciding to go ahead on researching with this philosophy the research must obstruct quantitative (tangible) data, which could be underpinned by the use of mathematics and natural laws (Saunders et al., 2007).

Furthermore Interpretivism can be defined as the research philosophy that requires the researcher to seek to understand the subjective reality and

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meanings of participants (Kyriakidis, 2008). In addition the researcher using this philosophy should obtain qualitative (intangible) data. Data that cannot be analyzed when using mathematics and natural laws, because it deals with the human being and how complicated him /she is.

Finally Realism is a Research philosophy that believes in, and seeks to understand, the existence of an external and objective reality that influences people's social interpretations and behaviours but which may not be perceptible to them. It recognises that people themselves are not objects to be studied in the style of natural science (Kyriakidis, 2008).

This research is using realism as a research method since it helped me to contact both quantitative and qualitative data in order to give a wider description and analysis of the specific market as well as Primark's marketing plan. Quantitative data was used to evaluate the success of Primark in terms of revenue and market share via numerical data collection where as qualitative data was used to evaluate the consumer perspective for Primark's products.

5. 0 Data Collection and Analysis Techniques

There are two different approaches when collecting data for any research, the deductive and inductive approach. When choosing the deductive approach the researcher seeks to collect quantitative data, data that can be monitor through the use of mathematics. The researcher usually tries to control the variables that they study. They do this so that they can identify 'cause and effect' relationships between variables. This approach has the disadvantage of being linear, thus the findings of our research may

considered being old since new published newspapers may appear with different updated data. On the other hand the inductive approach is based on the idea that Knowledge is something that people create continuously, and that no fixed, objective reality exists independently of people's culture, values and experiences. As a result researchers using this approach don't set out to collect generalisable 'facts'. They try to gain an awareness and appreciation of how particular individuals or groups of people view and experience the world (Strauss and Corbin, 1996). When combining these two approaches together the researcher is able to cover its chosen topic in wide as well as in depth. In this case I have chosen to collect the data for this research using both approaches in order to give a better description of Primark as well as do understand its consumer's behaviour. In addition quantitative data was collected through the use of questioners to various women. Furthermore qualitative data was obtained from in-depth interviews with women currently being regular customers to Primark. Moreover secondary data was collected from books, online newspapers articles in order to collect up to date data.

Furthermore the most common research strategies used when conducting a research are experiment, survey, case study, grounded theory, and ethnography and action research. In this case I have chosen to contact a survey with the use of questioners via Face book because it allowed me to save considerable time and money rather than sending them via post or face to face or telephone. This way I was able to gain considerable feedback from different woman within the specific market, while managing to secure anonymity for the participants. A case study was also used through depth

interviews on some women in order to help me to better understand women's attitude on fashion.

When using more than one research strategy is called Triangulation. This is a method used when conducting a research that uses more than one strategy in order to obstruct a more efficient analysis, description and finally conclusions, by compensating the weakness of one method by using strengths of the other.

6.0 Ethics and safety consideration

All the information provided in this report has been rightfully outsourced. All the participants' identity is treated in an absolute confident way and always with their consent.