

Practical sense of segmentation



In this essay, would be critically analysing the importance of segmentation and the role it plays in any market environment. Buyers are too numerous in every market with wide Variety based on wants, location buying behaviours and practices. Moreover, the companies themselves vary widely in their abilities to serve different segments to the market. For this reason nowadays companies practice target marketing -“ identifying market segments, selecting one or more of them, and developing products and marketing mixes tailored to each segment” (Kotler, 1997).

‘ Primark’ is a brand to be critically analysed in terms of its Segmentation, Targeting, Differentiation and Positioning strategies which are the main fundamentals of a customer -driven market strategy. Now Primark is a major UK retail group specialized in clothing sector, which is owned by the Associated British Food. Primark have been very successful over the recent years an constantly increasing its market share over the years and statistics indicates that from 2008-09 its market shares increases by 2% with profits on the boom, while it competitors are on the Struggle due to financial crisis occurring in Europe. In fact is during the crisis Primark captured large market share and have expanded in other countries Europe. It operates 207 stores in the UK and Ireland Spain, and recently in Bulgaria, Germany and Portugal.

Marketing mix & market segmentation. Due to high competition that is already in existence in malls and high street fashion retail market. It therefore means that Primark has a plenty of competition all aiming on the same target customers. The success of Primark was due to the facts it interrelate powerful marketing mix with market segmentation. The marketing mix refers to Primark having the right product for the consumers

which is fashionable clothes at very competitive prices which meets customer Requirement. Primark have a cost advantage over it competitors since all of it productions are processed in developing countries where there is cheap labour. Primark is using this advantage to attract price sensitive consumers.

Because Primark have the right product therefore it should segment in consumer market. However we would see how this plays a big role later on this essay. However there is no single way to segment a market. Therefore, the marketer tries different variables in the consumer market to see which gives the best segmentation opportunities' (Kotler, 1997). These variables include geographic, demographic, psychographic and behavioural segmentation.

Primark market segmentation strategies Primark used the strategy of market segmentation to divide its existing market into smaller segments for which target consumers can reach to their products more effectively and efficiently. However there are some factors that Primark take in relation when evaluating consumer market segments. These factors include whether segments can be measurable, accessible, substantial, differentiable and actionable.

Primark target males, females that are under age 35. They have chosen a specific market segment that the focus on which are the under 35 , people in lower or middle class occupation which makes the product affordable for them, consumers with or without educational background, segments with

different religion, race and Nationality. Therefore Primark is transcending socio demographic which is a core variable Primark's market segmentation.

Based on geographical variables 'dividing the market into different geographical units such as nations, regions, state counties, cities or neighbourhood' (Kotler, 1997). Primark have segmented the UK and Ireland's market such that approximately each sub town in UK have at least one branch. Recently Primark is been segmenting geographically in Europe such as Bulgaria, Germany, Portugal.

Would Primark succeed in segmenting in other part of Europe?

Primark would succeed in Europe because of the two reasons

Fashion it gives to consumers

Most Europeans have similar taste of fashion and Primark is segmenting on this market of similar taste of fashions. Primark would never in countries where there is completely different taste of Fashion

Competitive price of the fashionable product it offers to its consumers.

Also since the whole Europe is in financial crisis this means that clothing consumers are becoming more price sensitive in relation to fashionable clothes, therefore a value for money strategy is implemented by Primark as it takes the financial crisis conditions as an advantage for to attract more consumers.

Psychographic segmentation, this is where the market is divided into groups based on social class, lifestyle, personality characteristics' (Kotler, 1997). For this aspect Primark segments on the lower class, Upper lower, Middle class, but not on the upper class. However since everyone in the upper class have suffered with the current recession, Primark have been in position to attract some of the upper class.

Behavioural segmentation,' Primark is dividing market into groups based on consumer knowledge, attitude, use or response to a product', because, Primark is offering cheap quality product it attracts both regular and occasion customers and also attract first time buyers and irregular buyers. Also since the majority of population are lower and middle class consumers that means it attracts heavy users of the product.

Now loyalty status is a big aspect of Primark market segmentation.

Consumers are variable and unreliable because as soon as consumers have a shift on the class status the loyalty status also changes. Consumers on this face would want to move to a higher class by buying higher brands in order to define their lifestyle status. So to my point of view Primark does not have any loyal customers as soon as there is promotion in terms of consumers life style they become unreliable.

Differentiating Primark. The next step after segmenting consumers market is for differentiate it product from the other existing product in that particular segment. (KOTLER, 1997) ' Differentiation is the process of evaluating each market segments attractiveness and selecting one or more segment to enter', Therefore when Primark selects its appropriate segments it targets it

segment by offering the consumer more for less value which is a value for money strategy. Because of such strategy Primark have been successfully attract large number of customers.

The other way which Primark should have differentiated itself is by offering services to customers e. g. such as buying the product online with delivering services. Nowadays most shoppers been teenagers, adult, are all obsessed with internet. People prefer to shop online which makes life easier for them. This is one competing advantages that rivals have over Primark. If Primark were to open an online store it would boom it sales revue rapidly.

However, without even offering an online services, Primark is still growing faster than its competitors this shows that Primark is in control of its respective segment and the market as whole and to some extent have control over it consumers. Basically due to Primark offering cheap fashionable clothes with reasonable quality the principle of Primark is to draw consumers to their stores and to create attention of their products thereby enabling consumers to spend more than expected.

Most of Primark's heavy Users customers are house wives which would shop for themselves, kids and maybe husband. Now because of that Primark's have selected to offer another diverse range on its product which is house holding product as this product would attract house wives. So I really commend on Primark's targeting strategies. Since Primark's is newly establishing across Europe an online service can be a good approach to sensitize the new geographic region of it existence and consumers in different regions across can get hold of the product.

Positioning Primark Positioning is, “ The act of designing the company’s offering and image so that they occupy a meaningful and distinct competitive position in the target customer’s minds” (Kotler 1997).

Positioning is not about the product but actually what the customer thinks about the product or organisation. Therefore it is about visibility and recognition of what a product represents for a buyer.

Primark slogan is “ Look good pay less” and in reality the slogan works for the consumers as it defines the mission of Primark’s. Therefore Primark have define its market positioning as a cheap fashionable clothes retailer so therefore does need to advertise as people already aware of it existence as it is cheap place. This prevents them to be in a position of stuck in the middle as rivals such as Marks & Spencer are suffering from.

To my point of view Primark should maintain its leadership cost strategy and lowest on its segment for it to be maintained over long time. Also efficiency levels tend to shift slightly this should be taken care off. Also Primark is not advertising the only places you Primark’s logo is in the stores or in bags. Also Primark most continue with it speed to market strategy that is as soon as new fashion comes out they should be capable of making it available in stores immediately.

I thinks in terms of advertising Primark should come up with fashionable printout on the bags stating coming soon so that to attract high street shoppers. Also sending emails to Users about product creates more awareness. This would give Primark a better position on the minds of the

target consumers rather than consumers position it on their mind as that cheap place.