

Market research on primarks clothing marketing essay



**ASSIGN
BUSTER**

The UK clothing and footwear (or apparel) market was worth an estimated £46.05bn in 2009, accounting for 5.3% of total consumer spending (Key Note Publications Ltd, July 2010). According to Mintel, (June 2010), nearly half (12.7 million) of women in the UK spent the same or even more on their clothes in 2009 - despite the economic recession.

Consumers have cut back on leisure activities such as holidays and eating out, they have continued to spend on clothing and footwear - indicating that they are being selective about what to spend their money on and are choosing to buy clothing over a meal out. Over half of overall UK consumers (54%) did not reduce the amount they spent on clothes during the past year and one in ten (11%) of consumers say they actually spent more on clothes than they usually would over the past year, despite the economic difficulties. This could be because consumers have cut back on leisure activities (Mintel, June 2010).

Between 2005 and 2009, the women's outerwear segment actually declined slightly in value, because average prices were 22% lower in 2009 than they were in 2005. This occurred despite the dynamism of 'fast fashion', in which more and more garments are bought but worn only a few times before they go out of fashion and are disposed of (Key Note Publications Ltd, July 2010).

Consumers are now tending towards the budget end of the market, which is targeted by companies such as Primark, Peacock's and Matalan, or the designer, premium-priced extreme. The mid-market has consequently become very competitive, with the struggles of Marks and Spencer, Arcadia Group and BHS to retain market share (Infomat, August 2006).

Besides the mid market trend, the quality over quantity trend appears to have risen up the consumer priority list, with almost four in ten consumers who intend to spend more on clothing in the coming year claiming that they will pay more for quality clothes (Intel, June 2010). Consumers might consider that expensive products tend to be of better quality. Therefore, the UK Retailers should react quickly in responding and considering the quality message of their clothing in order to satisfy consumers' needs and wants and therefore, increase their market share.

Background to the study

The Primark story has been one of continuing success founded on a unique combination of fast fashion and lean operations. Its operations in Great Britain began in 1973 with four out-of-town stores. The following year saw the opening of the first UK High Street stores in Derby and Bristol. In the next ten years, 18 stores were added in the UK bringing the number of stores in the 22. Till date, Primark has been able to open 145 stores in the United Kingdom. (Primark, 2010).

Over the years Primark has been able to provide cheap and affordable clothing, but the quality of the product has been questionable. In the first and second quarter of the year, Primark recorded a 17% year-on-year sales increase in which it was driven by more selling space, Primark looks likely to continue in a similar successful vein for the predicted future, but its continued growth is not without some market barriers, Primark could be hit hard; and its lack of association with ' quality' could also prove unfavourable in the long term.(Intel, 2010)

“ The retail landscape is about to change as the deflation of the last decade comes to an abrupt end. Raw material prices, freight and labour costs (particularly in the Far East) are rising and, coupled with the impending VAT increase and unfavourable foreign exchange movements, clothing prices on like-for-like items are expected to rise by at least 5% next year” Mintel (2010). Primark cannot continue to provide cheap clothing because of the high production cost and tax rate, if the prices of the products are increased and the quality keeps disappointing the consumers, consumers could decide to switch back their loyalties to the mid market retailers like Gap and H and M who have celebrity designers such as Stella McCartney and Jimmy Choo designing ranges for them to reassert themselves in the clothing retail market.

Primark’s main focus of clothing is producing value clothing which can be afforded by the low and middle class consumers. But there could be trouble along the way as the perception of product quality appears to be slipping, consumers are now shopping for deals and finding value for money. The main test of this brand is to improve its quality and reposition its image in the minds of the existing and new consumers.

Management Problem:

The major issue facing Primark is to improve its quality and reposition its image in the minds of the existing and new consumers and thereby increase its market share than its current market position. Therefore the Management decision Problem would be:

“ How Primark’s clothing could increase its market share”.

Market Research problems:

A market research problem will be carried out to support the management decision problem of Primark. Therefore the market research problem for the study will be:

“ To determine consumers’ attitudes and the level of satisfaction derived from current product qualities.”

Research Components:

The research components are used for identifying the market research problem. Therefore the research components are:

- What criteria do consumers use in selecting a clothing brand?
- How do consumers evaluate Primark and its competitors based on the identified choice criteria?
- What are the consumer’s attitudes towards Primark?
- To determine the psychographic and demographic profile of the consumers

Literature review

Globally, clothing continues to serve the three basic functions of concealment, protection and identity. However, when shopping for a piece of clothing, the third factor - identity - is the criteria that the consumer in modern society is completely engrossed with. Clothing has the ability not only to represent status in society, or act as a measurement of self-esteem, but can reveal personality and what values a person holds dear to them (What you wear is what you are, 2010). Solomon and Ranbolt (2004).

<https://assignbuster.com/market-research-on-primarks-clothing-marketing-essay/>

confirm that revealing identity through the clothes a person wears is a conscious decision: “ A consumer exhibits attachment to an object...to maintain his or her self-concept...Clothing can function in a similar way” (p. 148). This perception of how consumers see themselves is called the Self-Concept Theory, which categorises the term - Ideal Self - as something a person is always trying to achieve. Therefore a retailer will be more successful if the goods they sell facilitate a person in realizing their ideal self (Diamond 2006).

Undoubtedly, the ideal self of the UK consumer is an increasingly fashionable one. This does not just apply to the younger age group, but also the older and more affluent age group who enjoy keeping up to date with current trends. Previously, this was very hard to accomplish as there was virtually no consumer choice for the older market segment, but value stores have attempted to address this issue (Clothing Market in the United Kingdom, 2006). These value chain stores allow consumers to remain fashionable while shopping on a budget and have arguably led to the creation of the term - Fast Fashion. This refers to the current consumer habit of only wearing a piece of clothing a handful of times before it becomes unfashionable and is discarded (Clothing & Footwear Industry Market Review 2010). Selling unfashionable items at rock-bottom prices and thereby encouraging this unsustainable practise does not enhance a company's reputation as Solomon and Rabolt (2004) believe: “ the green movement, is a priority for many consumers around the world” (p. 148).

Being socially responsible has been a constant issue for Primark and its low pricing and so-called fast fashion has prompted inquiries into how it can
<https://assignbuster.com/market-research-on-primarks-clothing-marketing-essay/>

achieve this without ignoring ethical guidelines. This answer became clear when BBC's Panorama series went behind the scenes in India only to find children working in slum-workshops for poor pay on terribly long hours (Primark: on the rack, 2008). Such production lines contribute to the quality of the end product that Primark's displays on its rails and while consumers may be prepared to put up with poor quality during the recession, the latest research shows that this, among other factors, will soon change: " The average prices paid for apparel could well start to increase, for three reasons: a move towards higher quality, comfort and design; demand for more expensive but sustainable products" (Clothing & Footwear Industry Market Review, 2010). Due to the competitiveness of the UK clothing industry (Clothing Market in the United Kingdom, 2006), it is vital that in order to remain successful retailers become more responsive to the needs and wants of consumers (McMeekin, 2009).

As argued by Alex Blyth, presenting a brand as cheap without ruining its value is one of the trickier marketing strategies to master (Alex Blyth, 2010). Primark really needs to focus more on adding value to their product while having minimum effect on price as lower price is eventually their strength the same has been concluded by Robert Passikoff " The buying decision has shifted from price to an even greater emphasis on value."

Primark which already made a good use of its Suppliers chain during recession, by offering break down prices to pull more customers and successfully maintaining its competitive edge . However Primark can stress on its suppliers to add more value (Quality and other attributes) to the products so that growing market segment which tend to adopt to quality
<https://assignbuster.com/market-research-on-primarks-clothing-marketing-essay/>

product can be attracted. This will not only help Primark attract more customers but will also turn the “ satisfied” customers to “ loyal” customers. A leading communications company found via satisfaction research that those customers proclaiming to be “ extremely or very satisfied” were their least profitable customers in terms of revenue and product usage indicators(Pete Clark / Graham Tutton Oct 2007).

Our research is led by the spirit of growth and increasing the market share, this is required by the market implicitly and explicitly. Enhancing your business performance is a never-ending process. World-class organizations do not want “ satisfied” customers. Developing strong, loyal relationships with customers, effectively managing these relationships, and applying the latest thinking to measuring and managing customer perceptions, are the keys to turn satisfied customers to loyal customers (Pete Clark / Graham Tutton Oct 2007).

Based on the previous studies we try to find that what values (Corporate Social Responsibility, Price, Quality, patronage effect or Brand Identity) most to the Primark’s Customers, and how can Primark add value to its product? So that more customers could be attracted and more diverse segments of the market could be targeted.

Research Model

The secondary data demonstrates that there are some important factors which can have influence on the perception and attitude of the consumers through the decision-making process. i. e. the price, if a higher price or a lower price can affect the attitude of consumers towards Primark; brand

image; quality; pleasing to others, word of mouths; do consumers feel satisfied of the shopping environment of Primark or not; the durability of the products; style of clothing; comfort; packaging; and fabric also. Furthermore the researchers also need to identify the current situation of Primark and compare with other competitors in clothing industry. Then on the next level, the researchers would like to know if the attitude change has an impact on the shopping frequency at Primark, or to what extent they can influence the consumer's buying behaviour . And also the researchers defined two factors as the moderators needed to be analyse when testing the buying behaviour of the consumers. By using this model and testing the research questions and hypothesis to solve the manager problems “ How can the marketers of Primark to increase the market share.”

At the first place, the 10 factors evaluative criteria towards Primark are the independent variables and the perception and attitude towards Primark of the consumers is the dependant variable. However, the continuous model shows that the change of attitude could become as an independent variable when the researchers going to find the relationship between the satisfaction of consumers and the frequency to shop at Primark which is defined as a dependant variable. . And moreover the two moderators (gender and age group) are also independent variables which should be tested through the researching process.

Research Question and Hypothesis

Based on the secondary data and the research model, there are some questions and hypothesise for the researchers, so that to clarify the relationship and influences between different variables.

<https://assignbuster.com/market-research-on-primarks-clothing-marketing-essay/>

What are the critical factors when shopping for clothes?

H1: There are certain factors that influence the decision making of shopping for clothes.

What are the important factors that can affect the attitudes of the customers when shopping at Primark?

H2: There are some important factors that would affect the attitudes of the customers when shopping at Primark

Does brand image influence the buyers' attitudes towards Primark?

H3: Brand image is a key factor that has an impact on the shopping attitude towards Primark.

Is there a relationship between the high quality of products and the satisfaction of the consumers?

H4: There is a significant relationship between the quality of products and the positive attitude towards Primark

Is there a relationship between the low price and the attitude of the customers?

H5: There is a significant association between the customer's preference and the low price of the products in Primark.

Is there a relationship between shopping behaviour of consumers and demographic index?

H6: There is an significant association between consumers' shopping behaviour and demographic index.

Appendix 1: Questionnaire

Leeds University

Business School

Dear Respondent,

This questionnaire is purely for educational research and we are grateful to all who participate. We

will be completing our MA in Corporate Communications and Public Relations from the Leeds University Business School in September 2011. The data derived from the questionnaire will be analyzed to produce a marketing research project as part of our degree programme.

The purpose of this survey is “ To determine the factors that consumers consider as important

while shopping for clothing”. The findings of the study would help to suggest an appropriate

framework to Primark’s clothing to increase its market share.

All of your responses will be kept confidential and all of the information will be analyzed and reported as grouped data. The study will be incomplete without your response and support. We kindly request you to fill in the required information. We appreciate your time and generosity!

Part I – General Shopping Behavior about Clothing

How often do you shop for Clothing?

Weekly Monthly Once in two months

Once in three months Once in six months

Kindly tick the most suitable preference you would consider while buying clothing.

According to need During the season During the sales

Only on special days or festivals

Kindly tick the most appropriate preference of your shopping destinations.

Independent Shop Shopping Centre Markets

Other (Please specify) _____

Which is the most important factor influencing your clothing shopping decision?

Newspapers / Magazines Friends / Relatives TV

Internet Posters / Hoardings

Other (Please specify) _____

Kindly identify the importance you associate with each of the attributes while you shop for

Clothing.

Least important ————— **Very important**

â€ Brand image 1 2 3 4 5

â€ Quality of clothing 1 2 3 4 5

â€ Price 1 2 3 4 5

â€ Style 1 2 3 4 5

â€ Comfort 1 2 3 4 5

â€ Fabric 1 2 3 4 5

â€ Durability 1 2 3 4 5

â€ How pleasing is it to others 1 2 3 4 5

â€ Shopping environment 1 2 3 4 5

â€ Comfort 1 2 3 4 5

Part II : Attitude towards Primark

Have you ever shopped for clothing at Primark?

â-; Yes â-; No (If no, then go to question No. 9)

How often do you shop for clothing at Primark?

• Weekly • Monthly • Once in two months

• Once in three months • Once in six months

What do you shop for in Primark?

• Men's wear • Women's wear • Children's wear • Home wares

Kindly identify the importance you associate with the following attributes when you shop for

Primark's clothing.

Least important ————— *f* Very important

• Brand image 1 2 3 4 5

• Quality of clothing 1 2 3 4 5

• Price 1 2 3 4 5

• Style 1 2 3 4 5

• Comfort 1 2 3 4 5

• Fabric 1 2 3 4 5

• Durability 1 2 3 4 5

• How pleasing is it to others 1 2 3 4 5

• Shopping environment 1 2 3 4 5

• Comfort 1 2 3 4 5

Kindly identify your satisfaction level with each of the follow clothing outlets.

Very Dissatisfied—————**f Very Satisfied**

â€ M&S 1 2 3 4 5

â€ GAP 1 2 3 4 5

â€ ZARA 1 2 3 4 5

â€ TK Maxx 1 2 3 4 5

â€ H&M 1 2 3 4 5

â€ NEXT 1 2 3 4 5

â€ Topshop / Topman 1 2 3 4 5

â€ Bhs 1 2 3 4 5

â€ River Island 1 2 3 4 5

â€ Primark 1 2 3 4 5

â€ New Look 1 2 3 4 5

â€ Matalan 1 2 3 4 5

â€ Peacock 1 2 3 4 5

â€ Other (Please specify) 1 2 3 4 5

Would you like to make some suggestions that would help Primark to improve its clothing quality?

Part III: Personal Information

1. Gender

Male Female

2. Age

Under 20 21-29 30-39

40+

3. Education

Primary School Secondary School College

University Post Graduate Other

4. Occupation

Student Service Business

Other - Professions

5. Annual Income

Under 20,000 20,000 - 29,999 30,000 - 39,999

40,000+

6. Marital Status

<https://assignbuster.com/market-research-on-primarks-clothing-marketing-essay/>

â-; Single â-; Married / Cohabitant

Thank you for sharing your precious time!