PRIMARK
STRATEGIC
MARKETING
PLAN

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AUDIT

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Primark USP

Providing ‘customers quality, up-to-the-minute designs at value for-money prices’

(Associated British Foods Annual report, 2013)
This is an audit of the current marketing strategies of fast fashion, value retailer Primark, and a discussion of fundamental issues resulting from these.

With the ‘digital revolution’ provoking constant reports of the death of the traditional bricks and mortar format (WGSN, 2014), the audit focuses primarily on the brands current use of technology - both on and offline - in comparison to its competitors. It explores potential opportunities and threats, establishing whether the launch of a transactional website and, perhaps, whether the extension of digital activity in store is necessary. The aim would be to broaden their current business strategy by selling online, achieving substantial growth and maintaining their current position as the one of the UK’s top retailers.

‘We aim to achieve strong, sustainable leadership positions in markets that offer potential for profitable growth, and deliver quality products and services that are central to people’s lives’

(Associated British Foods plc, 2014)

Primark’s Mission

After ruling out the launch of a transactional website, the retailer (owned by parent company Associated British Foods) is currently focusing on the growth of its international retail presence. This will commence with the launch of seven stand-alone stores in Northern America scheduled to open over the next 2 years (WGSN Retail, 2014). Here they aim to continue to entice new customers by providing affordable, on trend and good quality product in an ‘exciting, fashionable and fun’ in-store environment.

‘With a unique combination of the latest fashion and lean operations, Primark offers customers quality, up-to-the-minute designs at value-for-money prices’ (abf, 2013)
Technology:

“The application of scientific knowledge for practical purposes, especially in industry: advances in computer technology”

The Oxford Dictionary
Whilst the traditional bricks and mortar retail format (in which Primark operates/trades) is still a preferred option for many (Foley, J. 2014), the convenience and novelty of ecommerce and digital innovation has won over the custom of numerous consumer groups (Mintel, 2013), provoking the necessity for many retailers to develop a more digitally orientated, multichannel strategy (Kent, T. 2009). This is reinforced by Bertrand Bodson, digital director at Argos, who states that ‘In three to five years, bricks and mortar and clicks will get closer, and those boundaries will be disappearing” (Jobling, A. 2013).

Currently the lack of digital innovation in store and the lack of a transactional website is not impairing Primark’s success rate, partly due to continuing expansion of their footprint. However, with Mintel’s predicted 86% growth of the online fashion market from 2011 to 2016, reaching £9.4 billion (Drapers, 2014), it is apparent that the provision of a multichannel shopping experience may be crucial to the value retailer’s continued development and success in future.

In terms of the retail life cycle (Findlay, A and Sparks, L. 2002), Primark is at the beginning of the ‘growth’ stage. The retailer must now explore whether making these alterations will allow them to reach the ‘maturity’ stage more quickly.

Founded in Ireland as ‘Penneys’ in June 1969, the once ‘sleepy retail brand’ (Jackson and Shaw, 2009: p112) has become one of Europe’s leading fashion retailers, even in the wake of the negative press regarding its unethical practices. Employing over 48,000 people, the company strives to ensure they provide the consumer with on-trend product that can be accessed quickly, in an exciting retail environment (ABF, 2013).

Primark’s successful business model, which provides the ‘latest looks without breaking the bank’ (Primark, 2014) has enabled the company to continue expanding rapidly. It now operates over 275 stores in nine countries in mainland Europe (Associated British Foods plc. 2014).

Riding the obvious increase in the popularity of the value sector (see appendix 2 for further analysis), which has evidently ‘outperformed the rest of the clothing market’ (Ross, J and Harradine, R. 2010), this fast fashion budget retailer has gone from strength to strength, providing a winning combination of ‘on-trend’ product at low price points.
Prior to undertaking an analysis of the micro environment, a PESTLE analysis was conducted in order for Primark to distinguish any trends or situations occurring in the external environment which may affect the company, these can then be exploited through marketing planning (Wood, M. 2013)

| Political/Legal factors | With Primark’s retail presence in international markets (located in 9 countries across Europe) it is crucial for the company to monitor potential threats such as barriers to entry, changes in foreign exchange and politics that’s may hinder success rates. Recent reports of the Pound sterling falling against currencies including the Euro, may have knock on effects on the company’s financial assets (exchangerates, October 2014).

A recent political occurrence that will impact Primark is the demand for a wage increase from the workers in Cambodia, where protests took place to appeal for a significant rise in the minimum wage. Primark, along with other leading high street retailers using factories in this location (such as Zara and H&M) have agreed to the pay rise, which may have a dramatic impact on the company’s finances, perhaps restricting budgets for store expansion or the possibility of digital development (Brignall, M. 2014).

Following the tragic collapse of the Rana Plaza factory in Bangladesh in April 2013 global action took place, resulting in a set of new regulations to minimise the risk of it happening again. It is now required of Primark and the other retailers using the space to ensure that sufficient funds are available to fix safety deficiencies. This will require the company to negotiate advantageous commercial conditions with the factory or via loans (Al-Mahmood, S. 2014). |
|---|---|
| Economical factors | The recently reported decrease in inflation in the Uk (1.5% to 1.2%) as food and fuel prices fell, may have a negative impact on Primark, perhaps encouraging consumers to go to more expensive, higher quality retailers, now they aren’t so financially restricted (Allen, K. 2014).

Contradicting this, a large proportion of the somewhat profligate spending habits of 15 to 24 year olds (essentially age group of the Primark core consumer) who were not as drastically effected by the 2008 recession, will potentially choose to save as opposed to spend due to the significant increase in tuition fees and the high youth unemployment (Mintel. 2013).

In addition to the economic factors effecting consumers, Primark’s parent company ABF are required to closely monitor the decline in sugar prices, currently having a negative impact on the firm’s shares (Wood, Z. 2014). Due to the success of Primark, the ABF company have increased nearly 60% in shares, it is now a priority for the parent company to devise an effective strategy enabling them to maintain current customers and attract new ones.

The reports of economic recovery in a number of European countries (in which Primark operates) have caused a surge in online shopping, sales are predicted to double in Europe by 2019 (Mintel, 2014)

With the reported ‘increases in materials, transportation and labour costs’ Hall, P. (2014) fast fashion, value brands like Primark (with very low margins) and are particularly vulnerable at this time. |
### Social factors
Over the last decade, Primark and other low priced retailers have benefited from the rise in footfall as, according to Verdict (2013), 80% of all clothing shoppers now visit a value retailer. Perhaps due to the vast improvements in quality and fashionability or the economic downturn, consumers are now unashamedly willing to buy into the value segment, with ABC1 customers accounting for 48.2% of all value clothing shoppers (Verdict, 2013). However due to this increasingly diverse consumer base, Primark and competing value retailers will need to incorporate other attributes to entice them into store as they will arguably no longer be able to rely on price alone.

In terms of shifts in population, Primark will also need to closely monitor the shrinking demographic (15-24 year olds) of its core consumer as it is predicted to decrease by over 6% in the next five years, which could have an impact on volume of sales (Miller, L. 2014).

The ‘aging consumer’ may also pose both opportunities and threats for Primark, with the number of people aged 60+ predicted to exceed the number of children under age 15, retailers like Primark will need to adjust their marketing mix in order to appeal to this older consumer group, who are more quality focused (Schwarz, N 2010).

Correlating with the observation that women in the UK spend more than double the amount on clothing than men (Jackson and Shaw, 2009), in terms of shopping methods, according to Mintel reports, women are also the most inclined to shop online. With 75% making purchases through via m commerce and e-commerce, however they have reported an increase of men favouring this method of shopping with a 13 percentage point jump over the last year to 65% (Mintel, 2014). Mintel also reported that 70% of internet users buy clothing and footwear online, making the category the most purchased. In the 25-34 age group that rises to 80%, while it is 76% in the 16-24 age group – a situation that Primark will be obliged to monitor as this encompasses the age range of the target market (Mintel, 2014).

Burkwood (2013) clarifies that the ‘showrooming trend’ is on the rise, where customers who desire the traditional bricks and mortar experience, browse for products in-store then purchase online (Burkwood, M. 2013). This is particularly relevant to the youth consumer who is inclined to search online then buy in store, for social and experiential purposes (Mintel youth report, 2013). This highlights the retailers’ obligation to provide an engaging integration of shopping and entertainment, achieved via the use of stimulating digital technology – this is reinforced by Riewoldt, (2000) who maintains that these are ‘the leitmotifs of the retail sector’s counter offensive against its electronic competition’.

Regarding the preferred devices used to shop, the number of consumers, inclined to use tablets and mobile devices is on the rise. The lack of restriction with regards to the transportability and simplicity of shopping using these devices is evidently a factor that encourages them to be used (Mintel, 2014). The click and collect option is also rising in popularity with a reported 44% of consumers using this method for clothing purchases in the last year (Mintel, 2014).

### Technological factors
(see appendix I for further analysis on Technology trend in retail)

The increase in demand for a retailer to provide an integrated digital experience is becoming ever more apparent in terms of survival and the probability of a company’s future growth. The evolution of technology, specifically e-commerce and m-commerce has dramatically changed the consumer’s purchasing behaviour, particularly the younger generations (Y and Z) who have ‘utter fluency and comfort with digital technology’ (Kotler, P2012). This is particularly relevant with around half of Primark’s customers being under 35 (Mitchell, I. 2013).

An example of an indirect competitor operating a multi-channel retail strategy is Monsoon. The introduction of ‘mobile point of sale’ facility permit sales assistants with iPads to retrieve the entire product selection and take payments on the shop floor. This is likely to reduce queue time and functions as another B2C touch point due to the inevitable interaction between the customer and staff (Thompson, R. 2014). This particular technological feature has, according to Monsoon’s ecommerce director John Bovill, has benefited the company in many ways and has instigated a decrease in returns (both online and in store) (Rumsey, A. 2014). It is apparent that other high street brands will be required to provide a more technology orientated marketing strategy in order to maintain the customer’s interest and loyalty (Thompson, R. 2014).

According to research conducted by eBay (2014), it has been uncovered that 66% of the biggest UK retailers are under-investigating in the multi-channel technology available. With 89% of them stating that it has provoked substantial growth of their business, it appears that retailers such as Primark may need to invest in the enhancement of their current business model in order to secure growth in the future.

### Environmental factors
The consumer’s increasing interest in the protection of the environment and the selection of environmentally friendly brands and products mean that retailers must invest in production methods which are sustainable in order to maintain brand loyalty (Wood, M 2013).

Despite arguments suggesting that ‘green fashion is not yet a phenomenon of the masses’ (Fibre to Fashion, 2014), it is apparent that a wealth of retailers (for example, direct competitor H&M with their expansion of their conscious collection) are investing in the use of sustainable materials and environmentally production processes.

With regards to technological developments in the production of environmentally friendly fashion products, it is evident that the sportswear market is leading the way. A report by WGSN informs that popular brands Adidas and Nike have collaborated with Netherlands-based company Dyesco to develop an environmentally beneficial, efficient and consistent method of clothes dying. This method replaces water with recyclable Co2 (Hendry, V. 2013). It is apparent that premium design and environmentally friendly production methods are now expected by consumers, and due to the reduction of operational costs (as energy resources/consumption are lower than conventional dying methods) it may be advantageous for Primark and other high street retailers to familiarize with them.
“Today, technology touches virtually every element of marketing, from digitally enhanced advertisements to packaging, research, distribution, pricing and beyond”  
(Wood, M, 2013. p35)
INTERNAL ANALYSIS

The Internal analysis aims to analyse Primark’s organisational resources, current offerings, previous performance, business relationships and key issues (Wood, 2013).
The brand onion is an effective tool, allowing marketers to evaluate the brand's identity and how it differentiates from its competitors, thus allowing them to develop new strategies that reflect Primark's essence, values and personality. (Posner, 2011: p147)

The Primark Facebook page is updated daily, and has over 3,000,000 likes (October 2014).

Own over 275 stores in the UK and in Western Europe and are currently expanding into the USA (first store to launch in the USA will be downtown Boston toward the end of 2015 - Business of Fashion, 2014)

Provide a diverse product range to cater for a range of different markets (baby and kids, womens, mens, home accessories, beauty products and confectionery)

Since November 2013, Primark operate a Twitter account with over 64,000 followers (October 2014)

Frequently update the Primark Instagram profile with style inspiration, new products available and campaign images. Have over 626k followers (October 2014)

Carrier bags are 100% recycled cardboard collected from Primark stores.

Flagship store on Tottenham Court Road, London

Invested heavily in the improvement of the working conditions of their factory workers (particularly following the Rana Plaza factory collapse).

Offer a wide and shallow product range (including Womenswear, Menswear, children's wear, accessories, Workout wear, confectionery and homeware) targeting a broad range of consumers.

Make Primark products value for money prices.

‘Primark offers customers quality, up-to-the-minute designs at value for money prices’ ABF (2013).

Maybe put into own words....

Provide good quality product to the customer, in an exciting, fashionable and fun in store environment.

‘Strive to take care of Primark employees, be good neighbours, and foster ethical business relationships’ (Primark, 2014)

‘Primark operates an environmentally friendly business and were awarded the Carbon Trust award after reducing the energy used in-stores. Have installed low energy lighting and a closed door policy to ensure the minimum energy is lost.'

Confident

Modern

Accessible

Vibrant

Fashionable

Inclusive

Designer

Fun

Cheap

Affordable

Disposable

Strive to operate an environmentally friendly business and were awarded the Carbon Trust award after reducing the energy used in-stores. Have installed low energy lighting and a closed door policy to ensure the minimum energy is lost.

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Brand Essence

Brand Values

Brand Personality

Brand in Action

Product Development: The development of a fitness range

Own over 275 stores in the UK and in Western Europe and are currently expanding into the USA (first store to launch in the USA will be downtown Boston toward the end of 2015 - Business of Fashion, 2014)

Observing the trickle down effect: Employ large buying and merchandising teams who travel internationally to source and buy garments that match the trends of the latest season (Associated British Foods, 2013)

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To gauge a thorough understanding of Primark’s current internal strengths and weaknesses and external opportunities and threats, a SWOT analysis has been executed, thus enabling the company to develop an effective strategic marketing plan (Burkwood, M. 2013).

**STRENGTHS**
- Provide ‘on-trend’, fast fashion at low price points.
- Offer a wide and shallow range of products (Jackson and Shaw, 2009) including children’s wear, clothing (menswear and women’s wear), accessories, confectionary, hosiery and home wear, stocking large volumes of the most common sizes for the target market.
- Active on social media - post frequently on Facebook, Instagram, Twitter, Google+ and Pinterest. Save money on promotional activities due to the word of mouth generated by their social media strategy (Buckwood, M. 2013)
- Contradictory to reports over the last few years about their unethical operation, Primark support a large number of charities (including cotton connect, Betterware, New Life, Ethical trading initiative, Solidaridad) in order to perform as ethically and environmentally friendly as possible. Discussed in depth on the website.
- The digitally advanced Tottenham Court road flagship store, attracting a wealth of customers and tourists due to its prime location.
- Adhere to current consumer lifestyle trends: Recently developed a range of fitness clothing alongside the launch of a fitness campaign (not featuring the Primark name), appealing to new markets and following in the footsteps of competitors H&M (Retail Week, 2014)
- Create B2C and C2C relationships via features on their website such as ‘Primania’ maximising the customer’s involvement with the brand.

**WEAKNESSES**
- Not a particularly relaxing atmosphere in store - poor customer service, lengthy queues, store often untidy and sometimes a little chaotic looking. Stores may be too large and perhaps overwhelming for some potential customers.
- There is also a lack of consistency across all of their stores, in terms of digital innovation and visual merchandising. Their Tottenham Court road and Edinburgh store provide a more aesthetically pleasing and stimulating experience (with large plasma screens and creatively merchandised product displays) than some of the more disorganised and arguably unattractive smaller stores.
- No sense of exclusivity due to accessibility: there is a large market who use price as a gauge of quality, therefore favouring premium or luxury brands, and it is evident ‘that consumers often assume that higher prices reflect higher quality garments’ Baines, Fill and Page (2008- cited by Ross, J and Harradine, R. 2010).
- ‘Low price appears to have negative associations with regards to style and quality; (Jobber, 2007 cited by Ross, J and Harradine, R. 2010),
- Customers are not able to buy Primark products online (will potentially effect the company’s future growth rate, as it was reported by ONS that ‘the amount spent online increased by 12.4% in February 2014 compared with February 2013 and by 2.5% compared with January 2014’ suggesting that they may need to begin selling via their website, in order to stay relevant.
- Not digitally competitive: Perhaps due to current pricing strategy and the focus on international growth, Primark may not have the required budget to provide customers with a digitally advanced, in store experience (compared to competitors such as Topshop and Oasis- see appendix I for examples).
- Certain products appear poor in quality.
- Due to extensively wide product range, the target market isn’t well defined.
OPPORTUNITIES

- Develop and improve website (in terms of design, product offering, increase/improve available features, start selling online). Perhaps introducing a virtual reality shopping feature to spark interest, enticing new customers.

- Sign up to mobile messaging apps such as US founded app: Snapchat, to interact with users and offer exclusive behind the scenes footage of the brand and how it operates ‘100 million active monthly users and roughly 700 million Snapchats are sent a day’ (Hughes, A. 2014).

- Incorporate more digital technology in stores (matching the impressive flagship on Tottenham Court Road) for a more stimulating in store experience and to remain competitive.

- Give customers the option to order products into store or deliver to home (Click and collect).

- Use digital platforms (and plasma screens in store) to promote the brands ethical practices (arguably not advertised enough at the moment) which will enhance brand equity.

- If Primark were to venture online, a collaboration with online giant Amazon may be a way of ensuring the check-out process is seamless and uncomplicated, thus encouraging repeat purchase and customer loyalty ‘All Saints integrated Amazon’s Login and Pay to its checkout to smooth the process for customers. The technology enables shoppers with Amazon accounts to pay on the All Saints website without having to re-input their details’ (Rumsey, A. 2014).

- Development of a Primark mobile app- another communication channel which could be used to promote new products, notify customers of any offers, exhibit the brand’s personality and increase brand awareness

- Improve visual merchandising and general layout of store (to correlate with the Tottenham Court Road flagship) ‘The use of sensory experience has led to the store environment taking on a greater significance, providing spaces for interactivity, socialization and communication’ (Kent, T. 2009). p10

- In store services such as personal shopping (similar to competitor Topshop), and the incorporation of iPads in store to overcome the ‘showrooming’ trend, enabling sales assistants to instantly access products online, reducing potential loss in sales.

- Market penetration- develop new lines targeting older markets/plus size markets for example.

- Enter into emerging markets (BRIC or MINT)- Some of which (e.g. Brazil) are particularly tech savvy and would arguably respond better to a more digitally orientated business model.

- Celebrity endorsement (used by competitors such as New Look and H&M). Particularly relevant with entering the American market, whose collaboration with Kate Moss type figure that helped competitor Topshop to succeed (Reuters. 2014).

- Introduce cafe or food hall (like Topshop) for extra incentive and for parents/peers to sit

- Controversial collaboration with a luxury brand to appeal to ‘those consumers willing to mix brands at contrasting market levels’ (Hines, T and Bruce, M 2007).

‘...people increasingly seek to amplify experiences with a digital layer, and this presents brands with huge opportunities’
(The Marketer. 2014 p:29)

THREATS

- Brands offering higher quality products at similarly or equally low price points

- Supermarket brands- offering ultimate convenience

- “The mixture of low prices, convenience and strong brand trust, means that the supermarkets should continue to gain market share” (Mintel Oxygen, 2008- cited by Ross, J and Harradine, R. 2010).

- Tainted reputation due to past unethical reports (Bangladesh factory collapse for example)

- Brands with higher budgets able to provide a more engaging, digitally advanced in store experience, for example Topshop providing a personal shopping service with iPads etc...

- Competing brands with larger budgets to spend on extensive promotional campaigns, incorporating TV adverts and celebrity endorsement (such as boohoo.com)

- The ‘Showrooming trend’ (Burkwood, M. 2013) may pose a threat to Primark in terms of profitability, as growing numbers of consumers are browsing in store then purchasing online (Foley, J. 2014).

- Has a lower presence on the UK high street than competitors such as New Look.

- Threat of Sears (The US department store Primark has entered lease agreements with) shutting stores down due to sales downturn in the US.

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In order for Primark to efficiently and effectively correspond with the consumers unique needs, the process of consumer segmentation is vital (Kotler, P. 2012). This will allow the company to establish the customers demographics, needs, buying behaviour and attitudes (Burkwood, M.2013), thus heightening the likelihood of success.

THE PRIMARK CONSUMER SEGMENTATION AND ANALYSIS
The vast product offering available at Primark caters to a range of markets, and has therefore secured the interest and loyalty of a broad consumer base. This presents a challenge when attempting to define the core target market (see appendix 2 for further analysis on the Primark consumer and consumer trends).

The retailer now faces the added complication of having to satisfy the diverse multinational consumer base, due to the impact of the retailer’s globalisation strategy (see pg 26) where the inclination to shop digitally is growing persistently (Mintel, 2014).

As established by Mintel (cited in Oxborrow, L and Brindley, C (2012:p883) ‘Older consumers have chosen to favour lower priced clothing in order to save money, rather than buying less’ indicating that the demand for fast fashion retailers -like Primark- concerns the older consumer as well as young.

Despite the reported increase in expenditure from older consumers aged 45 plus, contributing to half of Primark’s growth (Mitchell, I. 2013), it is evident that Primark’s core consumer belongs to the tech savvy generation Y (consumer A- see following page) (Reuters. 2014).

Regardless of the financial cautiousness this market need to ensue (due to the volatile state of the economy), it is apparent that fashion is still an essential part of their lifestyle- hence why budget retailers like Primark have flourished. In terms of Maslow’s hierarchy of needs (Jackson and Shaw, 2009:p5) the Primark consumer makes purchasing decisions according to their social needs, such as the desire to belong.

**THE PRIMARK CONSUMER**

The Primark consumer (aged 16-24) is savvy with digital technology (Kotler, P.2012:p 100) and adapts their marketing strategies accordingly. This is reinforced by the Drapers’ senior news reporter who confirms that there has been a ‘fundamental shift in how 20-something year olds shop and the vast majority is online’ (Gallagher, V.2014).

Brands offering a multichannel approach with an array of in-store services (such as Topshop’s personal shopping service) an exciting store layout will capture the attention of the young fashion consumer, the core target market (Mintel, 2013).

**Millenials are the ‘children of the digital revolution’ (WGSN ThinkTank, 2014)**

With regards to the consumer’s use of technology, it is apparent that Primark’s current core consumer (aged 16-24) is savvier than ever (Jobling, A. 2013). Retailers will need to address the youth consumers’ ‘fluency and comfort’ with digital technology (Kotler, P.2012:p 100) and adapt their marketing strategies accordingly. This is reinforced by the Drapers’ senior news reporter who confirms that there has been a ‘fundamental shift in how 20-something year olds shop and the vast majority is online’ (Gallagher, V.2014).
Below are examples of Primark’s two main consumer segments, including an overview of their key traits. These consumers potentially hold the most financial opportunity for Primark, so therefore careful analysis of their use of technology is required. This will allow the company to sufficiently cater to their needs and encourage brand loyalty.

**Consumer A (Fashion conscious, confident and connected)**

- Aged 16-24
- Generation Y/Millenials-
  - Born between 1977-2000 (Kotler, P2012)
  - Students, starting careers or young workers
  - In the ‘early majority’ in terms of trend adoption.
  - Being the ‘most financially strapped’ yet commercially aware generation (Kotler, P2012) this consumer desires fast fashion at low prices.
  - As the first generation to grow up with computers, mobile phones TV, i pods and i pads and online social networks’ (Kotler, P2012) this consumer group constantly use technology for social and purchasing purposes.
  - Lead a busy lifestyle and purchase frequently (little and often), however a survey carried out by emarketer.com uncovered that it is fairly common for generation y (Primark’s target consumer) to spend ‘more than 1 hour per day on retail sites’ (emarketer, 2013).
  - Motivations for purchase: Desire to belong (social needs, according to Maslovs hierarchy of needs (Jackson and Shaw, 2009:p5).
  - The age group most influenced by social media (Rogers, C.2014)
  - Despite this consumers inability to spend vast quantities on clothing, due to income, fashion is still a central part of this consumer group’s lifestyle. According to a report by Mintel (cited in WGSN), the top 3 places for this age group to shop are Primark, Asos, Topshop and New Look (Miller, L.2014)
  - Millennials have high expectations of a retailer’s in store experience. ‘More than three-quarters (78%) say they like it when “brands, products or entertainment producers make an active attempt to capture my imagination”’ WGSN Think Tank. (2014).

**Consumer B**

- Aged 45-65
- Generation X
- Family orientated, for those who are parents, family comes first (Kotler, P2012) however, as reported by Ian Mitchell, head of fashion at Kantar Worldpanel, ‘four in ten purchases made by these customers are items for themselves rather than their children or other family members’ (2013)
- Purchase less frequently than the generation Y consumer, yet with more items in one transaction.
- Being the first generation to grow up in the internet era (Kotler, P2012) this consumer group embrace technology with ‘some 49 percent own smartphones and 11 percent own tablets’ (Kotler, P2012)
- In contrast to the generation Y consumer, this consumer group use the available technology for more convinience purposes (as opposed to social) such as online banking and shopping’(Weiss, S. 2012).
- ‘95 percent have a facebook page’ (Kotler, P.2012)
- ‘They spend 50% more on apparel than average’ (Kotler, P2012)

See appendix 9 for further segmentation analysis on the Primark core consumer
MARKETING MIX: THE ’4 P’S’

As stated by Jackson and Shaw in order for the retailer to progress, it is crucial for Primark to examine each element of the marketing mix (product, price, promotion and place) to match the ‘needs, demands, resources and behaviour of target customers’ (2009:p86). The following pages examine how Primark strategically incorporate each element of the mix into their business model, this will allow the company to assess whether or not a more technologically advanced strategy would be successful or necessary.
Primark's famously low price points (as demonstrated on the price architecture) have been the key rationalisation for the company's hesitance regarding the distribution of merchandise online. This is due to the extortionate charge of delivery compared to the price of the product. This is validated by chief executive of Associated British foods stating; 'the margins are so small that it can be difficult to sell a £3 t-shirt when you’re spending the same amount just to ship it' (Neville, S. 2013). However with the introduction of higher priced products, (such as the Harris Tweed jacket) which will not only offer the customer ‘added value’, enabling them to keep pace with their competitors (Kotler, P2012) but would also warrant the cost of delivery.

Indirect competitor and successful online retailer Amazon have employed other methods to resolve this issue, thus operating a ‘dynamic pricing strategy’ (Kotler, P2012). By offering beneficial features such as Amazon Prime, they encourage the kind of multiple, impulse purchasing behaviour taking place in Primark stores. By extracting key information from data bases, the retailer would be able to logically price products according to the specific shopper’s behaviour (Kotler, p.2012).

Adhering to a ‘cost based pricing’ strategy, Primark have developed a logically stepped price architecture (Jackson and Shaw, 2009) to appeal to the fashion-conscious target market, who expect value for money (Retail Week, 2014). The retailer is recognised for setting low price points in order to encourage multiple purchasing -often bought on an impulse- and is able to do this by keeping costly forms of promotion to a minimum, relying primarily on word of mouth (Reuter, 2014).

Primark are also able to justify charging so little by constructing clothing with simple designs, and purchasing the most popular sizes in massive volume (Reuter, 2014), therefore benefiting from economies of scale. Owing to the fact that the majority of their product is arguably lower quality than competing brands on the market, Primark fundamentally compete on price (Drapers, 2013).

As observed by Verdict (2013) ‘value players like Primark now have a far more varied shopper base to satisfy, they cannot rely on price alone to drive consumers into stores’ hence the recent emphasis on a company’s e-commerce and the provision of a digitally innovative store.
“If you look at how it operates on a category level it is an extraordinarily professional retailer which takes a very detailed approach to each category – not just getting the right price but also getting the right fashionability” (Jobling, A. 2013).
PRODUCT STRATEGY

‘We offer a diverse range of products, stocking everything from baby and kids, to women, men, home ware, accessories, beauty products and confectionery’ (Primark.com, 2014)

Adhering to the ‘trickle-down effect’ (Posner, H. 2011) Primark takes catwalk trends, quickly generating vast quantities of attractive, fashionable products at low price points. The company’s ‘Wide and shallow’ product offering (Jackson and Shaw, 2009) consists of large volumes selling a limited range of sizes, tailored to the target market (Reuters, 2014).

Observably women’s wear is the product category with the highest focus (in terms of marketing and allocated floor space) responding to the high percentage of women who are inclined to shop (Mintel, 2014).

Jackson and Shaw (2009:p95) remark that there is a ‘fairly fixed ratio between the annual clothing expenditure of women, men and children’ (4:2:1). This is seemingly still accurate and is consequently observed by Primark in their stores today, thus making it a profitable product arrangement.

Primark offer a wide selection of sub brands, including Atmosphere, Cedarwood estate and Opia. They have also introduced a Limited Edition collection, encouraging an expectedly immediate rise in sales. This is due to the temporary nature of the collection which will offer customers a sense of exclusivity and to heighten the ‘perceived value’ (Wood, M. 2013).

According to Primark’s business development director Breege O’Donoghue the ‘volume business’ sells over 300 million pairs of socks a year and 150 million t-shirts (Reuters, 2014), these kind of products are the retailers ‘cash cows’ in terms of the BCG matrix (Lancaster, G and Massingham, L. 2011:p477).

It could be argued that the continuously expanding range of product categories, such as accessories, outshine the offering of its competitors. They are merchandised in an uncomplicated way, allowing the customer to pick out key trends, thus encouraging purchase (Drapers, 2013). This is one of the retailer’s attributes which may be challenging to replicate online.
‘Primark holds the number one spot in terms of clothing by volume’ (WGSN, 2013)
<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
<th>Description</th>
<th>Product Lifestyle and pricing strategy</th>
</tr>
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<tbody>
<tr>
<td>Brown check Harris Tweed jacket</td>
<td>£85</td>
<td>Has brown herringbone fabric with a red overcheck.</td>
<td>Top price product, Primark have adopted the ‘Market penetration’ pricing strategy by introducing higher priced products such as this Harris Tweed jacket with the intention of attracting a new type of consumer (Jackson and Shaw, 2009). In terms of the product life cycle, this product would be defined as the ‘long term fashion (icon)’, (Jackson and Shaw, 2009)</td>
</tr>
<tr>
<td>Patterned Tasselled Kimono</td>
<td>£14</td>
<td></td>
<td>In terms of the product life cycle, this product would qualify as a ‘FAD’ as it is unlikely to be on trend next season.</td>
</tr>
<tr>
<td>Green and Gold beaded purse</td>
<td>£3</td>
<td></td>
<td>One of the examples of the ‘entry level’ priced products (Posner, 2011) and would be defined as a FAD product.</td>
</tr>
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</table>
‘The online channel would allow Primark to widen its global reach, boosting both brand awareness and sales – far beyond its stores’ ability’ (Verdict. 2013).
Associated British Foods felt that the expansion of Primark’s exclusively bricks and mortar offer should be their central focus due to the evident success of this particular business model (see fig 1). In spite of this, CEO George Western declares that the retailer needs to ‘keep an eye on the online world’ but is focusing the Primark website on its communication with consumers as opposed to sales (WGSN, 2013).

‘...experiences are more desirable than products’ WGSN Think Tank. (2014).

As previously discussed, the company currently operates a high volume, product orientated strategy, where, according to Ann Marie Cregan, (Primark’s head of buying for women’s wear), ‘10 percent of the lines in store are brand new each week’ (Reuters, 2014). However, there has been recent emphasis on the consumer pursuing experiences, as opposed to the actual product. This indicates that Primark should consider investing more in the ‘entertainment factor’ in their stores in order to fulfil the modern consumer, particularly with the evolving prominence of in-store digital innovation seen in competing, multi-channel retailers on the market (WGSN Think Tank, 2014). It appears that the provision of in store attributes (such as virtual reality) will make shoppers more inclined to return (Retail week, 2014).

Contradicting the recent prominence of technology in the retail world, it appears that satisfying the consumer’s desire for good customer service should be Primark’s fundamental priority (Rogers, C. 2014). Improving this aspect of the business is likely to encourage the customer to stay in store longer, consequently, increasing the chances of multiple purchasing and, ultimately, repeat custom.

This is underlined by a recent survey by Retail week, exposing that 24% of retailers are investing in improving their in store experience (in terms of their customer service) and that they didn’t consider in store technology as an ‘important investment’ (Retailweek, 2014).

The vast and arguably overcrowded amount of product on offer in store may be a factor which Primark could also address in order to avoid driving particular customers away (Jackson and Shaw, 2009). This is further accentuated by consumer research (see appendix 5) which underlines the motivations of visiting Primark stores, with a low 0.8% of respondents asserting that the reason for entering was due to the ‘in store environment’ perhaps indicating a demand for a more stimulating and stress-free retail experience.

Primark’s brief trial collaboration with online retailer ASOS revealed the first attempt at the incorporation of ecommerce, selling a compact collection of 20 items on the ASOS site, ranging from a £6 T-shirt, to a £22 studded parka, available only in the UK (Felsted, A. 2013)

In spite of the dramatic surge in sales after the introduction of the Primark range (Alexander, E. 2013), it was perhaps the limited product offering, in contrast to the extensive selection available in store, which resulted in the termination of the trial. If the retailer was to endeavour online again, the amount of product options available would need to be significantly increased.

In addition to the quantities of product available, as established by econsultancy, if Primark was to introduce a transactional function, it is unlikely the retailer would experience the burden of many costly returns. This is due to setting such a low price points that customers would, arguably, find returning a product an unnecessary burden (Charlton, A. 2013).

The Primark non-transactional website provides customers with a limited amount of product information but does not exhibit their entire range and offers questionably inadequate ‘filter’ options to accommodate for those customers seeking specific products. This is in sharp contrast to competitors like Topshop, offering a plentiful filter section to simplify the customer’s shopping process. As the design and function of the modern retailer’s website plays a key part in the marketing strategy, it is vital that Primark make these adjustments in order to keep up with competitors and to ensure brand loyalty (Kent, T and Omar, O. 2003).

As reported by econsultancy, the number of online searches for Primark is continually on the rise, overtaking competitors such as H&M and Gap, indicating the undeniable appetite for the option to buy their products online (Charlton, A. 2013).

With the consumer becoming increasingly comfortable with purchasing and transferring money online (Housley, S. 2014) the company’s reluctance to introduce an ecommerce function could potentially inhibit their future success - particularly due to the brand building advantages that a multi-channel offering would achieve (Rowley, J. 2009).

This is reinforced by Gilmore and Pine (2002) whose conceptualisation of experience places proposes that companies should form a ‘rich portfolio of experiences’ both physical and online in order to excel.
Research is carried out by design teams who take inspiration from cat walks, street style, trend forecasters and celebrity influences.

After the identification of products, they are developed into a technical pack. The product is then delivered to the sampling rooms of the supplier with Primark's specific brief.

Once the sample has been approved by the buyer, the product is then produced and checked for quality/manufacturing purposes.

Products are shipped from Asia (taking around 6 weeks).

The final product is then launched in store, key products are often highlighted using POS and the window displays.

The construction of an effective logistics plan has money saving benefits, allowing brands to serve customers more efficiently (Wood, M. 2013). Throughout 2013 Primark invested in improving the efficiency of their logistics network in addition to increasing their warehouse capacity, with positive results (Associated British Foods plc, 2013). By keeping their overheads to a minimum the retailer is able to swiftly replenish stock whilst testing the merchandise at various stages in the production process (ABF, 2013).

The sheer volume of product with such rapid turnover may warrant the company’s reluctance to venture online. High street competitor Zara, with an equally fast turnover to Primark, are able to accommodate this organisational structure and sell online due to its 'vertically integrated business' strategy (Jackson and Shaw, 2009). Over half of Zara’s factories are located in Europe, enabling them to introduce small quantities of new product every week, with minimum lead time, in contrast to Primark’s large volumes coming predominantly from factories in Asia (with a small number in Europe) (Rickman, T. 2007).

“The efficiency of the company at all levels should mean we always have the best price in the market,” said Iberia head Jose Luis Martinez de Larramendi. (Business of Fashion, 2014)
Globalisation is one of the main drivers of fashion change (Hines, T and Bruce, M. 2007), therefore, Primark's current international growth strategy is sufficient justification for the company to modify its business model in order to appeal to these foreign markets.

European online retail sales are forecasted to double by 2019, predominately driven by m commerce (Mintel, 2014). Reports confirm that a high percentage of consumers in countries such as Spain and Germany (two of the countries where Primark stores are situated) prefer to shop using smart phones and tablets (Mintel, 2014). Therefore, it may be beneficial for Primark to respond to these consumer's needs (via the launch of an m commerce channel) in order to remain competitive.

Primark's latest proposal, to enter into the American market in 2015, will continue to develop its global retail presence with the potential to significantly accelerate the company's growth. As observed by Kent, T (2009:p46) 'Globalization implies an apparent diminution in the significance of place, and a growth in the importance of communications, digital networking, e-commerce and global capital' which contradicts the company's current strategy to focus primarily on the expansion of their physical stores. Also, with UK retailers (such as M&S) failing to succeed in the US it is evident that it is a particularly difficult market to win over; therefore this particular market entry strategy may be a big risk for Primark.

According Verdict retail (2014), Walmart, (a potential threat Primark need to observe when entering the American market) have cut back on store openings to focus on online growth. Similarly, American department store Kohl's Corp has predicted a 30% increase in online sales in Q3 after experiencing a recent decline in comp sales (WGSN, 2014). These examples highlight the demand of a more digitally orientated business model for a retailer to succeed in this particular market.

Recent statistics from Statista (2014) support this assessment, stating that ‘E-commerce statistics confirm the explosive pace at which this industry has developed as worldwide B2C e-commerce sales amounted to more than 1.2 trillion US dollars in 2013’ (Statista. 2014) which reiterates the necessity of altering their current strategy to appeal to the tech-savvy American market (Lancaster, G and Massingham, L 2011).
Due to the excessive costs of promotional methods such as TV, radio celebrity endorsement and print advertising, Primark is compelled to rely on word of mouth and marketing communications such as the use of popular social networking platforms to promote the brand (Reuters, 2014) and to effectively reach consumers in their targeted segments (Wood, M., 2013).
Current communications activity

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<th>Examples of use by Primark</th>
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<tr>
<td><strong>Social Media</strong></td>
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<td>Primark have acknowledged that social media plays a crucial role in enhancing the customer’s brand experience (Retailweek, 2014) including it as a core part of their promotional marketing strategy (Chaffey, D. 2012). The brand uses the platforms to present key looks, new products and seasonal campaigns, thus enabling stakeholder engagement and permitting the customer to feel part of the brand in a unique way (Kotler, P.2012).</td>
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<td>According to a survey of 2000 respondents, carried out by Drapers, 42.9% of social media users, use the platforms to receive product updates, indicating that Primark’s (sharing predominantly product related posts) is exploiting this particular communications channel in the most effective way.</td>
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<td>Primark’s social media activity prompts word of mouth, thus reaching a large audience in a cost effective way (Chaffey, D.2012). As the traditional retail format is at the risk of expiry (Hall, P.2014), Primark relies on the different platforms to participate in customer conversations through the use of an engaging dialogue, thus encouraging both B2C and C2C conversation (Wood, M.2013).</td>
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<tr>
<td>Despite the lack of control over social media posts, the informal nature of sites like Facebook enables the brand to proactively evolve, thanks to the invaluable insights from group consensus (Retailweek, 2014). The feedback received via these platforms aid the retailer to make any necessary alterations to ensure brand loyalty and brand awareness are achieved, and to effectively communicate the brand’s personality (Hall, P.2014).</td>
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<tr>
<td>The Primark Facebook page (3,300,021 likes- Oct 2014), The Twitter profile (66.5K followers). Instagram, Google plus and Pinterest are also utilized by the brand.</td>
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<th><strong>Website</strong></th>
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<tr>
<td>A fashion retailer’s website is acknowledged for executing a combination of direct selling and advertising features (Kent, T and Omar, O. 2003), however, Primark choose to use it specifically for promotional purposes. The Primark website was recently updated and restyled, following the termination of the ASOS collaboration, with a principle focus on ‘communication rather than sales’ (WGSN, 2013). It now incorporates an assortment of features including a selection of the latest products, preassembled looks.</td>
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<td>The ‘Primania’ blog, featuring customers and bloggers wearing Primark products, is also a particularly effective promotional tool, this is strengthened by WGSN’s Aria Hughes (2014) who states; ‘seeing real people or their friends using a product in a realistic or inspiring way is more potent than content from brands’. The encouragement of C2C conversation provokes further involvement with the brand and reaches smaller groups of consumers in more interactive engaging ways (Kotler, P.2012).</td>
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<tr>
<td>As observed by Burkwood, M (2013) ‘In todays connected world, brand reputations can be won or lost with a tweet or a few seconds of video on Youtube’. This is why, following the reputation destroying media coverage of the Rana Plaza factory collapse and being voted as the most unethical UK retailer in 2005 (according to the Ethical Consumer magazine), Primark also utilise their website to relentlessly dispute these claims and promote their ethical practises in their ‘Our Ethics’ section (Jones, B. 2009).</td>
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<tr>
<th><strong>Tottenham Court Road Flagship- The physical showcase</strong> (Kent, T. 2009)</th>
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<tr>
<td>The flagship store on Tottenham Court Road effectively functions as a form of promotion and communications channel (Manlow, V.2013), due to the media coverage generated by it’s opening and it’s unique differentials (in terms of visual merchandising, digital innovation, product offering and location). The flagship effectively attracts a wealth of valuable stakeholders, including the press, investors and suppliers, who were enticed by the fashionable and stylish interior which outshines the smaller Primark shops (Manlow, V.2013).</td>
</tr>
<tr>
<td>With regards to the incorporation of technology in the flagship, Primark have successfully constructed an environment that enhances the brand’s image. The flagship showcases an array of impressive digital features such as the large LED screens which display a series of films depicting the brands personality. This inspires shoppers and encourages them to spend by presenting their seasonal campaigns and key looks. It is apparent that the impact and effectiveness of the flagship is aided by the incorporation of digital communications media (Kent, T.2009) this has enabled the company to successfully evoke a sense of fashionability and stylishness whilst still conveying its essence, as a value brand (Thompson, R. 2014).</td>
</tr>
<tr>
<td>In spite of the impressiveness of the flagship, it also draws attention to the smaller stores in other locations, which have perhaps been neglected in terms of the aesthetic qualities, product offering and digital innovation. This is underlined by popular blogger, Lily Melrose, who is influential amongst the Primark target market, remarking that, the flagship: ‘Feels like an actual shop as opposed to a Primark Jumble sale’ Melrose, L. (2014). As mentioned in the SWOT analysis, the lack of consistency across the Primark bricks and mortar stores may have a negative effect on the brands image, particularly with no ecommerce to support them.</td>
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‘Creating a stage set, an arena for experience, the integration of shopping and entertainment in new, attractive configurations: these are the leitmotifs of the retail sector’s counter offensive against its electronic competition’

Riewoldt, O (2000).

Primary research: Primark Flagship- Tottenham Court Road
Own photos
As previously mentioned, Primark now contributes the biggest proportion of Associated British Food’s net profit (Shareprices.com, 2014). The retailer generates 37% of the revenue made by the parent company, up from 29% in 2012 (ABF, 2014). (see appendix for Primark profits compared to other product categories owned by ABF).

In relation to the BCG growth matrix (Lancaster, G and Massingham, L.2011P:478), Primark are the ‘cash cows’ of the group, due to the retailer’s achievement of strong growth year on year (see figure 2) with a year-to-date revenue increase of 17% from 2013 (AssociatedBritishFoodsplc, 2014).

This substantial financial growth was a result of like-for-like growth, superior sales densities in newly opened stores and the 275 stores open across Europe by the end of June 2014, with an impressive retail selling space of 10 million square feet, up from 9 million the previous year (AssociatedBritishFoodsplc, 2014).

With a relatively low UK market share (less than half of competing retailer M&S at 11%), it appears that Primark’s progression and success is a result of its current internationalisation strategy (Wood, Z. 2014).

Primark’s increased margins (from 11.9% in 2013 to 13.1% in 2014) are rationalised by Associated British Foods stating that freight rates have been lowered and there have been significant improvements in warehouse and distribution efficiencies. (WGSN, 2014)

Summary of Primark’s financial performance

- Increase in both revenue and profit
- Profit Margin and Return on Capital both improving
- ABF claim 4% growth on ‘like-for-like’, which means the rest of the revenue increase (c. 10%) is probably due to increasing footprint (store expansion)
- Profit increasing more than revenue - so due to operating cost reductions (increasing economies of scale, efficiencies) rather than increased pricing.
COMPETITOR ANALYSIS
Positioning map displaying Primark amongst its competitors in terms of their use of technology/digital innovation (social media, apps, website, in store).

See appendix 1 for examples of brands using technology in retail (including Primark competitors).
`Threat of New Entrants`  
The evolution of ‘e-tailers’ with similarly low price points such as Boohoo.com and MissGuided also pose a threat to Primark and its traditional retail format. However, Primark’s chief executive George Western disputes this stating; ‘The shipping costs for an online business is the key reason why online-only retailers can’t compete with us.’ Neville, S. (2013).

Indirect competitors such as supermarket brands like Tesco’s F&F, George at Asda and budget supermarket Lidl, benefit from their convenient locations, meaning they are guaranteed to reach a broad market (Hines, T and Bruce, M. 2007) thus proving a threat to Primark (see appendix 6 for further analysis). However, the lack of floor space allocated to fashion merchandise in these stores may prevent them from matching Primark’s success (Smith, A. 2008).

Cost Leadership Strategy:  
Alongside Primark’s current ‘Cost Leadership strategy’ (Jackson and Shaw, 2009) in order to achieve competitive advantage, the company may be required to apply clear, competitive positioning strategies such as ‘differentiation’ which will enable exceptional performance (Kotler, P. 2012:p557). Regarding Darwin’s theory of evolution, (1859) Primark may need to adapt to survive in this particularly competitive and digitally orientated environment.

(Please see appendix 6 for further analysis on 3 significant competitors for Primark)
After establishing Primark’s strengths and weaknesses, a SWOT analysis of two rival retailers was also conducted in order to illustrate, in more detail, the company’s current situation compared to competing brands’ in terms of their use of technology. Boohoo.com and New Look were selected in order to establish the differences between an online-only retailer and a firm operating a multi-channel strategy in terms of which business model thrives the most.
## Boohoo.com SWOT - Online Competitor

### Strengths

- Fast fashion at low prices
- Offer a ‘Stylefix’ mobile app
- Being an online-only retailer they are unrestricted by overhead costs so can provide strong promotional campaigns (such as TV)
- Strong social media presence
- Engage with consumer via email newsletter
- Young, fun, trendy brand personality
- Reach and deliver to a wide, international consumer base
- ‘The retailer which is known for its on trend, cheap fashion, sells only own brand and exemplary sourcing means it achieves margins of over 60%’ (Retail Week, 2014)

### Weaknesses

- Are not a multichannel business, there is no bricks and mortar option so customers are unable to try things on (which may limit the consumer base)
- Lacks exclusivity due to brand image and constant promotion of cheap prices
- Some of the items are poor quality (sometimes appearing differently online to real life)
- The style and colour of black and pink logo may repel potential male consumers due to the association with girls.
- Website design looks a little tacky, potentially effecting the brand’s image (making it appear cheap)

### Opportunities

- Collaborations with celebrities
- Launch of bricks and mortar stores
- Launch of flagship store (like online-only competitor Missguided)
- Focus more on their menswear range (slightly less successful)
- Introduce new labels to attract new consumers
- Create an online blog to enhance the B2C relationship

### Threats

- Well established online retailers such as ASOS with a higher market share, free delivery (and returns) policy and arguably stronger product offerings
- Retailers operating a multichannel business may have the edge over the retailer
- Some consumers may be reluctant to purchase having never tried the product on.
- Market entrance: Other online retailers offering benefits such as Lavish Alice with slick website design, online blog, range of different brands and emphasis on celebrities wearing their products.
NEW LOOK SWOT - DIRECT COMPETITOR

STRENGTHS

- Accessible - can be found in numerous locations all over the UK (567 stores), Europe and in emerging markets such as China
- Offer a mobile app
- Provide on trend products at relatively low prices
- Operate a multi-channel business including a high performing e-commerce site (achieving on average 2.7 million visits each week - Newlook annual reports)
- Have a wide range of in house labels and concessions (such as Apricot)
- Renowned for their celebrity endorsement and collaborations (such as the collaboration with Kelly Brook - Lingerie range)
- Wide and deep product range covering a number of markets (including menswear, maternity wear, footwear, kidswear, womenswear, plus size and a substantial accessories collection)
- Strong social media presence (around 3 million likes on Facebook)
- Engaging editorial on their website such as NL daily blog.
- Mcommerce - easy to navigate and aesthetically pleasing. Ideal for shoppers on the go.
- Offer click and collect service

INTERNAL/EXTERNAL

- Arguably too accessible, danger of customers all buying and wearing the same thing
- Do not provide a particularly digitally innovative in store experience
- Lacks a sense of exclusivity
- Negative reviews on the efficiency of the mobile app, needs improving to satisfy current users and avoid negative word of mouth.

OPPORTUNITIES

- Increase the company’s digital activities (in store).
- Increase the promotion of the companies ethical practices, both digitally online and in store.
- Continue internationalisation process.
- Offer in store services such as personal shopping.

EXTERNAL

- Up and coming online retailers such as Boohoo.com.
- Decline in the number of consumers shopping in bricks and mortar stores.
- Increase in number of employed people in the UK as well as the economic recovery may encourage consumers to seek higher priced/higher quality clothing
- Changes in consumer spending habits (investment pieces as opposed to fast fashion).
New look is one of Primark's core, direct competitors, as detailed on the SWOT analysis, the retailer has responded to the changes of consumer shopping behaviour by operating a successful multichannel business. The retailer is currently in the process of internationalising, recently launching stores in China and more of Europe (Goldfingle, G.2014)

As illustrated on the graph (see fig 4 and 4a) New Look's retail revenue was fairly static (and in some years negative) over the period of 2011 to 2014. However the buoyancy of the e-commerce results boosted the overall results for the group, quite significantly, meaning that if it wasn’t for the ecommerce offering, the retailer’s revenue would have gone down most years. This clarifies that whilst Primark are expanding their footprint (in terms of physical stores) they can sustain the ‘organic growth’ model (for now), but an online offering could build up turnover and profit a lot more quickly.
Ansoff’s Matrix (1957) will allow Primark to assess the best strategic options to take in order for them to develop and encourage the company’s future growth. In terms of the incorporation of technology (Jackson and Shaw, 2009: p313)

<table>
<thead>
<tr>
<th>Market Penetration</th>
<th>Product Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Extend the current offering of features on their website</td>
<td>- Development of a mobile app to enhance business to consumer engagement, perhaps allowing Primark consumers to purchase items online or interact with the brand.</td>
</tr>
<tr>
<td>- Introduce more of the digital innovation seen in the Tottenham Court Road flagship to other large Primark stores to raise interest in products within the current market.</td>
<td>Example: ‘The HoF app, which detects when customers are in store, is the bridge between online and bricks and mortar retail’ (Drapers, 2014)</td>
</tr>
<tr>
<td>- Increase distribution: Continue launching new stores in areas most likely to occupy the target market, to increase likelihood of high footfall.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Development</th>
<th>Diversification</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Continue the internationalisation process by entering new markets (perhaps BRIC) and increasing their global retail presence. This may require a more digitally advanced offering or transactional website due to tech savvy markets such as Brazil.</td>
<td>- Commencing with the American market, Primark have the opportunity to diversify by tailoring the product offering to the particular market being entered during the company’s internationalisation process.</td>
</tr>
</tbody>
</table>

‘Should the clothing business grow at a similar rate to H&M and Inditex, “Primark’s international sales would top £10bn” by 2024, the analysts forecast, and upgraded their stock recommendation to “outperform”’ (Martin, B 2014)
“...retailers that invest in tech will be the most successful in the future. The opportunity is clear and it’s important retailers take a longer term view.”

(EBAY, 2014)
Reflecting on the results found following the assessment of the micro opportunities and the threats of the macro environment, in order for Primark to effectively overcome the ‘increasingly rapid’ and ‘often discontinuous’ changes of the industry (Lancaster, G and Massingham, L. 2011), the company could consider implementing the following strategies:

STRAATEGIC OPTIONS

Reflecting on the results found following the assessment of the micro opportunities and the threats of the macro environment, in order for Primark to effectively overcome the ‘increasingly rapid’ and ‘often discontinuous’ changes of the industry (Lancaster, G and Massingham, L. 2011), the company could consider implementing the following strategies:
1. Introduction of Primark’s first transactional website:
(ecommerce and m commerce)

As previously discussed, Primark’s past hesitation to venture online is arguably justified due to its famously low price points and the risk of making a loss due to the charges of inevitable returns and delivery. There are, however, a number of potential options Primark could adopt in order to overcome this, examples include:

- Introducing a minimum spend option, or by promoting offers such as ‘free delivery when spending over a certain amount’ to encourage the kind of multiple, impulse purchasing which tends to take place in store (Verdict, 2013). By limiting the number of bottom line products such as socks and face wipes, with low profitability, the likelihoods of making a loss will also be minimised.

- The introduction of a virtual reality shopping feature (see appendix 8 for examples in use) could also be considered by Primark. The concept of the virtual environment becoming progressively more common in the modern consumers’ lives (Lancaster, G and Massingham, L (2011), therefore the likelihood of receiving a positive response is high and has the potential to encourage multiple, impulse purchasing.

- The use of ‘bundling’ (Chaffey, D 2012) could also encourage multiple purchasing and by presenting the customer with additional, related products at the product or checkout page. The introduction of more highly priced, ‘top line’ products (such as the Harris Tweed collection) would also justify delivery and returns prices as well as providing ‘added value’ potentially enticing a different type of consumer.

- Another possible approach to encourage the maximisation of the average basket size are features such as catwalk clips of the selected outfit (used by competitors boohoo.com and ASOS), ‘shop the look’ and online exclusives (perhaps recommended by Primark bloggers) to provide an engaging online shopping experience.

- The rapid turnover and vast stock volume may pose an issue for the retailer when introducing a transactional function; this may require a tool such as the Oracle Retail Planning and Optimization solutions, utilized by competitor River Island whose turnover is similarly frequent.

- As addressed in the SWOT, the questionable quality of certain products may be easier to conceal online (due to clever photography) this is an issue that is important to address as confirmed by (Chaffey, D.2012) who states that: ‘for online retail site owners, merchandising is a crucial activity’.

With the obvious decline in the number of consumers shopping in bricks and mortar stores (as discussed throughout the report), Primark should seize the opportunity to provide an ecommerce option now, whilst the company is thriving and can financially support launching an online offering. The risk is that by leaving it too long, Primark may end up at a serious disadvantage (like Morrisons in the Supermarket arena).

(see appendix 3 for further analysis of the pros and cons of ecommerce)
2. Development of a more consistent in-store offering

(All stores equal in terms of visual merchandising, window displays and digital innovation)

As stated by Attwood (cited in Ross, J and Harradine, R. 2010) ‘future growth is not dependent on offering the lowest prices possible, identifying that although consumers like low prices, they also need to be inspired by the added value of the whole shopping experience’ hence the requirement for Primark to develop a more consistent in-store offering that engages the customer, encouraging them to return.

Shopping in Primark stores can be a negative experience due to lengthy queues, uninviting cluttered product displays and poor visual merchandising. To secure the custom of the percentage of consumers who are averse to entering because of its observably stressful environment, Primark could invest in the refurbishment and improvement of their stores (perhaps investing in some of the examples used by other retailers in appendix 1a). In contrast to the impressive Tottenham Court road flagship, some of the smaller stores (such as in Reading and Southampton) are unattractive and arguably stressful to shop in.

By investing in the similar technological attributes featured in the flagship store (such as the large-format digital screens exhibiting key products and seasonal campaigns) Primark will be equipped to achieve/enhance a consistent brand image. The introduction of iPads and click-and-collect may also be an option (after launching an ecommerce site) due to their time-saving advantages and its encouragement of B2C conversation. iPads allow customers to flick through pre-assembled looks and to search for specific products available at the warehouse, which would also benefit the smaller stores as it would offer the customer more choice whilst freeing up the space on the shop floor (Brooks, D.2014)

Whilst this kind of technological equipment may be costly, it is arguably a sound investment as it would ultimately benefit the brand as the future of retail is evidently digitally orientated.
Other strategic options include:

- The development of a mobile app to keep pace with competing brands such as boo-hoo.com and New Look and work alongside in-store technology.

- Use social media platforms (and future plasma screens to be featured in store) to promote the company's ethical practices, likely to enhance the loyalty of consumers, thus helping to secure brand equity.

- Integrate with apps already on the market, such as US founded Snap Chat. This would allow interaction with users and offer exclusive behind-the-scenes footage of the brand and how it operates. '100 million active monthly users and roughly 700 million Snapchats are sent a day' (Hughes, A. 2014).

- Continue globalisation strategy- perhaps expand into new markets such as Italy, who: 'has the highest number of internet users using a smartphone to shop at 44% (Mintel. 2014).

Through the careful formulation of an effective strategic marketing plan, Primark will be enabled to implement the opportunities mentioned above, whilst avoiding any potential obstacles.
As a result of the digital revolution and the continuously changing purchasing behaviour of the consumer, it is imperative for Primark to formulate a pioneering and resourceful marketing plan. This will enable the company to establish a sturdy position in the unpredictable market place, thus meeting the demands of the target consumer.

With reports confirming that ‘E-commerce is capturing a larger share of sales than ever before’ (Smith, C 2014:online), Primark have recognised the need to provide consumers with a multi-channel business offering by finally adopting the new opportunities of the digital era.

The implementation of an array of marketing strategies will support the brand in achieving differentiation and competitive advantage amongst the highly saturated market. This will ultimately increase the market share, revenue and profits; entice new customers by building brand awareness and enhance brand loyalty.

The strategic marketing plan was conducted in response to the conclusions derived from the company audit. This audit explored the internal and external factors that could pose a threat or opportunity to the brand and therefore needed to be addressed.

The principle goal is to sustain and drive growth and to be recognised as a successful international, multi-channel high street retailer.

The launch of the transactional website will be the principle focus of the strategic marketing plan, with the incorporation of digital innovation in store and the improvement of customer service a secondary focus.
Key Conclusions from Audit

Conclusion/Recommendation

Adopting the new opportunities of the digital era

In spite of the success of Primark’s current business model, which comprises of the traditional bricks and mortar retail format, the audit highlighted the importance of a multichannel offering. Due to the nature of the highly saturated and innovation-driven retail environment, it is arguably a strategy that cannot be overlooked (Rickman, T. 2007).

With competing brands (such as value UK retailer New Look) experiencing rapid growth primarily as a result of their ecommerce sales, evidence suggests that it is fundamental for Primark to introduce a transactional feature now whilst in a financially stable position, before it is too late. This will enable the brand to remain competitive and stay relevant.

Despite the hindrance of the initial high costs of developing and launching a transactional website, evidence suggests that the brand will eventually experience overall revenue and profit increase after its introduction (Smith, C. 2014). Fletcher, N (2013:online) maintains that ‘The internet often out-performs the high street in terms of growth’, which further highlights the significant profit potential that an ecommerce option can offer and that it would be a worthwhile investment in the long run.

Criticizing Primark’s organic growth strategy

George Weston, chief executive of parent firm Associated British Foods confirms that he plans to open a large number of Primark stores in the US in a short period of time (Goldfingle, G. 2014). Whilst this ‘rapid expansion’ strategy is proving successful now, it is evident that there is a limit as to how many physical stores can be opened, in terms of space and budget.

In order to respond to the demands of the tech-savvy modern consumer, in the long run, it would be more advantageous for the brand to invest in ecommerce and the enhancement of existing stores. This is highlighted by Choi, H et al. (2014) who expresses that; ‘In the age of digital media, businesses must rethink traditional marketing concepts and strive to implement more comprehensive approaches’.

In-store environment

Another issue that was underlined in the audit was the lack of consistency (in terms of visual merchandising and digital innovation) offered in-store. Contradicting the industry’s emphasis on ecommerce, McCormick, H and Livett, C. (2012) declare that ‘a large number of apparel consumers still insist that nothing can replace shopping in a physical store’ which reiterates that there is still a demand for bricks and mortar stores. Therefore retailers should endeavour to provide an in-store shopping environment that is stress-free, visually stimulating and pleasant to maximise footfall.

Evidence suggests that Primark’s arguably chaotic in-store environment has provoked the reluctance of some consumers to enter the stores. It would benefit the company to improve the overall look and feel of the store to entice a broader customer base. Kim J (2012) accentuates this, maintaining that ‘retail environmental cues directly influence consumers’ experience and their purchases in stores’ Kim, J. (2012).

This could also be enhanced by the improvement of the company’s customer service.

Final Conclusion from Audit

With the unescapable blurring the boundaries between on and offline, Primark are required to develop a multichannel experience which exceeds the consumers’ high expectations, responding to the unavoidable ‘digital disruption’ of the 21st century (McQuivey, J. 2013).
Primark’s high level objective (Wood, M.2013) is **growth**: To increase the market share, further increase profits and increase customer acquisition and brand loyalty, whilst being recognised as a more innovative and exciting international fashion brand.

**5 YEAR PLAN**
The external and internal analysis successfully outlined the marketplace situation and drew attention to the fundamental areas of Primark’s current business model that must be addressed in the marketing plan. The SMART (Chaffey, D. 2012) objectives listed below will be supported by the short and long term strategies and will provide a framework for the brand to follow to ensure maximum growth.

<table>
<thead>
<tr>
<th>SMART objectives</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aquisition objective:</strong></td>
<td>- To justify the company’s strategy to venture online</td>
</tr>
<tr>
<td></td>
<td>(proving it was a profitable strategy)</td>
</tr>
<tr>
<td></td>
<td>- Remain competitive and stay relevant</td>
</tr>
<tr>
<td><strong>Aquisition objective:</strong></td>
<td>- To justify the company’s strategy to venture online</td>
</tr>
<tr>
<td>2: Acquire 275000 new online customers</td>
<td>(proving it was a profitable strategy)</td>
</tr>
<tr>
<td>by the end of the financial year</td>
<td>- Remain competitive and stay relevant</td>
</tr>
<tr>
<td>with an average basket size of £200</td>
<td></td>
</tr>
<tr>
<td>(per year)</td>
<td></td>
</tr>
<tr>
<td><strong>Brand awareness objective:</strong></td>
<td>- The rise in brand awareness and ultimately brand loyalty will enable</td>
</tr>
<tr>
<td></td>
<td>Primark to achieve greater high street</td>
</tr>
<tr>
<td></td>
<td>market share.</td>
</tr>
<tr>
<td><strong>Retention objective:</strong></td>
<td>- To maintain the success/profitability of this particular</td>
</tr>
<tr>
<td></td>
<td>distribution channel (ensure stores are not neglected</td>
</tr>
<tr>
<td></td>
<td>following new transactional website launch)</td>
</tr>
</tbody>
</table>

Table 0.5: SMART objectives
According to statistics gathered by ONS (2014:online), three quarters of the adults in the UK have used the internet to buy goods in the last year, with 49% of these online purchases spent on clothing and sporting goods. Therefore the prime focus of the strategic marketing plan will be to re-launch the existing website with a new transactional feature (see appendix 16 for key UK ecommerce statistics). Allowing customers to purchase Primark products whenever they want, with minimal physical effort (Allen, E and Fjermestad, J. 2001).

Overcoming the risks of ‘rational buying activity’ (Allen, E and Fjermestad, J. 2001), As well as the introduction of the new transactional function, additional new features on the website will be added (illustrated later on in the report). One of the main concerns when venturing online is for the company to make a loss due to the risk of the online customer not making the same kind of multiple, impulse purchases that offline customer make in store. These new features aim to encourage similar purchasing behaviour and will provide the customer with a more personalised and engaging experience (Bay, R and Gill, P 2008). The new differentiating features will also provide the brand with a competitive edge in terms of innovation in the value market whilst appealing to the modern consumers demand for ‘higher levels of interactivity and recreation’ online (McCormick, H and Livett, C. 2012).

With the arguably unavoidable evolution of multichannel retailing causing the blurring of the boundaries between ‘bricks and clicks’, it is all the more crucial for Primark to monitor and understand the consumer’s shopping behavior across all channels. This will enable the brand to implement the marketing strategies with maximum effect thus, maintaining loyal customers and attracting new ones (Jobling, A. 2013).

It is crucial for the company to avoid the neglect of the existing stores during the launch of the new website, therefore the second strategy is to enhance the in-store offering. In order for Primark to achieve and provide a more consistent in-store experience across all establishments, alterations will be made throughout the stores in terms of the digital offering and the improvement of customer service.

The incorporation of in-store digital innovation within the fashion retail industry is arguably unavoidable (Heywood, L. 2014), due to the customers demand to be entertained. Primark have acknowledged this but recognise that the installation of the latest state of the art technology would be somewhat unfeasible. It is apparent that the investment in innovation such as augmented reality mirrors would be a little unrealistic at this market level and therefore should not be a priority for Primark at this point.

Digital screens- to increase customer interactivity and promote website (supporting strategy 1) 

Responding to a recent report by Retail Week (Retail week report, 2014) which confirmed that ‘digital displays’ were voted top 3 in the most valuable in store technologies, Primark will install multi-functional digital displays in all stores to improve the current outdated offering in many of the smaller stores and to ensure they match the innovation seen in the impressive flagship stores. Depending on the overall financial situation, the company aim to introduce iPads into stores within the next few years.
“a joined up experience, relentless customer focus and investment across every channel are key to creating a competitive offer”

(Rogers, C and McGregor, K, 2014:p6)
OBJECTIVES IN SUMMARY

AQUISITION

Achieve an increase of at least 200% in online revenue by the end of the first 5 years.

Acquire 275,000 new online customers by the end of the financial year with an average basket size of £200 (per year)

RETENTION

Maintain and increase the high footfall the brand has been experiencing in stores across Europe by 15%

BRAND AWARENESS

Increase both brand awareness and brand loyalty by 20% after the launch of e-commerce site after 2 years.
The Primark Consumer

As stated by Lancaster and Massingham (2011:p70): ‘defining the market affects virtually every element of strategic marketing planning’. Therefore, in order for Primark to accomplish the principal goals and objectives, the launch of the new ecommerce site will require the re-evaluation of the target consumer, particularly as online customers often have contrasting demographics, purchase behaviours and needs to offline customers (Chaffey, D 2012:p225). Strategies will be put in place in order to accommodate for the key characteristics of the Primark online customer. This will enable Primark to deliver appropriate content thus achieving effective personalisation and ultimately, brand loyalty.

Images sourced: Primark, 2014
TARGETING

Effective targeting will allow the brand to maintain the meaningful and sustainable relationships Primark have with its customers (Coen, D. 2014).

As established in the audit, Primark’s core target market belongs to the ‘self-centred, technosavvy, environmentally-conscious’ millennial generation (Gurau, C. 2012) of around 16-24 years old. As the first generation to grow up with ecommerce (Poloian, L. 2009), it is apparent that this consumer group also hold the highest profit potential for the brand when launching an online site.

This is highlighted in an article in Retail Week which confirms that despite the 16-24 year old consumer group’s inclination to continue visiting bricks and mortar store, they will frequently opt to ‘make their final purchase online’ (Heywood, L. 2014).

However, as also highlighted in the audit, Primark’s mass market format attracts a vast consumer base, therefore it is also vital to avoid neglecting or excluding the consumer segments which also hold profit potential. This is reinforced by Primark’s head women’s wear buyer who confirms that despite the 16-24 year old target market, the ‘biggest sales volumes from items which appeal to all ages, like white camisoles, jeans or flip flops’ (Davey, J and Morris, S. 2014:online).

See appendix 15 for targeting methods and creating customer value online.
**CUSTOMER PROFILING**

Below is a further analysis of the core consumer. A further understanding of this consumer will allow the company to formulate the most appropriate marketing strategies both on and offline.

(Based on Customer Characteristics table and Product related approaches table, Wood, M. 2013)

**DEMOGRAPHICS**

<table>
<thead>
<tr>
<th>Segmentation</th>
<th>Target Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>16-24</td>
</tr>
<tr>
<td>Generation</td>
<td>Generation Y (Millennial)</td>
</tr>
<tr>
<td>Occupation and life stage</td>
<td>Student or Young worker</td>
</tr>
<tr>
<td>Education</td>
<td>GCSE, A Level or degree level</td>
</tr>
<tr>
<td>Social Grade</td>
<td>C2-C1 (Brown, J. 2008)</td>
</tr>
<tr>
<td>Income</td>
<td>- Low yearly income: £16,000 (if working), otherwise depends on student loan/parents for financial support (KIPPPERS- Kids In Parents’ Pockets Eroding Retirement Savings)</td>
</tr>
</tbody>
</table>

**GEOGRAPHICS**

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Rented flat/student house or semi-detached parents house</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban or Rural</td>
<td>Urban- student accommodation or with parents in an urban/suburban town</td>
</tr>
<tr>
<td>Region</td>
<td>South of England - area with the highest internet usage- 90-92% of residents in this region (ONS, 2014:online)</td>
</tr>
</tbody>
</table>

**USAGE AND BENEFITS**

<table>
<thead>
<tr>
<th>User type</th>
<th>Regular</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price sensitivity</td>
<td>Very price sensitive (Kotler, P. 2012), hence the inclination to shop in high street retailers offering low price points. Has the burden of student loans, the costs of rent or a low income to consider. However some disregard this and have a distinct ‘willingness to spend’ (Gurau, C. 2012)</td>
</tr>
<tr>
<td>Purchase and consumption patterns</td>
<td>Frequent purchasing each season, inclined to small quantities buy ‘on-trend’ FAD products. Purchase from a range of different high street brands, often requiring new outfits for particular occasions. The majority of their purchases made on ‘clothes, shoes, jewelry, sporting equipment, entertainment, health and beauty aids, and food’ (Valentine, D and Powers, T. 2013:p598).</td>
</tr>
<tr>
<td>Perceived benefits</td>
<td>Low priced, trendy products that will allow them to stay on trend</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>Low levels of brand loyalty (Gurau, C. 2012). Not particularly loyal due to the highly saturated market which triggers the inclination to purchase from a wide variety of different brands. Often see fashion items as disposable. - Happy to mix products from a number of high street fashion retailers</td>
</tr>
</tbody>
</table>

**LIFESTYLE/PERSONALITY**

| Lifestyle | Student with low contact hours and therefore more time to spend browsing for new fashion products. Pays for clothes with money earned from their Saturday job. Keen to socialise (out up to 4 times a week) - or workers at the beginning of their career lead a busy lifestyle, use the evenings after work to check social media, browse for new fashion products. |
| Attitudes and opinions | Grown up surrounded by technology, now integrate them into their everyday lives (Moore, M. 2012), gets bored easily. Arguably one of the most environmentally conscious consumers (Lu, L et al. (2013:6). High regard of heath, community and environment. (Lu, L et al. 2013:6). |
| Interests | Shopping (on and offline) socialising with friends (clubbing, going out for food), social media, TV reality shows (Poloian, L.2009) |
| Tastes and preferences (purchasing motives) | Desire to belong (Maslow’s hierarchy of needs). Motivated by self-expression (Bay, R and Gill, P. 2008). |
| Self image | Self-centred individuals (Gurau, C. 2012), they desire to be seen as on trend. |

![Figure 16: Primark Instagram (2014)](Image)

Table 2: Consumer profiling
Effective positioning: 'takes place in the mind of the customer and relates to psychology and understanding how people perceive products and brands' (Lancaster, G and Massingham, L 2011, p.99)

As illustrated on the brand positioning map in the audit (see page 33) Primark's positioning is relatively weak in comparison to the competitors in terms of their digital innovation.

In relation to Porter’s five forces, when launching the new ecommerce site, Primark need to consider the ‘threat of new substitutes’ such as e-tailer Boohoo.com, with similar price points and a fast-fashion product offering. They also need to consider the threat of existing multi-channel retailers such as value brand New Look who have already achieved a sturdy position both on and offline.

As stated by Kotler, P. (2012, p.267) ‘marketers need to position their brands clearly in the target consumer’s minds’, this will be attained by implementing the proposed marketing strategies to achieve ‘substantial differential advantage’ (Jackson and Shaw, 2009). This will assist Primark in standing out in the market place by being recognised as a more innovative and exciting brand whilst still focusing on their USP; ‘to provide customers quality, up-to-the-minute designs at value for-money prices’ (Associated British Foods Annual report, 2013).
BRAND RE-POSITIONING

Repositioning: ‘moving things along to deal with shifting shopper habits which will mean subtle change’ (Retail Week reports, 2014:p24)

A positioning map displaying Primark’s new position amongst its competitors in terms of their use of technology/digital innovation (social media, website, in store), following the re-launch of the transactional website and the alterations in store (see appendix 14 for competitor analysis-website content)
**NEW PLACE STRATEGY**

**INTRODUCTION OF A MULTI CHANNEL OFFERING**

The marketing strategies detailed throughout the report will be executed via the following channels:

### Customer Experience

**Ecommerce/ Mcommerce site:**

Customers will now be able to purchase products online (via Smart phones, laptops, tablets or computers). With the highest value offering than other media, the online channel has been introduced to compliment the company’s existing channel (Chaffey, D.2012)

The new transactional website will target the consumers inclined to make an unplanned, impulse purchase whilst browsing the internet (who the company have neglected in the past).

Ecommerce is key to the continuation of Primark’s current globalisation strategy (as detailed in the audit). It will allow them to drive growth more effectively and efficiently than the current business model, due to the attraction of a new international consumer base, thus allowing them to achieve the customer acquisition SMART objectives.

**Bricks and Mortar**

Primark’s success thus far has been generated by the provision of vast stores, storing a wide product range. Constant developments in innovation and customer service have provoked the need for retailers operating in the traditional bricks and mortar format to provide a more dynamic experience. (Patel, D.2013).

As previously stated, to avoid the risks of ‘cannibalising UK store sales’ (Verdict. 2013:online) it is vital to avoid the neglect of the existing stores during the launch of the ecommerce site. Primark will therefore strive to incorporate a more digitally orientated and engaging in store experience.

‘a strong physical environment serves as a powerful reinforcer in such circumstances, elevating the mood state further via enhanced opportunities for social interaction, product evaluation amd sensory stimulation’ (Hines, T and Bruce, M.2007:p268)

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Primark’s new, more digitally orientated business will adhere to the target consumer’s demand for a multichannel offering, (Fletcher, N.2013). This will ultimately allow them to maintain relevance and exceed the competitors, thus attaining customer loyalty and achieving substantial growth.
STRAATEGY 1

THE TRANSACTIONAL WEBSITE
Pre-launch Procedures
Developing the Website

Primark will be required to seek external suppliers to develop the new transactional feature (and the new differentiating features) on the existing website. Below is the proposed procedure in terms of selecting the supplier to develop, launch and monitor the website (to take place at the beginning of 2015).

1. Inform the internal team to construct a request for proposal (RFP)- hire IT consultants to assist with that (experts in ecommerce)
2. Select a range of suppliers to invite (ITT) to the process.
3. Issue those suppliers with the RFP
4. Each company will present a response (including price); Primark will evaluate each response to establish whether they will meet requirements (functional and non-functional- speed etc).
5. Select supplier, agree terms and sign contract
6. Venda Develops and tests website
7. Primark assess and run User Acceptance
8. Friendly user trials (existing customers and internal staff)
9. Launch!

Due to the 'perceived greater security risks associated with the internet' (Hines, T and Bruce, M 2007) Venda will ensure the payment process for Primark is both secure and seamless. The customer will also have the option to use PayPal to reassure them about the privacy and security of their personal details (Chaffey, D. 2012).

January 2015 User Acceptance (Website Trials)

Prior to the re-launch of the website (in June 2015), it will be tested out by a select number of potential customers (from a range of demographics) to gain first hand feedback of the site and allowing enough time to make any adjustments, if necessary.

‘Venda’s platform is leveraged by almost 100 manufacturers and retailers to deliver a consistent brand experience across online, mobile and in-store channels’
(Venda, 2014)
As stated by Chaffey, D (2012:p579), if the content of the website is ‘stale’ then the customer is unlikely to be inclined to return, therefore it will be frequently refreshed to ensure the tech-savvy target market is constantly enticed.

The transactional website is also an effective solution to the ‘showrooming’ trend (Wood, M.2013) mentioned as a threat in the audit. The new multi-channel offering will cater to the shopping needs of those consumers inclined to evaluate products in store before proceeding to purchase from home (Hines, T and Bruce, M.2007). As observed by Hines, T and Bruce, M (2007:p268); the ‘consumers who shop from more than one channel to market typically spend more overall than store-only shoppers’ which provides further rationale for the proposed strategies. It is also an ideal way for customers to avoid the sometimes hectic store environment.

The website will continue to use a friendly, conversational monologue throughout - used for product descriptions and outfit recommendations and so on - ideally strengthening the B2C relationship by making visitors feel welcome. This will ultimately enable wider stakeholder engagement (Jones, B. 2009).

Each product category will have a colloquial introduction (see example on following page).

Primark’s Primania feature has a reported 300,000 weekly online visits (Associated British Foods plc. 2014). This suggests that whilst the look of the website is important, the focus on providing differentiating and innovative content is the key to success with an online shop (Patel, S. 2014).
SHOP DEPARTMENT:

Dresses  
Tops  
Trousers  
Jeans  
Co-ords  
Playsuits  
Knitwear  
Leggings  
Nightwear  
Accessories  
Bags and purses  
Shoes  
Coats and Jackets

Features:
Haul of Primark
Primark Bundles

Check out the exclusive Pixie Lott online-only collection!

Save up to £10 with the new ‘Primark Bundles’ outfit selections!
Tops

At Primark it is our priority to assist you in finding the perfect top for any occasion. Whether you are heading out for a job interview, on a girly night out, a first date or even just relaxing at home, we guarantee you’ll be able to find the perfect option. Our collection comprises of casual, basics, t-shirts, vests, blouses/shirts to on-trend, going out tops for nights hitting the town! Our team of specialist designers take inspiration from the latest catwalk trends every season, making sure you will always be stylish. There’s something for everyone for every occasion and make sure you check out our online-only ranges collaborating with Pixie Lott.

**Black chain-detail camisole**
£5.00

Get the strapless bras at the ready, ladies - this camisole doesn’t even need jewellery, it speaks for itself.

**Sheer lace fishtail top**
£6.00

Make even your most distressed denim look sophisticated with this delicate lace top.

---

**REFINE BY:**

**CATEGORY:**
- Blouse
- Vest
- T-shirt
- Crop Tops
- Hoodies
- Long Sleeved
- Camis
- Kimonos
- Bralets

**SIZE:**

- £5
- £20

**COLOUR:**
- Red
- Purple
- White
- Blue
- Black
- Green
- Grey
- Multi
- Camel
- Orange

**PRICE:**
- £5
- £20
At Primark it is our priority to assist you in finding the perfect top for any occasion. Whether you are heading out for a job interview, on a girls’ night out, a first date or even just relaxing at home, we guarantee you’ll be able to find the perfect option. Our collection comprises of casual, basics, t-shirts, vests, blouses/shirts to on-trend, going out tops for nights hitting the town! Our team of specialist designers take inspiration from the latest catwalk trends every season, making sure you will always be stylish. There’s something for everyone for every occasion and make sure you check out our online-only ranges collaborating with Pixie Lott.

**REFINE BY:**
- **CATEGORY:**
  - Blouse
  - Vest
  - T-shirt
  - Crop Tops
  - Hoodie
  - Long Sleeved
  - Camis
  - Kimono
  - Bralets

- **SIZE:**
- **COLOUR:**
  - Blue
  - Black
  - Red
  - Purple
The checkout page will be simple, with limited distraction to minimise shopping cart abandonment (Brandweiner, 2014)
PRICE AND PRODUCT
It is apparent that the elastic demand for Primark goods means that if prices were to change (increase or decrease) there would be a knock on effect on the volume of sales (Kotler, P.2012:p326). Therefore the pricing strategy will stay the same. This will satisfy the consumers’ seemingly unshifting ‘eye for a bargain’ Holland, T. (2014:online) in the exceeding volatile market.

Primark have selected a wide range of products to feature on the website which will match the prices of products sold in store (L4L). However, adhering to a similar strategy to the home wear retailer Ikea, bottom line products seen in store (such as face wipes, socks and underwear) will not be featured as such low price points would not substantiate the cost of delivery. This will decrease the chances of making a loss.

Continuing to use the market-penetration strategy (Wood, M.2013), the prices will start at £5 and customers will have the option to purchase multi-packs of the lower priced products to ensure multiple, impulse purchasing that takes place in store, also occurs online.

Allen, E and Fjermestad, J (2001:p847), highlight that ‘home delivery is very expensive both for suppliers and clients’, therefore Primark’s online customers will be charged £3.99 for delivery (the UK standard delivery charge). The price charged for delivery allows for a 5% return rate. Adhering to a similar strategy used by competitor New Look, delivery charges will be free when the customer spends over £50.

(see appendix 16 for Primark’s online price architecture)
Effective management of physical distribution and logistics has a substantial impact on a company and its customers’ costs, efficiency and effectiveness’ (Lancaster, G and Massingham, L. 2011:p213).

Following the introduction of the new ecommerce channel, the development of a flexible and efficient cross channel delivery service will be put in place (Rickman, T. 2007).

In the initial stages after the transactional website’s launch, products will only be distributed to locations in the UK and Ireland (as part of the trial period).

In 2017, if the site has proven successful (and when Primark is more internationally recognised and desired), the company will offer to deliver globally. This will avoid making a loss in case the site proves to be unpopular.

Primalk’s Omni-channel fulfillment strategy (Banker, S. 2013)

The products sold via the website will be stored in the same location as the products distributed in the bricks and mortar stores to avoid complications and reduce the time needed to get new products to the customer’s homes in the UK (Wood, M. 2013).

However prior to the launch of the ecommerce site, the stock holding capacity will need to be increased to accommodate for the expected increase in demand.

Lancaster, G and Massingham, L. (2011:p213) highlight that ‘multi-channels can give rise to increased costs if not controlled’, therefore to ensure a seamless cross-channel delivery service is provided, Primark will partner up with existing logistics company DPD who claim to be the ‘UK’s leading time-critical carriers’ (DPD, 2014). This is a strategy employed by competitor ASOS who work alongside delivery company Hermes, which has proven to simplify the delivery process and ensure maximum efficiency. This affiliation will ideally minimise the lead time, benefiting the customer, by meeting their increasingly high delivery demands (Jobling, A. 2013).
THE WEBSITE’S NEW DIFFERENTIATING FEATURES
The ‘Primark Bundles’ feature is essentially a page of pre-assembled outfit choices. These will have been put together by a range of stylists, bloggers, celebrities and a select number of existing customers featuring on the ‘Primania’ blog.

The stylists name will be published below the outfit with a link to their personal profile page on the site, allowing customer’s to investigate their fashion background and other outfit recommendations. Images of models wearing the outfits will also be featured so customers can visualise what the outfit will look like.

Encouraging this kind of customer participation will ideally provoke a stronger rapport with the brand. Chaffey, D (2012:p275) accentuates this importance of achieving this kind of customer engagement, due to the increased possibility of return visits.

A potential disadvantage of the feature is the possibility of the customer not liking the selection of outfits available, therefore the bundles will be altered on a weekly basis.

A feature for the customer’s convenience and inspiration: to heighten likelihoods of a higher average basket size by encouraging the type of impulse, multiple purchasing that takes place in store.

‘...providing a more experiential e-retail environment through developments such as providing fashion inspiration would become increasingly important’ (McCormick, H and Livett, C. (2012).

Perfect for: Saturday lunch with the boyfriend?
Put together by Primark style editor: Lucy Jones
Share on:  
Add to basket

Benefits of Primark’s Bundles

- It will optimistically encourage the multiple, impulse purchasing that goes on in store (one of the main concerns when venturing online) thus minimising the bounce rate and the chances of making a loss.

- Will provide style inspiration for those who are eager to keep up with the trends but need a little guidance (for the ‘early majority’ in terms of trend adoption) Below each outfit, there will be a ‘occasion suggestion’ so the customer can comprehend what kind of event the outfit would be appropriate for.

- Creates a more personalised experience (Rogers, C. 2014)

- The pre-assembled outfits will be advertised as cheaper than if customers were to purchase the products separately, so they are aware of the money-saving benefits.

- This kind of online selling caters to the time-short (Allen,E and Fjermestad, J. 2001) or impatient customer (particularly applicable to the millennial generation), enabling them to avoid the often lengthy process of seeking a specific outfit.

- Examples of the pre-assembled outfits will be regularly posted on Primark’s social media platforms to encourage B2C and C2C conversation, allowing customers to compare outfits, thus encouraging positive word-of-mouth and ultimately, a growth in sales.
‘The provision of additional information on fashion and trends can help to improve levels of interactivity, helping to meet growing consumer expectations (Siddiqui et al., 2003). Increasingly, online fashion websites are even more capable than physical stores of successfully and innovatively conveying to the customer up to date trends and sharing cutting edge fashion advice’ McCormick, H and Livett, C. (2012).

The provision of additional information on fashion and trends can help to improve levels of interactivity, helping to meet growing consumer expectations (Siddiqui et al., 2003). Increasingly, online fashion websites are even more capable than physical stores of successfully and innovatively conveying to the customer up to date trends and sharing cutting edge fashion advice.” McCormick, H and Livett, C. (2012).
The ‘Haul of Primark’ will be used as a promotional tool to be introduced alongside the re-launching of the website to encourage high traffic.

As expressed by McCormick, H and Livett, C. (2012:p22), ‘Consumers have high levels of interest in product viewing, particularly being able to manipulate the product to benefit from a variety of viewing angles’.

The ‘Haul of Primark’ feature would adhere to this need by allowing customers to virtually roam around and explore the stores interior (a realistic representation of the impressive flagship) and the products featured on the shelves, enabling them to zoom in on individual pieces for closer inspection.

It’s Google Glass inspired format is an innovative, fun new way for customers to browse for products and is a novel way to achieve differentiation from competitors. The Haul of Primark will ideally provoke positive word-of-mouth, driving new customers to the website.

Bolton, R (2013:p246) states that; ‘Experiences in virtual reality can be powerful – the user can feel as if he or she were actually “present” in the VR world’. This type of feature on the website would be the closest solution for the type of consumer who is reluctant to purchase online, by enhancing sensory elements and allowing customers to zoom in and inspect a product (Lancaster, G and Massingham, L.2011).

The ‘Haul of Primark’ feature will also help secure the custom of the tech-savvy modern consumer, particularly relevant for the millennial target market who access online resources for ‘both utilitarian and entertainment purposes’ (Moore, M. 2012).

‘Price is not the only way to stand out online, quality of brand experience and quality of service is equally important for creating differential advantage’ (Chaffey, D. 2012).

Owing to Primark’s fairly limited budget (compared to the unrestricted budgets of luxury retailers) the ‘Haul of Primark’ will not function as a transactional feature at this stage. This kind of technologically advanced feature has only been explored by luxury retailers in Japan thus far (see appendix 10) and thus the technology may not yet be mature enough to utilise in a reliable and cost-effective way for online sales. Therefore, it will initially be used as an entertaining promotional feature.

However, as reported by Rumsey, A. (2014:online) ‘New levels of service previously seen in luxury will continue to appear in the mass market, and retailers across the board will adopt new clientelling tools to ensure consistency of service across channels’. Therefore in 2019 it will be transitioned into a fully transactional feature, allowing customers to place items in a shopping basket as they travel around the virtual environment.

The aim is to encourage the same kind of multiple, impulse purchasing that occurs in store, where customers add items to their basket without ‘thinking about whether they need the item or not’ (Verdict. (2013). At this stage Primark will be in a financially stable enough position to support the feature and virtual reality features are likely to be mature and more commonly used. They may even be a required hygiene factor by 2019.

An unavoidable drawback of this feature is the customers inability to touch and feel the quality of the products (as they would in real life) which may affect its popularity and rate of success. This is confirmed by Bay, R and Gill, P (2008:p59) who state that the sense of touch is essential to the total fashion presence.
As the customer is exploring the inside of a virtual shop, the sections will ‘announce’ themselves (via mouse-over pop-up messages) as they move around.

Customers will be able to click on a specific product, to inspect it closely, rotate and change colours. The details of the particular product will appear in an unobtrusive pop-up box on screen (describing features such as the price, colours, sizes, material etc) with a link to the products location on the website (so they can add to basket). They will also be able to jump to the specific department in which they desire to browse, for ultimate convenience.

The ‘virtual shop’ feature will be based on the impressive Oxford Street flagship, to provide new and existing customers with the best possible representation of the brand.

This feature is fun and interactive, and will engage the young target market. As stated by customer experience expert Shaun Smith; ‘the emergence of these technologies will only increase the level of personalisation that is possible’ (cited by: Brandweiner, N. 2013:online).
You have selected:

Mustard yellow jumper £15

(Take me to product!)

You might also like:

Clutch £8

(Take me to product!)
The haul of Primark may also attract new international consumers who might be unaware of the brand or do not have access to the stores in their particular location. This feature will present the user with a positive experience of the brand by providing them with virtual access to the impressive flagship store which exposes Primark in its best light.
PROMOTIONAL ACTIVITIES

As stated in the audit, in order for Primark to justify such low price points, advertising and marketing is kept to a minimum (Reuters. 2014). Therefore, throughout the duration of the 5 year plan, Primark aim to implement promotional activities that will create maximum impact at the lowest cost. This will decrease the chances of making a loss during the costly process of developing, launching and running the ecommerce site.

However, in the first year only, pop star Pixie Lott will be selected to endorse the brand and to help create an exclusive online-only collection. The company will also continue to use the social media platforms to prompt positive word-of-mouth. The new, impressive, digital screens to be installed will also function as a promotional tool to promote the website, (see page 83 for further details) as well as POS that will be positioned round the stores.

These activities will optimistically create maximum exposure at a relatively low cost. They will ultimately drive traffic to the new website, and enhance the brand’s image whilst still drawing customers (new and existing) into the traditional bricks and mortar stores. The budget for promotional activities in the first year of the plan will be around £4,550,000 and will help achieve the ‘customer acquisition’ and ‘brand awareness’ SMART objectives.
Aspirational marketing:
She is someone who the target consumer would aspire to.
She is also recognised and loved by the mass market (as well as the core target market) due to appearances on Strictly Come Dancing and other promotional campaigns.

Buzz Marketing (Wood, M. 2013)
Pixie Lott's renowned bubbly, 'down-to-earth' personality will optimistically generate a positive attitude towards the brand, encouraging positive word-of-mouth, ultimately resulting in a surge of sales (Agrawal, J. and Kamakura, W. 1995).

To maximise publicity of the new website and to enhance the brand's image, Primark has selected the 23 year old fashionable singer Pixie Lott to be the celebrity brand ambassador (Posner, H. 2011). Lott will collaborate with the brand to create an online-only collection. This will ideally entice new customers and promote the new website, provoking high traffic.

Where will Pixie feature?
- On the new website (women's wear sections) and homepage
- On social media platforms
- In the A/W campaign
- Collaborating with the brand to launch a new, online-only women’s range (around 30 pieces) for A/W 2015
- Promotional videos (placed on website/social media platforms and shown on new digital screens in store) to advertise her new online-only collection.
- She will also be encouraged to promote the Primark products on her own social media platforms to maximise the reach, due to her vast following.

 Advantageous digital presence:
Pixie’s Social Media Influence
- 2.7 million followers
- 1.71 million followers
- 252k followers

‘Pixie for Primark’: personalised online-only collection.
A tactic employed by competitor Missguided whose collaboration with Nicole Scherzinger (who participated in the designing and endorsement of a personalised clothing range of around 40 pieces) helped boost overall sales (Bounds, A. 2014).
Due to the significance of social media in business communication (Jahn, B. 2012), the different platforms (including Facebook, Instagram and Twitter) will play a key role in the promotion of the new website and the continuation of expanding the customer base. This will support the ‘customer acquisition’ SMART objectives.

Social media platforms will be updated a minimum of twice a day
The social media team will be responsible for the frequent posting of links to the ecommerce site and the posting of promotional images and information regarding its new features and the changes to be made in store. With a Facebook fan base of around 3.5 million, it is evident that the social media platforms are a cost effective way of reaching large amount of potential online customers thus, driving traffic to the site after its launch (Pozin, I. 2012).

Evidence suggests that the millennial consumer will often make purchases based on the opinions and preferences of their peers, as opposed to the content from the brand (Hughes, A. 2014). This is confirmed by Murray, L. (2014:online) who states that marketers need to understand that ‘retweets and likes are the digital equivalent to passing a thumbed novel on to a friend’. Therefore Primark will continue to encourage C2C conversation via the social media platforms with the intention of boosting online sales.
Social Media Platforms

Reach

- 3.5 million likes
- 73K followers
- 875K followers

Figures collected Dec 2014

Social Media Promotion Objectives

- To Promote new website (and all of its new features)
- To continue B2C and C2C relationship building

BUY ONLINE AT PRIMARK’S NEW WEBSITE!!

Check out Pixie Lott, giving us all the run down of her favourite looks in her new exclusive Primark online only collection.

Launched September 2015

Facebook Promotion

Twitter Promotion
Buy Primark goods online from the end of June 2015!

Get your hands on new online exclusives and access new exciting website features!

Option to click and collect

POS

Example of POS to feature in store:
- Posters in changing rooms (stuck to mirrors)
- At till points
- Around the store (Product displays/walls)
Heywood, L (2014) states that '71% of 16 to 24-year-olds (Primark’s core target market) find themselves in large retail environments at least once a fortnight’ which verifies the need to enhance the in-store offering as well as ecommerce.

Primark will therefore install exciting new digital screens (a mixture of interactive and non-interactive), with the intention of its exceeding the customers’ expectations and achieving the ‘wow factor’ (Riewoldt, O.2000).

Keller, K et al. (2008:p653) articulates that ‘brand consistency is critical to maintaining the strength and favourability of brand associations’. Primark will respond to this notion by ensuring there is a consistent and exciting in-store offering across all of the bricks and mortar establishments, matching the flagship in terms of innovation and aesthetics.
As stated by Patel, D (2013:online) ‘digital screens are an effective way to engage customers’, they will provide customers with a stimulating and highly visual in-store experience.

Each Primark store will be provided with a small number of interactive smaller screens (at ground level) which will allow the customer to flick through the new website and the new features. This will satisfy the needs of the millenial consumer who craves experiences (Faw, L.2012) as well as functioning as a promotional tool for the new ecommerce site.

**Click and collect**

According to a report by Mintel (2014) 44% of consumers have used click-and-collect for clothing purchases over the last year therefore, the smaller digital screens will also enable the ‘convenience seeking’ customers to ‘click and collect’ products using these screens.

The larger, digital displays (which already feature in the Tottenham Court Road flagship store) will be fixed high up on the walls and will be for promotional purposes only.

‘Video is a powerful platform to attract shoppers and retailers must exploit its potential’ (Patel, D.2013)

These screens will display the latest video campaigns (including the Pixie Lott collaboration), advertise the social media platforms and most importantly, promote the new ecommerce site, raising awareness and ideally encouraging traffic.

This will help support the customer acquisition and retention marketing objectives.

---

**Table 7: Digital screens**
Digital screens Mood Board: used by competitors such as River Island and Uniqlo. Primary and secondary research.
The ‘people strategy’ (in terms of those involved at all levels of the company) is an element of the marketing mix which Primark will be required to constantly monitor and develop in order to achieve the customer acquisition and loyalty SMART objectives and to ensure the retail offering is consistent.

“Customer service supports the external marketing effort’ and can ‘attract new customers, retain customers, build image for competitive advantage and attract achieve its objectives” (Wood, M.2013:p212)

Customer service:
As mentioned in the audit, in spite of the new focus on digital innovation in the retail market, it is apparent that there is still a desire for good customer service (Rogers, C.2014). This is a fundamental part of the strategy that must be addressed by Primark as it is an aspect of the company which has arguably been overlooked in the past.

Jackson and Shaw (2009) emphasise the importance of service in terms of evoking a positive brand image, which highlights the benefits of investing in the extensive coaching of staff. This is underpinned by Kim, J (2012) who asserts that ‘human variables have the particular potential to make an impact in retail settings, which comprise salespeople and customers’ therefore it is crucial for employees to be informed of marketing strategies and objectives (short, medium and long term).

See appendix 15 on further ways in which the brand will create customer value after the launch of the e-commerce site.
Each store will receive a ‘Primark Marketing toolkit’ which will outline expectations regarding customer service in stores and the new marketing strategies. It will provide further insight into the overall changes being made to the company (including the re-launch of the website) detailing what they can do to help the process.

<table>
<thead>
<tr>
<th>Tool kit chapter</th>
<th>What this includes:</th>
</tr>
</thead>
</table>
| Building the knowledge of the employee and communication | It is important for each staff member to be aware of the new strategies and objectives to heighten the likelihoods of the company’s overall success and increase the involvement of employees at all levels.  

This chapter will outline the changes being made to the in store (visual merchandising, product displays, window displays etc)  

They will also have clear instructions on how to operate the new digital screens.                                                                                                                                 |
| Monitoring and rewards                        | The toolkit will outline employee rewards for particularly good work (such as bonuses and prizes). This will boost morale and ideally motivate the staff to perform to a high standard. |
| Expectations and standards                    | The toolkit will detail the company’s expectations in terms of customer service. This will ensure the service is to the highest standard. This will enhance the loyalty and acquisition of customers which will ultimately assist in the attainment of brand equity. |
| Participation                                 | The toolkit will include a list of special events that the staff can get involved with to increase participation. These include events such as previews for new marketing campaigns and team-work workshops, to enrich the employee’s involvement with the brand at all levels.  

At the back of the marketing toolkit there will be a ‘suggestion’ page for the employee to offer any ideas or recommendations for the brand in terms of it’s future progress. This will encourage stronger support and commitment among the staff (Wood, M. 2013:p212). Benefiting the brand as a whole as well as the individual staff member by making them feel valued. |

*Table B: Marketing Toolkit contents*

“The customer’s feelings and thoughts about the service, including both goods- and service components, as well as other elements, contribute to an image in the customer’s mind that is synonymous with the brand” (Hulten, B. 2010).
The company have acknowledged the difficulty in predicting the future sales and costs due to the unpredictable nature of the fashion retail industry. Therefore the financial forecasts have been made using a mixture of judgemental, statistical and research-based approaches in order to minimise bias, thus predicting the most realistic and accurate figures (Wood, M. 2013).

As stated by Fletcher, N (2013: online) ‘The internet often out-performs the high street in terms of growth’ so Primark are therefore expecting positive results.

**Summary**

After Year 1 costs lead to an initial loss, the e-commerce offering will break even and become profitable from year 2. It is predicted to grow from an initial 1.3% to 5% of the overall retail revenue by Year 5.

The growth profile is assumed to be similar to the New Look online shop, with a gradual decrease in average spend once ‘early adopters’ have come on board.

It is expected that the bricks and mortar stores will continue to be the main source of revenue for some time beyond Year 5, but the profit and margin of the e-commerce site would give an extra boost to overall revenue.

Growth within the American market will also financially support marketing activities.
## Store Revenue (for comparison)

<table>
<thead>
<tr>
<th>Year</th>
<th>£4,270,000,000</th>
<th>£4,870,000,000</th>
<th>£5,350,000,000</th>
<th>£5,840,000,000</th>
<th>£6,000,000,000</th>
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</thead>
</table>

## Online Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>£55,000,000</th>
<th>£95,600,000</th>
<th>£125,400,000</th>
<th>£182,800,000</th>
<th>£299,600,000</th>
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</table>

## % of retail revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>1.29</th>
<th>1.96</th>
<th>2.34</th>
<th>3.13</th>
<th>4.99</th>
</tr>
</thead>
</table>

## One-Off costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Revenue (for comparison)</td>
<td>£10,250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of the extension of warehouse capacity</td>
<td>£3,750,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setup costs for Customer Services</td>
<td>£2,830,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of alterations in store adjustments (including new digital displays)</td>
<td>£9,450,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Launch costs (Promotional activities (POS etc); Pixie Lott)</td>
<td>£4,550,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</table>

## Recurring Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of clothing supplied</td>
<td>£16,500,000</td>
<td>£27,724,000</td>
<td>£35,120,000</td>
<td>£49,356,000</td>
<td>£77,896,000</td>
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<tr>
<td>Warehousing and other fixed costs</td>
<td>£8,000,000</td>
<td>£8,500,000</td>
<td>£9,000,000</td>
<td>£10,000,000</td>
<td>£10,000,000</td>
</tr>
<tr>
<td>Transactional website running costs (paid to supplier)</td>
<td>£1,100,000</td>
<td>£1,912,000</td>
<td>£2,508,000</td>
<td>£3,656,000</td>
<td>£5,992,000</td>
</tr>
<tr>
<td>Cost of Logistics/Distribution/Returns</td>
<td>£5,500,000</td>
<td>£9,560,000</td>
<td>£12,540,000</td>
<td>£18,280,000</td>
<td>£29,960,000</td>
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<tr>
<td>Staffing costs (customer services, warehouse)</td>
<td>£4,400,000</td>
<td>£7,648,000</td>
<td>£10,032,000</td>
<td>£14,624,000</td>
<td>£23,968,000</td>
</tr>
<tr>
<td>Ongoing Marketing Activities</td>
<td>£1,375,000</td>
<td>£2,390,000</td>
<td>£3,135,000</td>
<td>£4,570,000</td>
<td>£7,490,000</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>£67,705,000</td>
<td>£57,734,000</td>
<td>£72,327,000</td>
<td>£100,486,000</td>
<td>£155,306,000</td>
</tr>
</tbody>
</table>

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**Statistical forecasting approach:**

Financial estimations based on Primark’s results from previous years (see appendix 12) and the performance of direct competitors such as New Look to evaluate likely figures after introducing ecommerce (see appendix 11).

They have also been predicted using the ‘Delphi method’ using external experts to make forecasts as well as the results of the pre-launch tests (new product test marketing) to reflect/incorporate the input of the customer, for an all-rounded result (Wood, M.2013).
<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Customers</td>
<td>275,000</td>
<td>550,000</td>
<td>700,000</td>
<td>1,050,000</td>
<td>1,750,000</td>
</tr>
<tr>
<td>ARPU (Ave Revenue Per User)</td>
<td>£200</td>
<td>£191</td>
<td>£179</td>
<td>£174</td>
<td>£171</td>
</tr>
<tr>
<td>EBIT (Gross Profit; Revenue - Costs)</td>
<td>-£12,705,000</td>
<td>£37,866,000</td>
<td>£53,073,000</td>
<td>£82,314,000</td>
<td>£144,294,000</td>
</tr>
<tr>
<td>Profit % change on previous year</td>
<td>398%</td>
<td>40%</td>
<td>55%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Gross Profit Margin (%)</td>
<td>-23.10%</td>
<td>39.61%</td>
<td>42.32%</td>
<td>45.03%</td>
<td>48.16%</td>
</tr>
</tbody>
</table>
IMPLEMENTATION AND CONTROL

The company’s overall performance will be frequently monitored and measured following the implementation of the proposed marketing strategies (Lancaster, G and Massingham, L. 2011). The managers of each store will be required to identify and report warning signs of any arising obstacles so that the company can make any necessary adjustments before the problem develops further and potentially poses a threat. If the company fails to meet the expected targets, the implemented tactics will be reassessed and corrected to ensure maximum success.

The frequency of evaluation will vary depending on the particular marketing strategy being implemented. However, owing to the volatile nature of the global economy, these evaluations will take place at least every quarter using a range of key performance indicators to ensure the objectives are being achieved (Wood, M. 2013).
Specific metrics and KPI’s will be used to ensure the SMART objectives (set at the beginning of the plan) are being met. These will also allow Primark to assess whether or not the website and its new features have been well received.

<table>
<thead>
<tr>
<th>SMART objectives</th>
<th>Metrics used to measure effectiveness and progress of new strategies</th>
<th>Frequency of progress reviews.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aquisition objective:</strong></td>
<td>- Number of ‘visits to purchase’.</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Achieve an increase of at least 200% online revenue (after launch of transactional website) by the end of the first 5 years</td>
<td>- Average number of days to repurchase</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Return on investment (ROI)- comparing the cost per lead against the lead to close ratio.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Cart abandonment rate (DeMers, J. (2014)).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Monitor online sales (compared to bricks and mortar stores)</td>
<td></td>
</tr>
<tr>
<td><strong>Aquisition objective:</strong></td>
<td>- A ‘Traffic sources’ metric will be put in place to establish and monitor what is driving customers to the website. This will enable Primark to exploit the particular sources and to develop future strategies that will maximise growth.</td>
<td>Monthly</td>
</tr>
<tr>
<td>Acquire 275000 new online customers by the end of each financial year (spring) with an average basket size of £200 (per year)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand awareness objective:</strong></td>
<td><strong>Click-through-rate and Bounce Rate</strong></td>
<td>Quarterly</td>
</tr>
<tr>
<td>Increase both brand awareness and brand loyalty by 20% after the launch of ecommerce site after 2 years.</td>
<td>- A ‘new vs returning’ metric will be used to establish the number of new and returning customers to the site to measure both loyalty and awareness.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- A viral Coefficient metric will also be put in place to measure the viral growth rate and spread of the site.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Market research (satisfaction surveys and online questionnaire’s- specifically for customers who’ve used ecommerce site and more general research to establish levels of awareness)</td>
<td></td>
</tr>
<tr>
<td><strong>Retention objective:</strong></td>
<td>Footfall counters will be put in place in stores to measure frequency and volume (reach) of customers entering.</td>
<td>Monthly</td>
</tr>
<tr>
<td>Maintain and increase the high footfall the brand has been experiencing in stores across Europe by 15%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 9: Control
IMPLEMENTATION TIMELINE YEAR 1: CRITICAL TRIAL PERIOD

- **Jan**: Pre-launch trial of website and ‘Haul of Primark’ feature to establish general consensus and receive feedback from target market.
- **Feb**: Brief Primark employees on the upcoming changes and strategies.
- **March**: Increase warehouse capacity.
- **April**: Each store will be provided with a ‘Marketing toolkit’ for further information for the employees on the new strategies and guidance on the company’s expectations.
- **May**: Trial of digital screens in Manchester, London, Winchester and Reading stores.
- **June**: Installation of digital screens in UK stores (if proven successful in the trials).
- **July**: Official re-launch of website with transactional feature and ‘Haul of Primark’ feature.
- **Aug**: User friendly trials: New digital screens trialled by Primark employees and selected members of the public (potential and existing customers).
- **Sept**: Open first stores in America 6 months after the launch the average spend, bounce rate will be closely monitored and recorded on a weekly basis.
- **Oct**: High level of customer feedback provided to Primark employees.
- **Nov**: Installation of digital screens in stores (Mainland Europe).
- **Dec**: Launch of limited edition online-only collection.

Additional strategies include:
- **Brief Primark employees on the upcoming changes and strategies**
- **Hire experts (Venda) to develop and install the transactional feature and new ‘Haul of Primark’ and ‘Primark Bundles’ feature.**
- **Increase warehouse capacity**
- **Set up customer services for online**
- **Brief online PR company on the marketing strategies to be undertaken**
- **Website re-design**

**Online product mix review**
- **Online product mix review**
- **Online product mix review**

Monthly reviews of online revenue and brand awareness/loyalty.
Assess whether the ecommerce site has proven profitable. If yes, start delivering globally.

Monthly reviews of social media followers, website traffic and footfall in stores to assess whether the Primark has achieved its customer acquisition goals.

- **Quarterly reviews of online revenue and brand awareness/loyalty**
- **Website re-design**
- **App launch**
- **Launch of new limited online-only collection**
- **End of the first financial year: 275,000 new online customers**

- **2016**
  - End of the second financial year: 550,000 online customers
  - End of the third financial year: 700,000 online customers
  - End of the fourth financial year: 1,105,000 online customers

- **2017**
  - Budget reviews will take place every month
  - Introduction of global delivery service (if online site has proven profitable)
  - Each store will be provided with an updated 'Marketing toolkit'

- **2018**
  - Budget reviews will take place every month
  - Launch of new limited edition online-only collection.

- **2019**
  - Budget reviews will take place every month
  - Launch of 'The Haul of Primark' (as a live transactional feature) - if it had received positive feedback after initial launch)
  - Launch of new limited edition online-only collection.

**EBIT targets:**
- **2016:** £37,866,000
- **2017:** £53,073,000
- **2018:** £82,314,000
- **2019:** £144,294,000
Poundland chief executive Jim McCarthy maintains that: “Online is much more challenging [than stores] because it isn’t obviously such a rich source of profit for a value retailer.” Holland, T. (2014). Primark have acknowledged the risks involved with venturing online and implementing the to-her strategies, and have therefore employed effective risk management in order to achieve business objectives, to deliver added value to the customer and to protect the company’s reputation. The following pages detail some of the potential challenges the company could encounter following the implementation of the marketing strategies, suggesting how they could be overcome.
### Potential Risks Following the Implementation of New Strategies

<table>
<thead>
<tr>
<th>Risk Type: Warehousing and distribution:</th>
<th>Risk Type: IT systems and business continuity (and website malfunctions)</th>
<th>Risk Type: The new multichannel offering:</th>
<th>Risk Type: Management of stock:</th>
<th>Risk Type: The website's new features (Haul of Primark and Primark Bundles):</th>
<th>Risk Type: Celebrity endorsement</th>
<th>Risk Type: New digital screens</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Website is unpopular; customers are unwilling to purchase online</td>
<td>- Frequent backing up of data to prevent data-loss</td>
<td>- Risk of failing to meet the customers expectations across all of the channels, this is confirmed by Warehouse chief executive Liz Evans who states that ‘The pace of the multichannel world can undermine consistency’ (Rogers, C and McGregor, K, 2014:p6)</td>
<td>- Failure to manage the stock as effectively after introducing ecommerce. This may have a negative impact on the company's gross margins and the availability products, potentially risking the loss of customer loyalty.</td>
<td>- The risk of the website's new features proving un popular with customers, not encouraging multiple purchasing or provoking negative word of mouth, this could cause the company to make a loss.</td>
<td>- Primark audience not responding well to the celebrity collaboration</td>
<td>- There is a risk of the digital screens being unpopular with customers (perhaps due to being situated in an inappropriate retail environment at the wrong market level)</td>
</tr>
<tr>
<td>- Unexpectedly large demand: Insufficient infrastructure, needed to support the impending growth of the newly multichannel and international retail business.</td>
<td>- Investment in new IT systems for high quality performance (for both transactional website and the Haul of Primark feature).</td>
<td>- Lack of consistency across all channels (in store, website, social media etc), yielding the customer's brand experience</td>
<td>- Employing data analytics tools to augment the replenishment and distribution of stock.</td>
<td>- The removal of these features or the development of new features will be enforced should this risk occur.</td>
<td>- Low demand for Pixie Lott's online-only range</td>
<td>- Risk of damage or customer vandalising the screens</td>
</tr>
<tr>
<td>- Incompetent in terms of being able unable to cope with the demand of online orders.</td>
<td>- SLA (service level agreements) put in place with Vender to ensure the website performs as well as promised. Penalties will be enforced if expectations are not met.</td>
<td>- This may also impair the customer 'decision-marking' reporting, allowing the company to monitor the customers path to purchase.</td>
<td>- The removal of these features or the development of new features will be enforced should this risk occur.</td>
<td>- Introduction of a ‘live chat’ service to the website to swiftly respond to complaints- This will ensure the expectations are met by making any necessary changes, thus generating a positive buzz and attracting new customers (Wood, M.2013).</td>
<td>- Pixie Lott will only be contracted to endorse the brand for a year, however if the collaboration proves to be particularly unpopular it will be terminated at an earlier date.</td>
<td>- The screens will be trialled in a select number of stores before they are installed in all Primark establishments to assess whether they are popular</td>
</tr>
<tr>
<td>- Failure to compete with retailers offering more convenient delivery options (risk of losing market share)</td>
<td>- Venda will provide expandable high availability IT systems (several computer systems running as one).</td>
<td>- This may also impair the customer 'decision-marking' reporting, allowing the company to monitor the customers path to purchase.</td>
<td>- The removal of these features or the development of new features will be enforced should this risk occur.</td>
<td>- Employment of research tools such as data analytics</td>
<td>- Security will be informed to closely monitor and prevent vandalism.</td>
<td>- There is a risk of the digital screens being unpopular with customers (perhaps due to being situated in an inappropriate retail environment at the wrong market level)</td>
</tr>
<tr>
<td>- Restricting delivery to locations in Ireland and the UK only during the trial period after website launch. In year 2 of the plan, following the site's successful operation, the company will offer to deliver globally.</td>
<td></td>
<td>- Frequent evaluation of Primark's international supply chain and monitoring of infrastructure (particularly crucial during the internationalisation process and introduction of ecommerce).</td>
<td>- Regular evaluation of all Primark channels to ensure consistency thus meeting customer's expectations.</td>
<td></td>
<td></td>
<td>- The screens will be trialled in a select number of stores before they are installed in all Primark establishments to assess whether they are popular</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Frequent evaluation of the warehouse distribution centre to accommodate for the expected growth due to the new ecommerce aspect of the business. Primark will sub contract out the management process and distribution strategy to Hallett Logistics (who work for competing retailers New Look and Dorothy Perkins) to efficiently fulfil online orders.</td>
<td>- Investment in new technology and infrastructure in order to uphold a superior service</td>
<td></td>
<td></td>
<td>- Risk of failing to meet the customers expectations across all of the channels, this is confirmed by Warehouse chief executive Liz Evans who states that ‘The pace of the multichannel world can undermine consistency’ (Rogers, C and McGregor, K, 2014:p6)</td>
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<td></td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

Table 10: Internal risks
The PESTLE analysis highlighted some key external risks that may affect the company. Below are a selection of additional risks that may affect the implementation of new strategies:

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Example of risk</th>
<th>Risk prevention/solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition</td>
<td>Risk of new more exciting entrants (Porters 5 forces) into the ecommerce arena due to the decline of high street shoppers,</td>
<td>The investment in the development of the new website to ensure it offers differentiating attributes (outshining other value and high street retailers)</td>
</tr>
<tr>
<td></td>
<td>- This could lead to a potential loss in market share</td>
<td>- The frequent re-evaluation of Primark’s multichannel strategy to secure the brands’ robust position in both the physical and digital market place.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Developing new product ranges to provoke interest, and expand the target market.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Distinct reinforcement of the Primark’s value brand essence (on trend fashion at unbeatably low prices).</td>
</tr>
<tr>
<td>Supplier cost inflation</td>
<td>- The significant increase in supply chain costs. This may be a result of the rise in the cost of raw materials or wage inflation.</td>
<td>- The alteration of Primark’s current price architecture may be required in order to meet the rise in expenses in this incidence.</td>
</tr>
<tr>
<td></td>
<td>- An increase in the cost of fuel, which will have a knock on effect on distribution.</td>
<td>- Long term contracts with suppliers will be put in place to guarantee stable pricing.</td>
</tr>
<tr>
<td>Harsh economic conditions</td>
<td>- Significant decline in customer spending, affecting the consumer’s confidence.</td>
<td>- Adjusting and adapting to the changes of the target consumer in terms of disposable income by providing an exciting product offering which combines value, freshness and fashionability at a reasonable price.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Tailoring the company’s strategies to reflect the current market climate (frequently reviewed).</td>
</tr>
</tbody>
</table>

Table 11: External risks
Despite the risks of the implementation of the new strategies, as stated by Aaker, D (2004:p91) ‘maintaining relevance often means shifting a business in a new direction’ therefore it may be the best possible option for Primark at this point.

By tuning into the zeitgeist and providing the modern consumer with a multi-channel offering as well as the in-store digital innovation and entertainment that they demand, Primark’s value-brand image will be revitalised. This will optimistically result in maximum growth enabling the company to continue the internationalisation process successfully.

See appendix 17 for future recommendations for the Primark.
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## Appendix 1: Market Research- examples of technology used in retail

<table>
<thead>
<tr>
<th>Retailer/Business</th>
<th>Innovative use of technology example</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Apparel</td>
<td>Augmented Reality mobile app</td>
<td>American Apparel have introduced an augmented reality app, used within their physical stores which offers customers a shopping experience that mimics online shopping. Consumers are able to scan product signs, which presents them with a number of options that would be available if they were online. These include other customer’s reviews, the option to view slide shows, change a product’s colour or type and to share products with other customers. The app is an effective way to lure consumers into their brick-and-mortar locations, whilst still providing them with the convenience of an online shopping experience that mimics what they’d encounter browsing through a brand’s website.</td>
</tr>
<tr>
<td>Marks and Spencer</td>
<td>M&amp;S browse and order hubs</td>
<td>The M&amp;S hubs are large touch screens, in the form of iPhones, with an attached card payment machine. The hubs permit customers to browse through the catalogue or scan the barcodes on specific products to acquire the product information. The user can then choose to order products via the device to collect from the store at a later date or have the items delivered to a specified location.</td>
</tr>
<tr>
<td>Marks and Spencer</td>
<td>Virtual Rail</td>
<td>Extended version of the hubs, the virtual rail allows customers to swipe through the on-screen catalogue to search for outfit inspiration. Videos are also played on the screens, with features such as ‘recommended matches’ responding to the products the customer is selecting. This innovation has only been trialed in Amsterdam so far.</td>
</tr>
<tr>
<td>Topshop</td>
<td>Virtual reality catwalk</td>
<td>The Topshop virtual reality catwalk uses a headset (similar to the Google glass device) that creates a 3D virtual world, allowing the user to access the retailer’s catwalk and backstage areas (during Topshop fashion shows). During London Fashion week the users were able to watch a live feed of the runway as well as an insight into what goes on backstage with the models and the design of the sets. An innovative way of engaging the consumer, allowing them to feel more involved with the brand.</td>
</tr>
<tr>
<td>Tensator</td>
<td>Virtual Assistants</td>
<td>This company has developed a ‘digital signage’ feature for retailers. Including ‘virtual queuing technology, queuing merchandising and electronic call forward systems’ This kind of feature will benefit retailers in terms of providing the customer with a stress-free, easy to navigate shopping experience.</td>
</tr>
<tr>
<td>Warehouse (Also used by House of Holland)</td>
<td>The Metail system- “MeModel”</td>
<td>This digital app allows consumers to develop an online version of themselves. By correlating their personalised virtual character with thier actual measurements, the customer can then try on clothes virtually. The Memodel system with allow customers to browse through the products available at Warehouse with the facility to try on clothes as they go. Innovations like this will benefit customers by speeding up the ‘trying on’ process. Also, by suggesting multiple products to complete the outfit, the customer can head straight to the checkout with ease, thus encouraging mutiple purchase and potentially boosting profits.</td>
</tr>
<tr>
<td>Sweaty Betty</td>
<td>Amplience Adaptive Media Platform</td>
<td>Sweaty Betty, who have recently recieved the Retail Week Digital Excellence Award 2014, have developed a website encompassing an array of engaging content such as pre-assembled looks, best-selling products, the Sweaty Betty founder’s personal outfit recommendations. This kind of content heightened B2C and C2C conversation and encouraged customers to stay on the website longer, thus increasing liklihood of purchase. The retailer reported a rise in order values due to the customers Sweaty Betty saw the number of products-per-transaction and average order values rise significantly as customers are inspired to buy complete ‘looks’ as opposed to ad hoc items.</td>
</tr>
</tbody>
</table>
As detailed throughout the audit, the rapidity of new technological development in the retail industry appears to be relentless, this has triggered the need for retailers operating traditional bricks and mortar formats to submerge technology and innovation into their business strategies (Rumsey, A. 2014). By adopting these new innovations retailers are more likely to gain customer acquisition due to the ‘digitally savvy’ shopping experience which the modern consumer craves.

In terms of technological developments in the UK retail market (Primark’s largest market), a multichannel strategy where the retailer efficiently integrates their offline and online operations is most likely to succeed (Foley, J. 2014). This is reinforced by Mintel’s senior fashion analyst Tamara Sender who states that “Today’s Brits are increasingly moving between devices when shopping online, as well as using mobile devices to help them shop while in-store’, also highlighting a company’s requirement to ensure the shopping experience is consistent across all channels (Mintel, 2014). For retailers this involves the formulation of a more sophisticated process in which they predict demand, integrate the traditional, mobile and virtual selling channels (Foley, J. 2014). This will allow customers to purchase products in a way best suited to the individual, therefore increasing enhancing brand loyalty and increasing the likelihood of repeat purchasing (Barlow, A. 2004).

An example of a retailer centring their efforts on achieving this seamless and uncomplicated shopping experience is fashion brand All Saints who have united with online player Amazon to ensure the checkout process is as quick as possible.

With recent reports by WGSN affirming that 70% of customers abandon their baskets whilst online shopping and 86% are averse to re-registering details on previously visited websites, this kind of collaboration (where existing Amazon customers can purchase All Saints products without having to re-enter details) has rapidly become the number one payment option for US consumers. This suggests a need for other retailers to follow suit in order to remain competitive, particularly due to the time saving and communication boosting benefits it has (Rumsey, A. 2014).

Recent WGSN retail reports focusing on the in store technology used by major retailers in America; highlight the positive effect of employing digital features in terms of practicality (time saving/revenue boosting) and consumer engagement. These features include offering speciality discounts and vouchers using company branded mobile apps, ‘scan to find in store’ options, live chats with store employees to locate specific product and ‘in-vehicle pick ups’ through ecommerce and m-commerce platforms.

Successful American retail giants such as Walmart and Target, offering ‘wide and deep’ (Jackson and Shaw, 2009) volumes of product also enable the customer to create then share wish lists using mobile apps and other online platforms (Bell, A. 2014). The in store technology listed above not only benefits the retailer in terms of time saving, they also encourage B2C conversation thus resulting in greater brand loyalty and ultimately an increase in profits. Evidence suggests that retailers targeted the American market would benefit from incorporating an online channel within their distribution strategy as in 2013 US mobile commerce revenue alone amounted to more than 38 billion dollars (Statista, 2014).

This is particularly relevant to Primark due to the retailer’s current proposal to open stores in the US, thus allowing the company to formulate strategies tailored to the American market and increasing likelihood of success.
With the increased consumer willingness to purchase into the value segment, reports from Verdict (2014) confirm that around 48.2% of all value clothing shoppers belonged to the ABC1 consumer group, thus resulting in a significant rise in the average basket size and spend per head (Verdict, 2014).

Primark’s progression, in terms of fashionability, along with competing value brands such as Peacocks and Matalan, have captivated a diverse and complex market, in sharp contrast to the specific C2 and DE consumer base they targeted in the initial years (Verdict). This is reinforced by Mintel (cited in Ross, J and Harradine, R. 2010), who state that the term “value brand” refers to clothing retailing that is not simply price led but is also fashion orientated, leading to a blurring of the boundaries between value retailers and the middle market’.

80% of all clothing shoppers are now visiting a value retailer (Verdict, 2014), despite the economic recovery perhaps encouraging consumers to spend more extravagantly.

As observed by Hines, T and Bruce, M, in recent years, there also appears to have been a significant upsurge in those consumers willing to mix brands at contrasting market levels, in order to accomplish a unique look which is affordable yet incorporates an element of luxury (Hines, T and Bruce, M 2007). With the unpredictable state of the economy and the growing acceptance of value brands (Verdict, 2014), evidence suggests that in contrast to the past where the possession of luxury brands was the only thing to aspire to, consumers now enjoy the novelty of being complimented on their value branded fashion purchases before asserting the minimal amount in which it cost (Ross, J and Harradine, R. 2010).

### Appendix 2: Market overview: Further analysis of the Primark consumer base and consumer trends

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### Appendix 3:

<table>
<thead>
<tr>
<th>Pros of transactional website</th>
<th>Cons of transactional website</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Market penetration: Attract consumers who are reluctant to enter the busy (sometimes chaotic) stores or those who are short on time</td>
<td>• Current business model works well (selling high volumes of low priced product in physical stores) customers go into store looking for cheap, trendy, easily accessible products, may not encourage the similar of purchasing behaviour (impulse, multiple purchase) when online.</td>
</tr>
<tr>
<td>• Has the potential to bring in a lot of money</td>
<td>• Would cost them a lot of money</td>
</tr>
<tr>
<td>• ‘The online channel would allow Primark to widen its global reach, boosting both brand awareness and sales – far beyond its stores’ ability’ (Verdict, 2013).</td>
<td>• Risk of making a loss: Customers are unlikely to spend as much online as they would in store meaning the average transaction value would be significantly lower.</td>
</tr>
<tr>
<td>• Decline of footfall and loss of high street stores has been increasingly evident over the last few years, e-commerce may be the only answer for brands in the future.</td>
<td>• May not be worth the delivery charge for customers, due to such low prices (£2 socks for £4 delivery for example. Packaging and distribution costs are higher than fixed costs (i.e. staffing)</td>
</tr>
<tr>
<td>• Popular choice of shopping channel for European, American and UK consumers (locations of Primark’s current consumer base)</td>
<td>• Will have to employ a number of experts to design and create the transactional website, which is likely to be costly.</td>
</tr>
<tr>
<td>• Expand on current editorial features online: by providing an innovative online shopping process, with features including ‘shop the look’ to increase average basket size, instant chat style advice and online exclusives.</td>
<td>• Customers who shop online are more likely to spend longer contemplating their purchases than in store, which may affect the average basket size. Particularly as they are able to access competing retailers instantly to confirm that they are purchasing the best product at the best price.</td>
</tr>
<tr>
<td>• ‘multi-channel retailers were able to offer a more convenient returns policy based on “return to store”’ (Rowley, J. 2009).</td>
<td></td>
</tr>
</tbody>
</table>
As illustrated on the graphs, Primark accounts for the highest percentage of ABF’s annual revenue and profit. The year on year increase means they are the ‘cash cows’ of the parent company, in terms of the BCG growth share matrix.
Appendix 5 - Market Research

Examples of some of the key questions and findings (133 respondents)

Qualitative Research:
This survey was carried out using SurveyMonkey.com with 133 respondents. Recognising that this may not be the most reliable or sound method of research, due to the short time frame in which the audit was composed, it was evidently an effective way of gaining an insight into the general opinion of a relatively large group of people regarding the brand and its assets.

Below are some examples of the questions asked. The data from the questions was collected and evaluated at the end, supporting the argument for Primark to enhance their current business model by developing a more technologically advanced one.
**Direct: New Look**

‘The Uk’s largest clothing and accessories retailer for the under 35’s’ (New Look Group. 2014).

New look is one of Primark’s core, direct competitors, as detailed on the SWOT analysis (see pg), the retailer has responded to the changes of consumer shopping behaviour by operating a successful multichannel business. The retailer is currently in the process of internationalising, recently launching stores in China and more of Europe (Goldfingle, G.2014).

As illustrated on the graph (see fig 4 and 4a) New Look’s retail revenue was fairly static (and in some years negative) over the period of 2011 to 2014. However the buoyancy of the e-commerce results boosted the overall results for the group, quite significantly, meaning that if it wasn’t for the ecommerce offering, the retailer’s revenue would have gone down most years. This clarifies that whilst Primark are expanding their footprint (in terms of physical stores) they can sustain the ‘organic growth’ model (for now), but an online offering could build up turnover and profit a lot more quickly.

**Direct: Booohoo.com**

‘The online Primark’ (Wood, Z.2014)

UK online retailer Booohoo.com, a direct competitor for Primark, particularly stood out during the competitor analysis as they reported a 200% increase in sales (according to their financial 2012 to 2013 report).

This is perhaps a result of their extravagant promotional strategy, including frequently broadcasted TV campaigns, billboard campaigns, extensive use of social media, particularly Facebook, in addition to the unremitting popularity of online shopping across the different consumer groups (Rickman, T. 2007).

After its launch in 2006 Boohoo’s customer base has expanded to over 2.3 million selling to over 100 countries (international customers representing 35% of their total revenue) (Boohooplc. 2014). It appears that the lack of restrictions the company faces, due to its online-only format, will permit the brand to maintain this high growth rate, ceaselessly increasing brand awareness, thus achieving brand equity.

With a similar emphasis on key trends at low prices, targeting a similar, young market, Boohoo.com poses a threat to Primark and other high-street retailers (Wood, Z.2014).

**Indirect: Tu at Sainbury’s**

It is important for Primark to also consider indirect competitors such as the Supermarket brands, for example TU at Sainsbury’s.

According to Sainsbury’s 2014 annual report, the TU range is merchandised in over 400 stores, and is UK’s the seventh biggest clothing line in terms of volume, generating annual sales of around £750 million (J Sainsbury’s plc. 2014).

Pull factors such as their low price points -due to low margin requirements- and convenient locations (arguably guaranteeing high footfall of a wide socio-demographic range (Jackson and Shaw, 2009) indicate that TU and other supermarket brands pose a threat to Primark and other fashion retailers on the market (Ross, J and Harradine, R. 2010).

In terms of Sainsbury’s use of technology, the retailer is similarly averse to providing customers with a transactional website. However, the company engage with their customers via blogs, videos and social media, drawing in new consumers due to their friendly use of dialogue and their celebrity collaboration with well know ‘fashionista’ Gok Wan.

The attainment of such substantial market share of UK retail sales over the last decade (Hines, T and Bruce, 2008), in addition to the growing acceptance of supermarket fashion amongst consumers (Ross, J and Harradine, R. 2010) reveal that TU will not be affected by the lack of ecommerce or digital activity within their business strategy.

Another supermarket giant and potential threat to Primark is Asda with it’s clothing label ‘George’, with an 11.1% market share and its recent title as the country’s second largest fashion brand in terms of volume (WGSN, 2014).
Brand Positioning Map - Price and fashionability.
APPENDIX 8

Market research: Examples of brands using virtual reality to enhance brand experience

‘The virtual environment provides an extensive and dynamic environment for the replication of real life flagship stores. (Kent, T. 2009).

The use of virtual reality in retail has become commonplace (Lancaster, G and Massingham, L. 2011). Technologies such as ‘the panoplaza’ allow the customer to explore the stores interior and the products featured on the shelves, zooming in on individual pieces.

This type of feature on the website would be the closest solution for the type of consumer who is reluctant to purchase online due to an inability to physically inspect a product (Lancaster, G and Massingham, L. 2011).

By providing the customer with a tangible link between the virtual and physical world, they are offered both a practical and entertaining service. Virtual reality technologies have the potential to make customers stay in store for longer, thus encouraging multiple purchase. It is apparent that it would be a profitable investment in most retail outlets.

Appendix 8
http://www.panoplaza.com/

Adidas: Interactive Window shopping:
Interactive window experience where customers are enabled to flick through clothing racks and play with a model (taking products out to try on)
http://www.digitalbuzzblog.com/adidas-interactive-window-shopping/

BBC’s ‘Click’ technology programme recently explored the Oculus rift headset (used by Topshop during February’s fashion weeks).

Allowing the user to immerse themselves in the artificially created world.

 imaginable
## Demographics/ Socioeconomics
- Females (teens- young women)
- Aged 16-24
- Relatively low income (Most likely C1-C2)
- Student/young worker
- Yearly income: £16,000 (if working), otherwise depends on student loan/parents for financial support (KIPPER- Kids In Parents’ Pockets Eroding Retirement Savings)
- Family lifecycle: young/single, young married, young with a child

## Psychographics (personal and psychological elements)
- Motivations for purchase: Desire to belong (social needs, according to Maslows hierarchy of needs (Jackson and Shaw, 2009:p5).
- Keen to socialise, primarily using online platforms
- Interested in fashion and celebrities
- ‘utter fluency and comfort with digital technology’ (Kotler, P. 2012:p100)
- Constantly look to peers for approval of their fashion choices (Soloman, M.2009)
- Resistant to mass marketing messages (Kotler, P.2012)
- Money is primarily spent on ‘feel good’ products such as cosmetics and fashion (Soloman, M.2009)

## Geographics
Europe: UK, Germany, Austria, Spain, France, Netherlands, Portugal, Ireland
Main market: UK:

## Usage/Benefits
- Interested in keeping up to dates with trends but is a fashion follower (early majority) as opposed to a leader (innovator)
- Happy to mix products from a number of high street fashion retailers
- Often buys for ‘wear once’ occasions before disposing of the product after a short amount of time.
- Price sensitive
- Predominantly shops in womenswear, occasionally purchasing items in homeware section.

-- 

*Enriching marketing effectiveness:*

The consumer segmentation table allows a company to gain further insight into the lifestyle and buying behaviour of the consumer, thus allowing them to devise the most appropriate and profitable marketing programmes. Another method used by retailers is a pen portrait (Posner, 2011) has similar benefits, enabling a company to visualise the consumer and anticipate their buying needs.

---

**APPENDIX 9 Consumer segmentation analysis table (adapted from Burkwood, M.2013:p71)**

<table>
<thead>
<tr>
<th>Demographics/ Socioeconomics</th>
<th>Geographics</th>
<th>Usage/Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females (teens- young women)</td>
<td>Europe: UK, Germany, Austria, Spain, France, Netherlands, Portugal, Ireland</td>
<td>Interested in keeping up to dates with trends but is a fashion follower (early majority) as opposed to a leader (innovator)</td>
</tr>
<tr>
<td>Aged 16-24</td>
<td>Main market: UK:</td>
<td>Happy to mix products from a number of high street fashion retailers</td>
</tr>
<tr>
<td>Relatively low income (Most likely C1-C2)</td>
<td></td>
<td>Price sensitive</td>
</tr>
<tr>
<td>Student/young worker</td>
<td></td>
<td>Predominantly shops in womenswear, occasionally purchasing items in homeware section.</td>
</tr>
<tr>
<td>Yearly income: £16,000 (if working), otherwise depends on student loan/parents for financial support (KIPPER- Kids In Parents’ Pockets Eroding Retirement Savings)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family lifecycle: young/single, young married, young with a child</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

‘males and females ages 18 to 34 were more likely than their 35- to 64-year-old counterparts to engage in nearly every online shopping activity, with 40% of males and 33% of females in the younger age group reporting that ideally they would buy everything online’ eMarketer. (2013).

‘57% of 18- to 24-year-olds bought something at Primark between September 2012 to September 2013, according to another survey for the report, while 39% of the same age group had purchased in Topshop/Topman and New Look. River Island and H&M were nearly as popular with 37% and 36% respectively’ Miller, L. (2014).
'the emergence of these technologies will only increase the level of personalisation that is possible'

Nissen's 'Smileland Virtual Shop.'
Figs 6 and 7 are examples of Japanese brands using similar types of technology to the 'Haul of Primark' feature. The live features, which have already been launched in Japan, allow customers to roam around the store observing its design and the products. It also includes a search function to search for specific products and establish whether or not they are in stock (Martin, R (2012))

'It's certainly a very intuitive way to browse what a store has to offer. The search function is very handy, and I help but wonder how it might evolve, and whether or not more retailers will adopt the same slick approach'
Martin, R (2012)

Two New Virtual Shops Open in Japan Using Panoplaza
Available at: https://www.techinasia.com/panoplaza-virtual-stores/. Last accessed 27th Nov 2014

Image sources:
Fig 1: http://www.springwise.com/img/uploads/2013/01/yihaodian.jpg
Fig 3: http://www.virtual-work.com/pictures/886a.png
Fig 4: http://www.sipac.gov.cn/english/2009y/200906/W020090622336082351169.jpg
Fig 5: http://2.bp.blogspot.com/-BUy0S5Lok/t3jMAfBY3jI/AAAAAAAAACWU/E3KpwsuTJTI/s640/virtual_shopping2.jpg
Fig 6: http://www.retail-week.com/pictures/636xA-ny/8/1/5/1317815_Topshop_Topshop_Virtual_Reality_Front_Row_Experience.jpg
Fig 7: http://www.sipac.gov.cn/english/2009y/200906/W020090622336082351169.jpg
## Direct competitor: New Look Results

### Retail Revenue £m

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Revenue £m</td>
<td>1426.6</td>
<td>1408.9</td>
<td>1384.8</td>
<td>1392.6</td>
<td>1379</td>
</tr>
<tr>
<td>Revenue increase £m</td>
<td>-17.7</td>
<td>-24.1</td>
<td>7.8</td>
<td>-13.6</td>
<td></td>
</tr>
<tr>
<td>Revenue % increase</td>
<td>1.21%</td>
<td>1.71%</td>
<td>0.56%</td>
<td>0.98%</td>
<td></td>
</tr>
</tbody>
</table>

### Retail Profit £m

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Profit £m</td>
<td>156.4</td>
<td>89.9</td>
<td>56.8</td>
<td>101</td>
<td>93.3</td>
</tr>
<tr>
<td>Profit increase £m</td>
<td>-66.5</td>
<td>-33.1</td>
<td>44.2</td>
<td>-7.7</td>
<td></td>
</tr>
<tr>
<td>Profit % increase</td>
<td>-42.52%</td>
<td>-36.82%</td>
<td>77.82%</td>
<td>-7.62%</td>
<td></td>
</tr>
<tr>
<td>Profit Margin</td>
<td>10.96%</td>
<td>6.38%</td>
<td>4.10%</td>
<td>7.25%</td>
<td>6.77%</td>
</tr>
</tbody>
</table>

### E-commerce Revenue £m

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce Revenue £m</td>
<td>37</td>
<td>52.3</td>
<td>62.7</td>
<td>91.4</td>
<td>149.8</td>
</tr>
<tr>
<td>E-Revenue increase £m</td>
<td>15.3</td>
<td>10.4</td>
<td>28.7</td>
<td>58.4</td>
<td></td>
</tr>
<tr>
<td>E-Revenue % increase</td>
<td>41.35%</td>
<td>19.89%</td>
<td>45.77%</td>
<td>63.89%</td>
<td></td>
</tr>
</tbody>
</table>

### E-commerce Profit £m

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce Profit £m</td>
<td>6.3</td>
<td>8.1</td>
<td>5.9</td>
<td>14.5</td>
<td>35.2</td>
</tr>
<tr>
<td>E-Profit increase £m</td>
<td>1.8</td>
<td>-2.2</td>
<td>8.6</td>
<td>20.7</td>
<td></td>
</tr>
<tr>
<td>E-Profit % increase</td>
<td>28.57%</td>
<td>-27.16%</td>
<td>145.76%</td>
<td>142.76%</td>
<td></td>
</tr>
<tr>
<td>E-Profit Margin</td>
<td>17.03%</td>
<td>15.49%</td>
<td>9.41%</td>
<td>15.86%</td>
<td>23.50%</td>
</tr>
</tbody>
</table>


## Primark 2012-2013 Financials - Reference material

### Retail (Primark) 2012-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue £m</td>
<td>3503</td>
<td>4273</td>
</tr>
<tr>
<td>Operating Profit £m</td>
<td>356</td>
<td>514</td>
</tr>
</tbody>
</table>

Appendix 13  Visual Merchandising inspiration- Primary and secondary research

As stated by Aaker, D. 2004:p144 successful shops contain ‘displays and storefronts that are interesting, involving and energetic’ by Primark will build the customer’s confidence by ensuring each store is well-stocked, visually stimulating and well-managed, as it is apparent that untidy shops will create a bad image (Lancaster, G and Massingham, L. 2011). Staff and window dressers will be briefed with information on how product will need to be displayed. They will be provided with novel and visually inspiring props each season to be placed around the store to ensure the retail space is both attractive and engaging.

These changes will allow Primark to remain competitive, as expressed by Jackson and Shaw, (2009) ‘exciting visual stimulation plays an important part in getting consumers into an outlet and then more importantly to purchase’. The new visual merchandising displays will outshine the stores of direct competitors (such as New Look) and will entice new customers into store, thus maintaining high footfall.

At the beginning of 2017 (when Primark have more sufficient funds), ipads will be installed in trialed in stores to continue the strategy to enhance the brands digital innovation.
### Appendix 14

**Competitor Analysis: Website Design and Content**

<table>
<thead>
<tr>
<th>Competitor (direct and indirect)</th>
<th>Key Differentiating Features</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Look</strong></td>
<td>- NL daily Blog</td>
</tr>
<tr>
<td></td>
<td>- Free delivery over £45</td>
</tr>
<tr>
<td></td>
<td>- Free click and collect over £19.99</td>
</tr>
<tr>
<td><strong>River Island</strong></td>
<td>The Style Insider #imwearingri</td>
</tr>
<tr>
<td></td>
<td>- Free click and collect service</td>
</tr>
<tr>
<td></td>
<td>- Offer worldwide shipping</td>
</tr>
<tr>
<td><strong>Matalan</strong></td>
<td>- Downloadable reward card</td>
</tr>
<tr>
<td><strong>Tesco (F&amp;F)</strong></td>
<td>- As mentioned in the audit supermarket brands are a threat to Primark in terms of accessibility and convenience.</td>
</tr>
<tr>
<td></td>
<td>- Free UK returns</td>
</tr>
<tr>
<td><strong>Boohoo.com</strong></td>
<td>- Boohoo Boutique (premium line)</td>
</tr>
<tr>
<td><strong>Missguided</strong></td>
<td>- Nicole for Missguided collection</td>
</tr>
<tr>
<td></td>
<td>- Free delivery on Saturdays</td>
</tr>
<tr>
<td><strong>Asos</strong></td>
<td>- Option to ‘shop by edit’- including ‘meet the stylists’, seasonal trend guides</td>
</tr>
<tr>
<td></td>
<td>- Free next day delivery</td>
</tr>
<tr>
<td></td>
<td>- Free returns</td>
</tr>
</tbody>
</table>

---


http://www.riverisland.com/

http://www.matalan.co.uk/

http://www.booohoo.com/
‘The concept of fulfilling consumer needs is central to successful marketing strategy’ (Lancaster and Massingham, 2011:p65)

Personalisation:
Evidence suggests that Primark’s core target market are more inclined to provide personal data than any other consumer group (Aldenton, S. 2014). This will simplify the targeting process for Primark by allowing them to create a unique and personalised online shopping experience, thus satisfying the millennials consumers demand for personalisation (Rogers, C.2014).

As well as the Primark Bundles feature, an example of an implement used to achieve this personalisation is a brand website’s ‘Cookies’. Tracking cookies will trace the online customer’s movements, allowing the retailer to observe the time spent on the website, the frequency of return and which sections they are browsing in the most. They will also be used for ‘retargeting ads’, which will cause Primark adverts to appear even when they leave the site. According to digital marketing expert Pozin, this is a ‘valuable strategy in getting those visitors to come back and convert’ (Pozin, I. 2012:online).

This strategy will be particularly useful during the early stages of the website launch, to identify which products are selling the best, thus allowing the company to tailor the offering and maximise profits.

‘It’s all about personalising the retail experience and focusing on the individual’ (Brandweiner, N. (2013).

---

**APPENDIX 16 - Primark Online Price Architecture**

<table>
<thead>
<tr>
<th>Top price product</th>
<th>Blue cashmere cardigan: £40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium priced product</td>
<td>Harris Tweed Jacket: £85</td>
</tr>
<tr>
<td>Mid-priced product</td>
<td>Long Ivory Duster Jacket: £17</td>
</tr>
<tr>
<td>Bottom line product</td>
<td>Mens Knitted Jumper: £24</td>
</tr>
<tr>
<td></td>
<td>Black Platform Sandles: £20</td>
</tr>
<tr>
<td></td>
<td>Grey wool bowler hat £7</td>
</tr>
<tr>
<td></td>
<td>Monocrome body con dress £5</td>
</tr>
</tbody>
</table>
Appendix 16 - ONS statistics ecommerce 2014 (ONS, 2014:online)

Figure 1: Purchases made over the Internet in the last 12 months, % of 16+ population, Great Britain, 2014

Source: Office for National Statistics

Key statistics for ecommerce usage in the UK (2014)

- ‘More people in Great Britain are online than ever before – 37.6 million adults (76%) use the internet on a daily basis in 2014’
- AROUND THREE QUARTERS OF ADULTS HAD USED THE INTERNET TO BUY GOODS AND SERVICES ONLINE IN 2014.
- the proportion of adults using the internet to make a purchase has increased from 53% in 2008 to 74% in 2014
- This increase is likely to reflect changes in technology, consumer trends, and general economic conditions, and highlight the shifting nature of the digital economy.
- Clothes and sports goods are one of the most popular purchases online, as 49% of adults made an online purchase in 2014 (Figure 1).
APPENDIX 17- Future suggestions/opportunities for the Primark

Going forward, Primark will be required to observe and react to new digital and retail trends in order for them to stay relevant. With new innovation appearing more frequently than ever before, Primark may need to adopt other new technological attributes during time frame the 5 year plan and beyond.

As stated by Patel, S (2014:online); ‘If you want to continue reaching prospective customers online, you need to follow the trends’. Therefore, in order to keep up with relentlessly changing market (both on and offline) Primark may benefit from adopting these recommendations:

• The launch of an official Primark You-tube channel
• The introduction of an eco-friendly clothing range
• A personal shopping service (on and offline)
• Next day delivery service
• A new Primark catalogue/magazine
• More celebrity endorsement
• The collaboration with other brands (perhaps in the premium market)
• More digital POS around the store (at till points etc)
Images used (Audit)


Bargain Fashionista, (2012), Primark | [ONLINE]. Available at: https://www.google.co.uk/search?q=cartoon+primark+bags&hl=en&tbm=isch&tbo=d&sa=N&ei=eqKpVb76KlCO5wHIkILoAc&ved=0CAYQ_AUoAQ#imgrc=LEXxKwXiTwT8m%253A%253BAnRn5bnCn%252F1%252F3.bp.blogspot.com%252F-xtl2sH2EH4%252FUFO4FNdP1%252FAAAAAADNg%252FPB1yGVZJ%252Fa600%252Fprimark.jpg%3BH%252F1%252F20%252F9%252Fprimark-oxford-street-flagship.jpg%3Bwww.bargainistafashionista.com%252F%252Fprimark-new-oxford-street-flagship.jpg%3B3B8589%3B425 [Accessed 22 October 14].

http://3.bp.blogspot.com/-0twTg-s68/UFsVk4MPUcI/AAAAAAAAMZM/2t4dSLDbnSM/s1600/primarks-new-flagship-store-take-a-peek-inside.jpeg

(used to emphasize the contrast between flagship store and other stores)


Images Used Plan
Snowdon, H (2014) Own photo (Primary research) Taken November-December 2014


Primark Instagram, (2014), [ONLINE]. Available at: https://instagram.com/primark [Accessed 3 December 14].

