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PRIMARK COMPANY

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Primark Company

Primark is one of the leading clothing retailers in the UK and is dynamically increasing its presence in Western Europe, through the regular opening of new stores. The company was founded in Ireland as 'Penneys' in June 1969, since then it has grown to become one of Europe's prominent clothing retailers, defying even the negative press about its unethical practices. The firm has strong markets in Spain, France, Austria, Germany, Ireland, Belgium, Portugal, and the Netherlands. Its main goal is to uphold the lowest prices in the marketplace, by selling affordable apparels and ensuring consumer s can conveniently access on-trend products, in a sensational retail setting.

Evidently, Primark's business model has aided the company to carry on expanding quickly. Associated British Foods plc, (2014) identifies that the company currently in more than 275 stores in Europe alone. The firm has outpaced the rest of the fashion market by riding the apparent surge in the reputation of the value sector. Ross & Harradine, (2010) argues that the company's progress from strength to strength and its continuous winning combination in the vast fashion industry can be accredited to its provision of 'on-trend' merchandise at affordable price points. Despite that, the old-style bricks and mortar retail setup in which Primark operates is predominantly an ideal preference for many firms, the expediency, and innovation of e-commerce and other related digital novelty have been considered appropriate models with various consumer groups in the contemporary market, (Foley, 2014). Since the consumers have shown a great preference for digital models, Primark aims at employing digitally-orientated, multichannel strategy to ensure it meets its consumers' needs conveniently and appropriately.

Presently the absence of digital novelty ¹ in store and the privation of a transactional website is not marring Primark's achievement frequency, relatively because of the ongoing

extension of its footprint. However, it is obvious that the establishment of a digital multichannel shopping experience will be vital to the value retailer's continuous expansion and success in the future (Mintel, 2013). The following sections explore the strengths, weaknesses, opportunities, and threats, with the inclusion of strategic frameworks Primark can adopt in order to exploit trends or situations happening in the external environment which may influence its usual business operations.

Strengths and opportunities of Primark Company

Firstly Primark has attained its success based on its focus on providing consumers with 'on-trend' fast fashion at low price points. The brand deals with a variety of extensive and shallow array of attires to its consumers such as outerwear and innerwears for both men and women, children's wear, clothing accessories, hosiery and home wear, confectionaries, and stocking bulky capacities of different collective sizes for its the target market (Jackson & Shaw, 2009). Secondly, Primark has extensive and appropriate promotional strategies. The company maintains activeness on social media, whereby it frequently posts on Facebook, Google+, Twitter, Instagram, and Pinterest. By doing its promotions on social platforms, the company is able to save money from other costly promotional strategies, such as product giveaway strategy or mail order marketing strategy (Backer, 2014). Also, the creation of B2C and C2C interactions through features on its website the likes of 'Primania' services as a vital marketing strategy that aids in maximizing customers' connection and engagement with the brand.

Thirdly, contrary to the negative press over the last few years, regarding its unethical operations, Primark has shown positive corporate social responsibilities whereby it supports numerous charities. Some of these charities that enable it to operate as environmentally friendly and ethically as possible include the likes of Betterware, cotton connect, New Life, Solidaridad,

and Ethical trading initiative, among others. Fourthly, the adherence to contemporary consumer lifestyle trends serves as one of the company's strengths that have propelled to its tremendous success in the fashion industry. For instance, the company recently introduced to its products a variety of fitness clothing alongside the unveiling of a fitness campaign that is aimed at engaging new markets and being at par with H&M; one of its competitors (Retail Week, 2014).

Furthermore, the launch of the digitally state-of-the-art Tottenham Court-road flagship store serves as one of the company's strengths that largely attracts a wealth of consumers and tourists not only because of its range in apparels but also due to its prime location.

Accordingly, Primark is well resource endowed, considering it has the opportunity of developing of a Primark mobile app- a digitally-oriented communication network which will serve as a platform for promoting new products, notifying customers of offers as well as for exhibiting personality and increasing brand awareness. Alternatively, the brand opts to outsource its mobile messaging up by signing up to apps such as Snap chat, to tap to its ready market platform by interacting with users and as well as showcase exclusive background footage of the company and how it functions (Hughes, 2014). Subsequently, it is speculated that in case Primark successfully ventures online, it will have to collaborate with online giant Amazon in order to encourage customer loyalty and repeat purchases since Amazon services will ensure the point of sale process is one-piece and straightforward. This collaboration will ultimately enable customers with Amazon accounts to pay for their products on the Primark website without having to register a fresh and add their details (Rumsey, 2014). Moreover, Primark can embark on developing and improving website regarding product offering, design, product offering, online selling, improving and increasing available features, or possibly introducing a virtual reality shopping feature with the aim of sparking interest and luring new customers.

Weaknesses and Threats for Primark

Primark exhibits weakness in its apparel stores. There is no calming atmosphere in its store as long queues, poor customer service, and sometimes the stores are disordered and often untidy. Their large vastness's of the stores are noted to be too outsized and may be devastating for some prospective clients. Also, ¹there is a lack of reliability across all of their stores, especially regarding digital novelty and visual marketing. For instance, Edinburgh store and Tottenham Court road offer an artistically attractive and inspiring experience with innovatively merchandised merchandise displays on large plasma screens while some Primark stores are more disorganized and disputably unappealing smaller stores.

Consequently, not only Primark Company lacks a sense of exclusiveness due to convenience, but also, the low price seems to have negative relations with respects to quality and style. There is a large consumer market who believes that the price tag represents the quality of the product, in this case, luxury or premium brands are more preferred, thus, it is apparent that customers regularly undertake that higher prices imitate higher quality attires (Ross & Harradine, 2010). Moreover, the lack of focus on online marketing will possibly affect the firm's future growth rate since customers are currently embracing website purchases; hence, Primark needs to go digital marketing to stay relevant. Correspondingly, because of extensively wide-ranging product variety, the target market is not well defined. Besides, Primark is not digitally competitive; maybe owing to recent low pricing strategy and the emphasis on global growth, the company may not have the prerequisite budget to offer clients with a digitally cutting-edge in-store experience like the kinds of competitors such as Oasis, Zara and Topshop.

The biggest threat to Primark is competition. The widening of markets in the global markets, many brands have been established which offer higher quality products at equally or

similarly low price points. This means that for Primark to maintain its marketing niche it has to sell at lower price points beyond the current margin. Subsequently, supermarkets pose a serious threat to Primark. The supermarkets not only offer definitive accessibility but also, the mixture of convenience, low prices, and solid brand trust mean that they will likely carry on to gain wider market share in the apparel market(Mintel, 2014).

Subsequently, Primark is surrounded with associate competing brands with higher budgets which enable them to offer a more engaging, digitally innovative in-store experience. For example, Topshop's digital savvies offer a subjective shopping service with iPads. Also, the large budgets of its competing brands spend on extensive promotional campaigns such as integrating TV adverts and celebrity endorsement; this gives them a more competitive advantage. Finally, the 'Showrooming trend' poses a threat to the brand, especially regarding its profitability (Barker, 2014). This threat is apparent because a growing number of consumers browse in store before they opt to purchase online (Foley, 2014).

PESTEL model; strategic-level competitive strategies

In this context, a PESTEL analysis aims at distinguishing and evaluating strengths and opportunities occurring in the internal and external environment which could be exploited to possibly resolve problems in pursuance of long-term growth and success for the company.

Political/Legal factors

With Primark's retail manifestation in global markets; specifically it has locations in 9 countries across Europe, it is vital for the brand to ensure it expands to other international markets especially in the entire Europe region, by taking advantage of the relaxed tariffs. monitor potential threats such as also, it should keep a keen focus on foreign exchange changes, barriers to entry, and politics that's may deter its success degree. Increasingly, the company

needs to increase wages for its workers to avoid future political occurrence like Cambodia protests where workers appealed for a significant pay rise; addressing these will ensure smooth functioning of the entity, ultimately continued success (Brignall, 2014).

Economic factors

With the current reports of economic recovery especially in EU member states in which Primark operates, there is a projected increase in online shopping, which will see a doubling of sales throughout 2019. This implies that the brand should take advantage of favorable economic factors affecting consumers and make profits. For instance, it should increase the apparels for 15 to 24-year-olds; a fundamental age group that is core consumer s of Primark (Mintel, 2013).

Social factors

For years, Primark with its 'low priced retailing' has benefited from the upsurge in footfall considering that more than 80% of all attire customers have a norm of visiting this value retailer (Verdict, 2013). For instance, for social and experiential purposes, youth consumers who are the core consumers are prone to search online then purchase in store. This pinpoints that Primark's obligation should be about providing an appealing combination of shopping and entertainment with the aid of motivating digital technology.

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Technological factors

The surge in demand for Primark to offer an integrated digital experience is the seeming consideration for the existence and the possibility of the firm's future growth. A possibility of introducing of digitally novelty 'mobile point of sale' will assist convenience of sales assistants with retrieving the entire product selection and receive payments online from their iPads (Thompson, 2014). This apparently will decrease queue time as well as function as additional

B2C touch point as it will inevitably facilitate the interaction between the staffs and the customers, ultimately maintaining the customers' interest and loyalty.

Environmental factors

With the increased consumer interest in safeguarding ²the environment and the association with environmentally sustaining brands and products, this means that Primark must invest in production approaches which are sustainable in order to uphold brand loyalty. It is obvious if Primark invests in sustainable environmentally production processes, it will extensively benefit from the reduction of operational costs.

Some Specific Strategic Moves the Primark Company Should Engage In

Reflecting on the assessment of the PESTEL factors, strengths, weaknesses, opportunities and the threats in both macro and microenvironment Primark will have to consider employing the following strategies in order to effectively overcome the 'progressively rapid' and 'regularly discontinuous' changes of the apparel industry.

The first and fundamental strategy is to Introduce Primark's first transactional website. It has been identified that Primark's reluctance to venture online is debatably justifiable; its notably low price points and the imminent risk of making losses due to return and delivery costs. The features on this website will be intended at encouraging purchasing behavior by providing the customer with a more personalized and engaging experience. The digitally advanced website coupled with the development of a mobile app will aid Primark in competing favorably with other brands. Additionally, the use of social media platforms and installation of future plasma screens in each of its stores will result to the promotion of the company's ethical practices, which will ultimately boost the loyalty of consumers, hence, facilitating securing of brand equity. Further, if the company integrates with apps already on the market, such as Twitter, Instagram,

Facebook, and Snap Chat, it will definitely allow interaction with customers and the staffs as well as provide exclusive background footage of the firm and how it operates. However, strategies will have to be implemented in order to accommodate the various key characteristics of online customers. This is necessary because online target consumers, often have distinct demographics in terms of purchase needs and behaviors compared to offline clients.

The second strategic move that Primark should make is to develop a more unswerving in-store experience. This calls for the company to make modifications throughout its store establishments ¹ in terms of the digital advancement and the enhancement of customer service. The integration of in-store digital novelty within the clothing retail industry will arguably aid in entertaining customers, which will result in customer satisfaction (Heywood, 2014). Thus, Primark will have to install multi-functional digital displays in all its establishments to ensure it has evenly matched the innovation identified in the notable flagship stores. In a nutshell, by developing similar technological aspects such as those featured in the flagship, Primark will be fortified to enhance a strong brand image as this will limit stressful environment and negative experiences resulting from lengthy queues, poor visual merchandising and unappealing disorderly product displays.

How Primark Will Need to Change/Adapt in Order to Implement the Strategies

The prime focus of the strategic move for Primark is to launch online websites with complex transactional features, which will enable customers to buy the brand's products occasionally within their convenience with insignificant physical effort. Evidently, the introduction of the transactional function on the website will help in overcoming the risks of 'rational buying activity as it will encourage similar purchasing behavior by providing the customer with a more personalized and engaging experience. Additionally, these differentiating

functions will provide the brand with a more competitive edge regarding novelty in the value market whereas luring contemporary consumers' demand for 'increased levels of online recreation and interactivity.

Accordingly, the development of a more consistent in-store experience requires Primark to adopt digital innovation as well as provide exceptional customer service. To achieve this, the company will have to install digital screens in all its stores in order to increase customer interactivity whilst promoting its website. Additionally, by installing multi-functional digital displays in its all stores to will not only advance the present old-fashioned offering in many in of its smaller stores but it will also guarantee they match the novelty in some of the striking flagship stores. Moreover, to increase in-store experience, Primark will have to introduce iPads and features such as click-and-collect after initiation of an e-commerce site. These implementations will enhance time-saving advantages and also encourage B2C integration. Consequently, iPads will allow customers to flick through pre-assembled appearances and to examine for definite products offered at the stores; this will also be beneficial to the smaller stores as customers will have more choice even as they free up space on the shop floor.

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