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Strategic means to launch business - Primark in Denmark

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Module project in Business Studies

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Date: 17 Dec. 2017

1: Image from
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Abstract:

This project investigates on the fashion retail industry and ways the Case Company is possibly able to acquire growth from this specific field. We have studied how to introduce Primark and open stores in the Danish market. The objective of the project is to determine the attractiveness and the possible business opportunities in the limited budget fashion retail industry and to conduct a development plan with the necessary actions required for the Case Company to possibly reach growth for the limited budget fashion retail industry.

Primark Stores Limited (Primark) is a fashion retailer based in the UK. The company principally retails women's wear, men's wear, children's wear, lingerie, footwear, accessories, hosiery and home ware products. It operates as subsidiary of Associated British Foods plc. The company operates in the fast-fashion industry and provides "high street" products at very competitive prices. Its operations span across the UK, Spain, Ireland, Portugal, Germany, France, the Netherlands, Austria, Belgium and US.

To know whether it is possible to introduce Primark and open stores in the Danish market, Various sources are utilized in collecting information and knowledge. Primary data is gathered from a questionnaire conducted with a few possible consumers from different age groups. Secondary data is acquired from several sources such as books, journals, and internet. A business development plan is presented based on all accumulated knowledge during the thesis process.

The project research is conducted according to David. A. Aaker's model of Strategic Analysis. The model contains the internal analysis of the Case Company and external analysis of the target market. Complementing tools are utilized to support the model and organize the data. PESTEL and Porter's Five Forces are used to discuss the external factors including the current situation in the market as well as competition to evaluate the opportunities and threats. Additionally, SWOT analysis is used to study the current internal strengths and weaknesses of the Case Company.

Based on these analyses and a SWOT analysis we have concluded that Primark have good opportunities in the Danish market and they have economic resources to expand.

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1 INTRODUCTION AND PROBLEM DESCRIPTION

Denmark´s capital city, Copenhagen, is "covered in the newest and most fashionable clothes from all over the world. You have all the big names like Prada, Gucci, Armani, Moschino, Louis Vuitton and Marc Jacobs. Then you have the Scandinavian brands like Bruuns Bazar, DAY Birger et Mikkelsen, Filippa K and Malene Birger". We can all agree they make great clothes says Nathia Haas Brandtberg (UNIAVISEN, 5th April 2013). However, these fashion shops may not be for those with limited budget because most of these will rip their wallet apart. The solution could be the newest phase of the apparel supply chain life cycle called fast fashion, which recognizes attempts to provide the latest styles quickly and at low prices. The companies most cited as being in the forefront of fast fashion are Inditex, parent of Zara; H&M; Forever 21; and Primark (Richard E. Crandall, July/August 2017). Primark, among these brands is our proposed solution for young consumers with little disposable incomes and people with low income budget in target market. Primark is in a good economic situation and would therefore, probably have the means to expand to the northern part of Europe. Primark´s model which is based on prices are one of the reasons why the company are success. Moreover, low budget people tend to consume less and prefer cheaper products which is to Primark's advantage.

1.1 Background

Primark Stores Limited (Primark) is a fashion retailer based in the UK. The company principally retails women's wear, men's wear, children's wear, lingerie, footwear, accessories, hosiery and home ware products. According to the 2017 marketline report, it operates as subsidiary of Associated British Foods plc. All the products are sold under Primark brand, and through various sub brands such as early days, Rebel, YD, OPIA, no secret, YOUNG DIMENSION, Denim Co., Ocean Club, SECRET POSSESSIONS, Love to lounge, ATMOSPHERE and Cedar Wood State. Primark group is one of the largest clothing stores in Europe with business model based on delivering high sales volume at lower retail margin which is achieved by buying in vast quantity and keeping overheads at minimum, thereby creating cost savings to its customers (Primark Store Limited: Director´s report & financial statements for the period of 53 weeks ended 17 September, P.3). Primark opened its first store in Dublin in 1969 and now sells its merchandise through 345 stores located across eleven countries in Europe and a store in the US in various formats. In Europe, Primark includes stores in Republic of Ireland, UK, Germany, Belgium, the Netherlands, France, Spain, Austria, Portugal and Italy. The company opened 20 new stores in 2015 (Marketline Advantage: COMPANY PROFILE Primark Stores Ltd, 12 June 2017, p.4). However, they do not have any stores in Scandinavia. We would like to explore how Primark

can capture part of this market area and position its brand, focusing on Primark's possible expansion to Denmark.

1.2 Problem Formulation

How can Primark Strategically expand its brand, position itself and gain market share on the Danish B2C market?

Our project has two objectives. The first objective of the project is to determine the attractiveness and the possible business opportunities in the limited budget fashion retail industry. The second objective is to conduct a development plan with the necessary actions required for the Case Company to possibly reach growth for the limited budget fashion retail industry. The objectives of our project are achieved by finding an answer to these three research questions presented below.

1.3 Research Questions

- What is the current state of the target market?

A market analysis of the Danish fashion retail low budget industry is conducted to answer the first research question. Since the project has a focus on fashion, the current trends are also analysed. This analysis is important to define how the product meets the demands in the market.

- Does expansion to Denmark offer Primark a growth opportunity?

- What strategic measures can the case company consider to be able to develop and reach growth in the target market? How is Primark able to control and utilize the current capabilities in expanding the business to Danish market?

Finally, the third research question identifies the actions required from the case company to achieve growth in the target market. A questionnaire will be conducted to gather relevant consumer information for implementing corrective actions to achieve development and growth.

1.4 Theoretical Framework

This Project is based on the possible expansion and positioning of Primark brand in Danish market. "Expanding the business scope can help the organization achieve growth and vitality and can be a lever to cope with challenging marketplace by seizing opportunities as they emerge" (Aaker 2008, p.6). The theoretical framework used in this project is based on theories of strategic market management. The project discusses the concept of strategic management more specifically by strategic market management. According to Aaker (2008, p.10) **strategic market management** is a system designed to help management create, change, or retains a business strategy and to create strategic visions. The utmost **goal** is to challenge the strategy to ensure its relevancy to the changing marketplace and responsiveness to emerging opportunities. Strategic market management also ensures that the organization develops and retains the necessary skills and competencies to make the strategy succeed. (Aaker 2008,10).

To achieve these objectives, the **external and internal environments** of an organization need to be analyse, as well as identifying and assessing the outputs i.e. by the **SWOT analysis** and finally to create, adapt and implement a strategy (Aaker 2008, p.11-13). The philosophy of **Strategic marketing** is based on the process by which organizations, groups obtain what they need and want by identifying value, providing it, communicating it and delivering it to others. Companies operating in modern economy must constantly analyse the internal and external competitors´ actions, investigate customer´s needs and consumer trends and take these factors into account, to improve results within a changing environment, thereby satisfying customer´s need while meeting the stakeholder expectations (Isöraite, M., 2009, p.114). These factors are variable and dynamically changing, therefore Primark must thoroughly examine what is necessary to enter Danish market to survive and to achieve its sets of objectives and maintain competitive advantage.

With reference to these facts, cautious analysis of the internal and external environments of a company is necessary when implementing a development plan. The successful development plan will affect the future strategic planning of the Case Company. Therefore, the concept of strategic market management is described and an overview of strategic market management, providing the framework for the project is shown in the figure below

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                    STRATEGIC ANALYSIS

┌─────────────────────────────────┐  ┌─────────────────────────────────┐
│ External Analysis               │  │ Internal Analysis               │
│                                 │  │                                 │
│ -  Customer analysis: Segments, │  │ -  Performance analysis:        │
│    motivations, unmet needs     │  │    Profitability, sales,        │
│ -  Competitor analysis:         │  │    shareholder value analysis,  │
│    Identity, strategic groups,  │  │    customer satisfaction,       │
│    performance, image,          │  │    product quality, brand       │
│    objectives, strategies,      │  │    associations, relative cost, │
│    strengths, weaknesses        │  │    new products, employee       │
│ -  Market/submarket analysis:   │  │    capability and performance   │
│    Emerging submarkets, size,   │  │ -  Determinants of strategic    │
│    growth, profitability, entry │  │    options: Strenghts,          │
│    barriers, cost structure,    │  │    weaknesses, problems and     │
│    distribution systems,        │  │    constraints                  │
│    trends, key success factors  │  │                                 │
│ -  Enviromental analysis:       │  │                                 │
│    Technological, consumer,     │  │                                 │
│    governmental/economic        │  │                                 │
└─────────────────────────────────┘  └─────────────────────────────────┘

                STRATEGIC ANALYSIS OUTPUTS

┌─────────────────────────────────┐  ┌─────────────────────────────────┐
│ Opportunities, threats, trends, │  │ Strenghts, weaknesses,          │
│ strategic uncertainties,        │  │ problems, constraints, and      │
│ scenarios, and information      │  │ uncertainties                   │
│ need areas                      │  │                                 │
└─────────────────────────────────┘  └─────────────────────────────────┘

           CREATING, ADAPTING, AND
           IMPLEMENTING STRATEGY
        ┌─────────────────────────────────────────┐
        │ -  Identify business strategy alternatives│
        │ -  Select strategy                        │
        │ -  Implement the operating plan           │
        │ -  Review and adapt strategies            │
        └─────────────────────────────────────────┘
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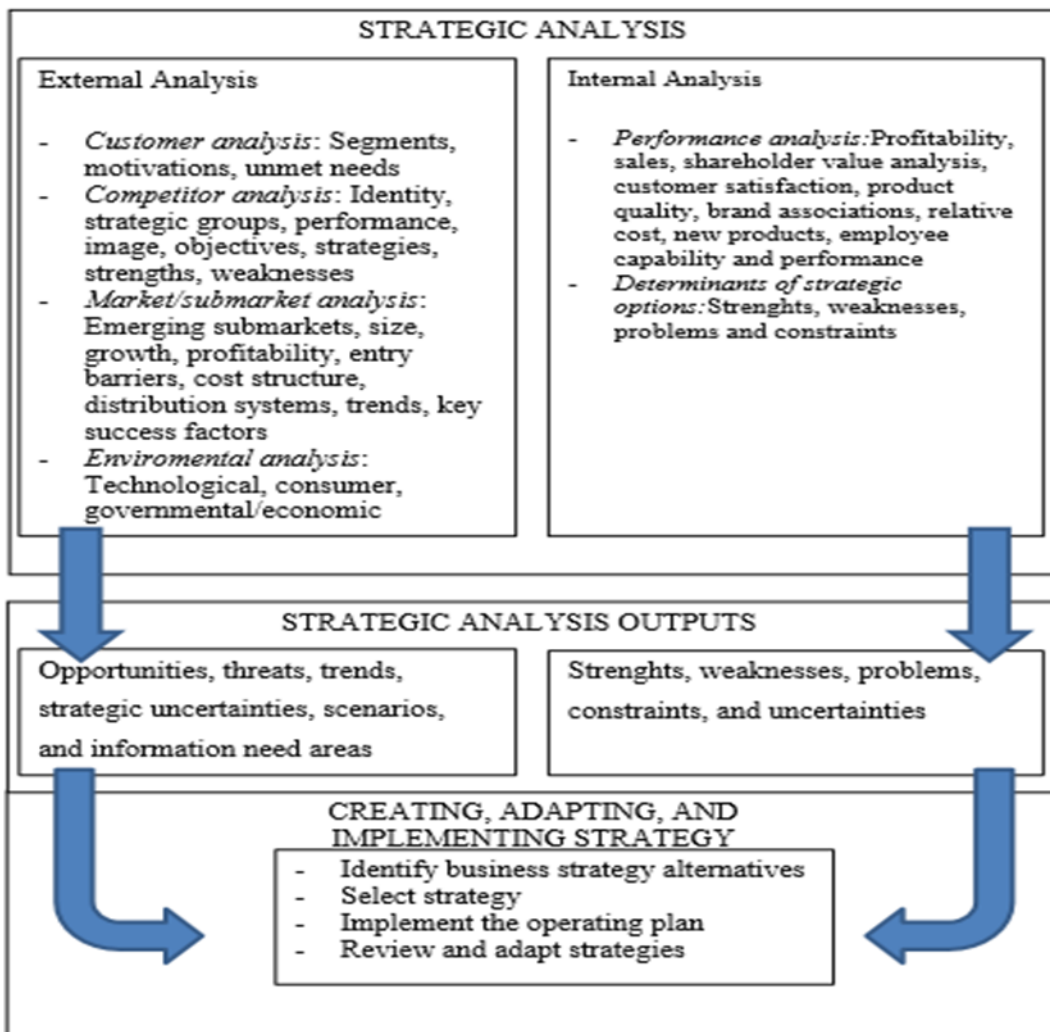
Figure 1: Overview of Strategic Management (Source: Aaker 2009, p.11)

The necessary information about customers, competitors, and trends affecting the market is continuously getting higher. According to Aaker (2008, p.2) the information needs to be continuous, because it can be crucial to getting the right response when threats, opportunities, strategic problems or emerging weaknesses are promptly detected. For this reason, the strategic analysis is chosen to be the most important framework in this project. The framework will be discussed in detail below.

1.5 Methodology and Data Collection

We had to make a choice between deductive and inductive research approaches. **Induction** uses the logic of theory testing through hypothesis scrutiny in empirical research to draw generalizations while **deduction** makes a conclusion in a specific case based on the theory, which is the first source of knowledge; research

proceeds from theory, through hypothesis, to empirical analysis (Eriksson and Kovalainen, Research Philosophy, 2011 P. 14-15). We have chosen to use a deductive approach for this study because the aim is to find a conclusion for one specific case and not to make a generalization.

Having the decision of the research approach, the methodologies are to be chosen. The decision is made between qualitative and quantitative research. According to Eriksson and Kovalainen (2011, Introduction In: Qualitative Methods in Business Research P.3-6). Qualitative business research is often described by comparing it with quantitative research. **Qualitative research approaches** deal with interpretation and understanding, whereas **quantitative approaches** deal with the explanation, testing of hypothesis, and statistical analysis. Qualitative research approaches, including the definition of the research questions, collection and analysis of empirical data, links between theory and empirical results and the production of conclusions.

Eriksson and Kovalainen (2011, Introduction In: Qualitative Methods in Business Research P.7) introduce different approaches to conduct a qualitative business research. A case study approach is used in this research. Ghauri and Gronhaug, (2005: 171) viewed case study research as a research strategy when addressing complex organizational, managerial, and other business issues, which are considered difficult to study with quantitative methodologies. Creswell (1998: 61) described **a case study** as "an exploration of 'a bounded system ', which can be defined in terms of time and place over time and through detailed, in-depth data collection involving multiple sources of information that are rich in context". Yin (2002) defines a case study as an **empirical inquiry** that investigates a contemporary phenomenon within its real-life context, when the boundaries between the phenomenon and the context are not clear evident, and in which multiple sources of evidence are used". Business-related case studies can present complex business issues in a simple format (Eriksson and Kovalainen, 2011, Case Study Research, P.2-7). A case study approach is applied in this research to reach the aim of making a successful development plan for the Case Company. This research method seeks to explain some present circumstance by answering the explanatory research questions like "what", "how" and "why" (Eriksson and Kovalainen, 2011, Research Design and Process, P.4)

The research questions identified in the introduction support the explanatory goal of this research and thus certify the selection of this specific research method. **The goal of the research** is to find ways the Case Company can develop its business activities in practice. Moreover, this research has a focus on one case company and seeks to find answers to real world questions, thus the case study method is selected.

Literature is utilized on the topics of strategic market management, market analysis, and growth strategies to provide the basis for the practical work. The empirical data utilized in this research is both qualitative and

quantitative. Practical work focuses on research and development. The results of the project are conducted primarily to offer practical applicability for the Case Company.

Secondary data is acquired from several sources, mostly RUC data base **(Appendix 6)** such as books, journals, and internet. A business development plan is presented based on all accumulated knowledge during the thesis process. The project research utilized survey questions to acquire information about how the product meets the demands in the market. **Primary data** is gathered from a questionnaire **(Appendix 4)** conducted with a few possible consumers from different age groups. Primark´s primary target group as comprises fashion between the ages of 16 and 65 years, living in, or close to Copenhagen. We chose to send out the questionnaire on Facebook, Whattapp and e-mails, as we were assured answers from a younger audience, which we had a hypothesis about, represented a large part of my target audience. In addition, the questionnaire was sent to the International student network at RUC. We have received 44 responses in a total of 1 week **(Appendix 5).** Primark must portray the values of their brand, according to the target group's demands of low price, fashionable clothes.

2 STRATEGIC ANALYSIS

As stated above, a careful analysis of a company's external and internal environment is necessary when implementing a development plan. Following the framework of strategic analysis shown in figure 1, the author is capable to conduct a development plan for Primark. Strategic analysis starts with analysing the factors external to a business and it involves an examination of the relevant elements external to an organization (Aaker, 2009, p.19). External analyses conducted are as follows:

●   Customer Analysis

●   Competitor Analysis

●   Market/Submarket Analysis

●   Environmental Analysis

The four external analyses are described in detail in this project, followed by the introduction of internal analysis. While the external analysis has a focus on the matters external to an organization, the internal analysis aims to provide a detailed understanding of strategically important aspects internal to an organization. Internal analysis will focus on performance analysis that considers sales, return on asset as well as measures customer satisfaction/loyalty, quality, brand image, cost and new product activity. "The

identification and assessment of organizational strengths and weaknesses will guide strategic priorities, including both the development of new strategies and the adaptation of existing ones" (Aaker 2008, p.12).

2.1 External Analysis

As stated, external analysis is examination of elements external to a business. These elements according to Aaker (2008, p.12) are customers, competitors, markets and submarkets, and the environment or context outside of the market.

Figure 2 suggests that external analysis can directly influence strategy by suggesting strategic decision alternatives or influencing a choice among them. The external analysis can also indirectly contribute to strategy by identifying significant trends and future events, threats and opportunities, and strategic uncertainties that could affect strategy outcomes. (Aaker 2008, p.20).
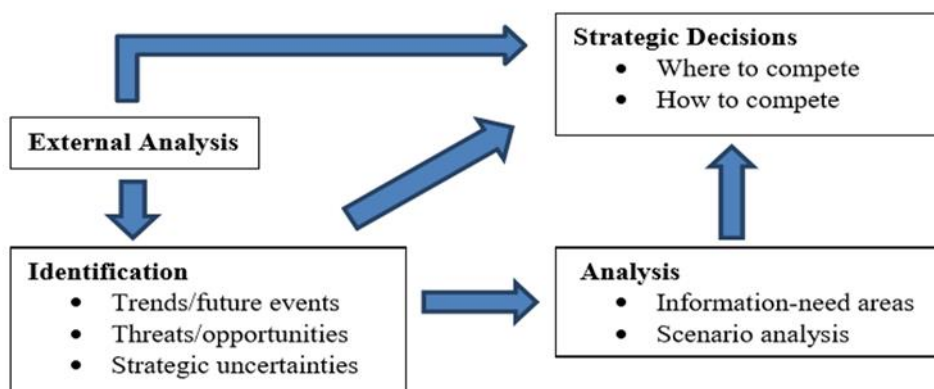
Figure 2. The Role of External Analysis (Source: Aaker 2008, p.20)

By conducting an external analysis, we aim to find the answer to the first research question: What is the current state of the target market?

2.1.1 Customer Analysis

Customer analysis as a part of external analysis provides an understanding about how the market segments, what motivates the customer and what are the unmet needs of the customers. **Market segmentation** identifies customer groups that counters differently from other groups of competitive offering. Having the customers segmented carefully the business actions can be targeted in a way that brings competitive advantage for a business (Aaker 2008, p.24).

For this project, we will identify some product related approach, however when conducting a customer analysis, we have chosen to define sociodemographic variables described in Hollensen (2015) and Philip Kotler and Kevin Lane Keller´s approach consisting of a group of customers who share a similar set of needs and wants and whereby the marketer's task is to identify the appropriate number and nature of market segments and decide which one(s) to target. Based on different researcher's definition of segment, they viewed two broad groups of variables to segment consumer markets; segments that some researchers try to define by looking at descriptive characteristics: geographic, demographic, and psychographic, while segments where other researchers try to define by looking at behavioural considerations, such as consumer responses to benefits, usage occasions, or brands. However, they pointed out that the key is adjusting the marketing program to recognize customer differences regardless of which type of segmentation scheme used (Kotler & Lane Keller, 2012, p.214). They classified the major segmentation variables as: geographic, demographic, psychographic, and behavioural segmentation.

Geographic segmentation divides the market into geographical units such as nations, states, regions, counties, cities, or neighbourhoods. The firm can operate in one or a few areas. It can as well decide to operate in all but pay attention to local variations. In that way it can tailor marketing programs to the needs and wants of local customer groups. **Demographic segmentation** groups the market on variables such as age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality, and social class. **Psychographic segmentation** divides buyers into different groups based on psychological/personality traits, lifestyle, or values and **Behavioural segmentation** divides buyers into groups based on their knowledge of, attitude toward, use of, or response to a product (Kotler & Lane Keller, 2012, p.214-227).

TABLE 8.1	Major Segmentation Variables for Consumer Markets
Geographic region	Pacific Mountain, West North Central, West South Central, East North Central, East South Central, South Atlantic, Middle Atlantic, New England
City or metro size	Under 5,000; 5,000–20,000; 20,000–50,000; 50,000–100,000; 100,000–250,000; 250,000–500,000; 500,000–1,000,000; 1,000,000–4,000,000; 4,000,000+
Density	Urban, suburban, rural
Climate	Northern, southern
Demographic age	Under 6, 6–11, 12–17, 18–34, 35–49, 50–64, 64+
Family size	1–2, 3–4, 5+
Family life cycle	Young, single; young, married, no children; young, married, youngest child under 6; young, married, youngest child 6 or older; older, married, with children; older, married, no children under 18; older, single; other
Gender	Male, female
Income	Under $10,000; $10,000–$15,000; $15,000–$20,000; $20,000–$30,000; $30,000–$50,000; $50,000–$100,000; $100,000+
Occupation	Professional and technical; managers, officials, and proprietors; clerical sales; craftspeople; forepersons; operatives; farmers; retired; students; homemakers; unemployed
Education	Grade school or less; some high school; high school graduate; some college; college graduate
Religion	Catholic, Protestant, Jewish, Muslim, Hindu, other
Race	White, Black, Asian, Hispanic
Generation	Silent Generation, Baby boomers, Gen X, Gen Y
Nationality	North American, Latin American, British, French, German, Italian, Chinese, Indian, Japanese
Social class	Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers
Psychographic lifestyle	Culture-oriented, sports-oriented, outdoor-oriented
Personality	Compulsive, gregarious, authoritarian, ambitious
Behavioral occasions	Regular occasion, special occasion
Benefits	Quality, service, economy, speed
User status	Nonuser, ex-user, potential user, first-time user, regular user
Usage rate	Light user, medium user, heavy user
Loyalty status	None, medium, strong, absolute
Readiness stage	Unaware, aware, informed interested, desirous, intending to buy
Attitude toward product	Enthusiastic, positive, indifferent, negative, hostile

Figure 3: Major Segmentation Variables for Consumer Markets (Source: Kotler & Lane Keller, 2012, p.215).

Hollensen (2015) viewed that the consumer's age category has a major impact on spending behaviour. Older consumers for instance choose more products related to medical care and travel and they choose fewer products in home furnishings and clothing than younger age groups do; the purchasing of a variety of goods and services is affected by the presence of young children and teenagers spend a great deal of money on films, soft drinks and fast foods (Hollensen, 2015, p.127). These trends, according to Hollensen, is that the world population will continue growing due to the lowering of the death rate and the ageing 'baby boomers' which are people in their middle age given for the increase in births that occurred in most Western countries between 1946 and 1965 and are a prime target for marketers. Generation born between 1965 and 1976 is often called Generation X group of consumers identified as being expected to have overtaken baby boomers as a primary market for many product categories in the 21st century. Another group of consumers identified are Generation Y born between 1977 and 1995 and oldest members of this group are in their mid-to-late thirties growing up very accustomed to computers and the Internet (Hollensen, 2015, p.127).

From a global perspective marketer gradually look at social class. In countries with strong class differences such as India and Brazil, where people live, the cars they drive, the types of clothing they wear, how much

they travel and where they go to college are largely determined by social class. But countries where differences are less extreme or more homogeneous class structure, such as Sweden or Denmark, it is more common for executives from all levels to work as a team (Hollensen, 2015, p.127).

In terms of lifestyle, it does not necessarily mean that people of similar age, income, education and even occupations live the same lifestyle nor have different opinions, interests and activities and so are likely to exhibit patterns of behaviour and buy different products or brands used for different purposes. Data on lifestyle are obtained by asking consumers to specify "the extent to which they agree or disagree with a series of statements having to do with such things as price consciousness, family activities, spectator sports, traditional values, adventurousness and fashion" team (Hollensen, 2015, p.127).

Culture also have influence on how individual consumers make buying decisions and could create both problems and opportunities for international marketers, especially on products such as food and clothes. Companies require to consider cultural values and adjust to the customs of people in different countries (Hollensen, 2015, p.127).

Hollensen (2015) pointed out that family is important to marketers because it forms a household, which is the standard purchase and consumption unit and need to consider three important aspects of their make buying decisions, which are: How they make decisions as a group, what roles various members play in a purchase decision and how family purchase behaviour change over time. In the marketing implications of Lee and Collins (2000, in Hollensen, 2015), they explained that to be able increase the effectiveness of promotional campaigns towards families, marketers must consider the relative influence of family members at each stage of the decision-making process for each product category and suggested that segmentation of some family markets based on the type of household structure and demographics may also be applicable (Hollensen, 2015, p.128). Most families pass through a series of time stages which describes the family life cycle that reflects stages of changes in a unit's purchasing needs and thus, differences in expenditure patterns. As an example, Weiss (2000 in Hollensen 2015, p.129) mentioned that young married couples without children (DINKs = double income no kids) are often very affluent because both spouses work, and they are a major market for luxury goods, furniture, cars and vacations. Dent (1999 in Hollensen 2015, p.129) also describes in figure 4, how every generation of consumers makes predictable purchases over the course of their lifetime and stated that at the age of 47, consumers finally reach their spending peak, after which children leave home and family spending declines.
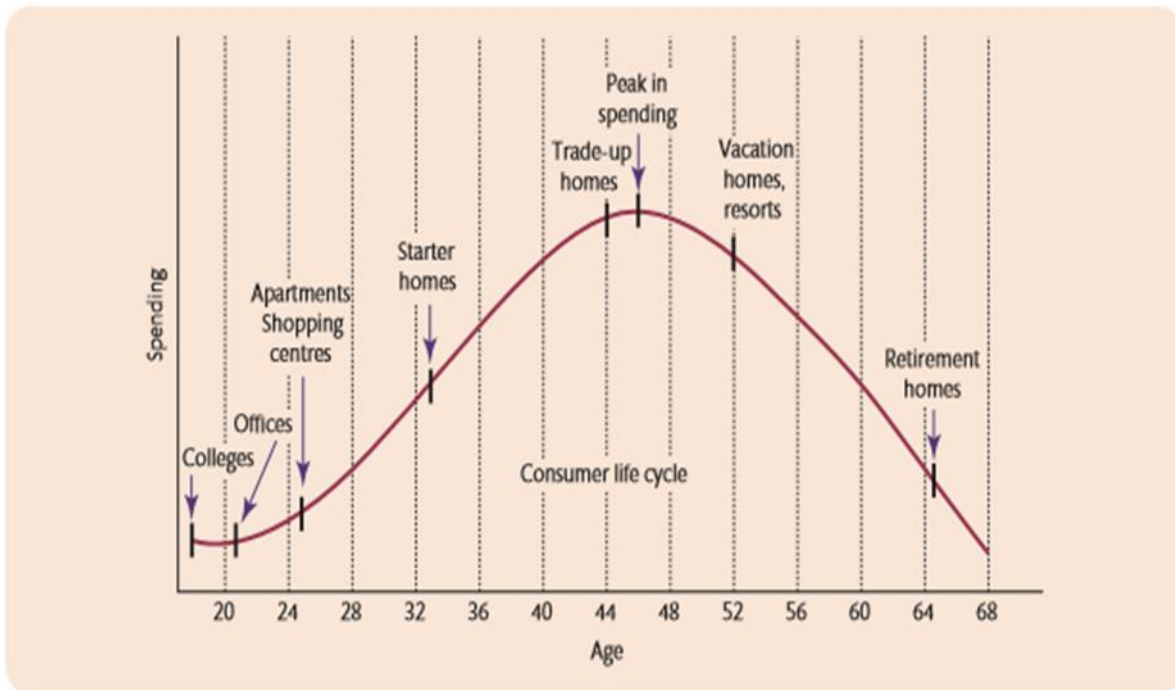
Figure 4.9 Key consumer expenditure/investment

Figure 4: Key consumer expenditure/investment Source: (Source: Hollensen, 2015, p.130)

Social Network is equally important to marketers because this is where potential customers connect, and most services are Web based and provide a variety of ways for users to interact, such as email and instant messaging services. Hollensen (2015, p.130) explained that the main types of social networking services are those that contain category divisions like former school-year or classmates), means to connect with friends (usually with self-description pages) and a recommendation system linked to trust He mentioned that popular methods nowadays combine many of these, with Facebook, MySpace, Twitter and LinkedIn used worldwide and that opinion leaders as network members are regarded as having relevant knowledge, and are probably the first ones to be consulted in regards to purchasing decisions.

2.1.2 Competitor Analysis

The second stage in external analysis is the competitor analysis. The reason for competitor analysis is to position the Case Company to the target market as well as to find the characteristics of the Case Company that distinguish it from its competitors in the field. Aaker pointed out that the goal need to be perceptive to influence the development of successful business strategy. The analysis should as well centre on the

identification of threats, opportunities, or strategic uncertainties created by emerging or potential competitor moves, weaknesses or strengths (Aaker, 2008, p.38).

Analysing the competitor starts with identifying current and potential competitor and then try to understand them and their strategies, particularly analysis of their strengths and weaknesses. According to Aaker, there are two different ways of identifying current competitors. The first is customer-based approach which group competitors according to the degree they compete for a buyer´s choice. The second is the strategic approach which attempt to place competitors in strategic groups based on their competitive strategy (Aaker, 2008, p.39).

The framework we utilized for analysing the competitors is the concept of strategic groups because according to Aaker, 2008, p.41, this concept provides an approach towards understanding the competitive structure of an industry that:

- Pursue similar competitive strategies over time, such as, the use of same distribution channel, similar type of communication strategies' or similar price/quality position
- Have similar features such as size, aggressiveness
- Have homogeneous assets and competencies like brand associations, logistics capability, global presence or research and development

The strategic groups concept is helpful in making the competitor analysis more feasible because many industries contain more competitors than can be individually analysed and therefore not reasonable to consider "thirty competitors, not to say nothing of hundreds". So, reducing the analysis to a smaller number of strategic groups makes the analysis dense, manageable and more utilizable (Aaker, 2008, p.42)

According to Aaker, 2008, p. 44, it is useful to understand competitors and their strategies because:

- Understanding the strengths and weaknesses of a competitor can propose opportunities and threats that will worth a response
- Intuition of future competitor strategies enable the company to forecast emerging threats and opportunities
- Taking alternative strategic decisions might easily depend on the ability to predict the probable reaction of the key competitors
- Competitor analysis, is likely to result in the identification of some strategic uncertainties that will be advantageous to monitor with time.

Companies need to also evaluate the competitor actions, influenced by eight elements illustrated by Aaker in figure 5:

Figure 5 Understanding the competitors (Source: Aaker 2008, p. 45)

The size, growth and profitability provide general financial performance in terms of indicators of vitality, achievement of strong fast growth, access to capital investment. Image and positioning strategy determines the brand personality to differentiate and develop advantage. Objectives and commitment gives the probability to forecast whether a competitor´s presence is satisfactory or not, or whether strategic changes are possible. With the current and past strategies, it is important to note if past strategies that have failed and awareness of competitor´s patterns of new product or new market moves to aid in predicting its future growth directions. Within organization and culture, understanding the background and experience of the competitor´s top management emphasizes perception of future actions while cost structure focus of knowing about competitor´s cost, mostly when the competitor relies on a low-cost strategy which can provide future pricing strategic indication and it´s staying in power. Exit barrier is important to a company to be able to indicate withdrawal of the company from business area thereby indicating commitment. Assessing the strengths and weaknesses attempt to give the awareness of competitor´s weakness in an area where the company has an existing or developing strength to develop strategy that will create hollow the company´s strengths against the competitor´s weaknesses (Aaker 2008, p. 45-48). The challenges in finding enough reliable and detailed information about the competitors might restrict the possibility to analyse the competitors thoroughly. However, we tried to do our best with the resources available. Competitor analysis can be found from Chapter 3.

2.1.3 Market/Submarket Analysis

Market analysis is based on customer and competitor analyses to help the business to make strategic judgement about a market/submarket and its dynamics. The determinant of the attractiveness of a market or submarket to current and potential participant is one of the primary objective of market analysis. The second objective is understanding the dynamic of market to identify emerging submarkets, key success factors (assets or competency needed to play the game), trends, threats, opportunities and strategic uncertainties that can guide gathering of information and analysis (Aaker 2008, p. 58).

According to Aaker, economists such as Michael Porter, studied why some industries are profitable and other are not and his theory and findings are applied to the business strategy problem of evaluating the investment value of an industry, market or submarket. The attractiveness of an industry or market as measured by the long-term return on investment of the average firm depends largely on five factors that influence profitability and each of these factors plays a role in explaining why some industries are historically more profitable than others. These five forces are: the threat of potential entry into an industry; the threat of substitutes to the industry's products or services if prices are high; the bargaining power of buyers of the industry's products or services; the bargaining power of suppliers into the industry; and the extent of rivalry between competitors in the industry if the profit is high (Aaker 2008, p. 66-68).

Figure 6 Porter´s Five-Factor Model of Market Profitability (Source: Aaker 2008, p.67)

2.1.4 Environmental Analysis and Strategic Uncertainty

Environmental analysis focuses on the environment surrounding the market. The goal is to identify and evaluate trends and events that will affect strategy either directly or indirectly. According to Aaker (2009, 78-79) the trends that should be a focus in an environmental analysis are technological trends, consumer trends and government/economic forces. The business environment that will be analysed is Denmark because the environment is what gives organizations their means of survival. In the private sector, satisfied customers are what keep an organization in business. PESTEL analysis can be utilized to offer an understanding of Denmark as a business environment.

Figure 7 Pestle Analysis (Source: google.dk)

The PESTEL framework can be used to identify how future trends in the political, economic, social, technological, environmental and legal environments might have effect on organizations. It also provides the broad 'data' from which to identify key drivers of change to construct scenarios of possible futures. Scenarios consider how strategies might need to change depending on the different ways in which the business environment might change. "Politics highlights the role of governments; Economics refers to macroeconomic factors such as exchange rates, business cycles and differential economic growth rates around the world; Social influences include changing cultures and demographics, for example, ageing populations in many Western societies; Technological influences refer to innovations such as the internet, nanotechnology or the rise of new composite materials; Environmental stands specifically for 'green' issues, such as pollution and waste; and finally Legal embraces legislative constraints or changes, such as health and safety legislation or restrictions on company mergers and acquisitions" (Johnson, Scholes. & Whittington, 2009, p.24-26)

2.2 Internal Analysis

The internal analysis as mentioned, aims to provide a detailed understanding of strategically important internal aspects of the organization. According to Aaker (2008, p.95-104) there are four aspects of internal analysis: the first is financial performance that provides estimate on how the business is going. Internal analysis usually starts with identifying the current financial situation, measures of sales, market share and profitability. Sales level is important because the customer base can grow when there is increase in sales and profit. An enlarge customer base, with the assumption that new customers will be loyal means increase in share and provision of the potential to gain sustainable competitive advantage (SCA). On the contrary, decrease in sales means decrease in customer base and loss of economy of scale.

The second is an analysis of other performance aspect such as customer satisfaction, product quality, brand association, relative cost, new products and employee capability. Development of performance measurement is relevant to reflect long term viability and health. Focus should be placed on the company's assets and competencies that underlies their current and future strategies as well as their SCAs.

Figure 8 Performance Measures Reflecting Long Term Profitability (Source: Aaker 2008, p.99)

The most important of the asset is the loyalty of the customer base as measures of customer satisfaction and brand loyalty are sensitive and provide diagnostic value. Product or service quality should be critically and objectively compared to the competition as well as with customer expectations and needs. Assets of brand/firm association should not be overlooked because it is important how customer associate the product with or perceived the quality. Quality perception which sometimes might be different from the actual quality, can be based on experience with past product or services and on quality indication such as retailer type, pricing strategies, packaging, advertising and typical customers. A relative cost analysis of competitors´ products is relevant to achieve a cost advantage or cost parity. Innovation analysis must be considered to know if R&D operation generate a stream of new product concept or if the organizational culture support innovation and if it has the possibility to generate transformational innovation. Additionally, manager and employee capability and performance are important to analyse because a firm's long-term prospect depend on the people who must implement strategies.

The third is analysis of strengths and weaknesses which are the ground for current and future strategies. It is important to identify and evaluate the firm assets and competencies that represent the companies are of strength and impact such as new product development capability, access to low-cost labour, an innovative culture, brand strength or a loyal customer base.

the fourth is to identify and prioritize the threats and opportunities facing the company. A host of potential threat and opportunities will have been identified in the external analysis. In the internal analysis, the focus is the identification of most relevant challenges facing the company's business and prioritize them. Those threats that are imminent and have high impact require to be marked as high priority threat and needs to be fixed. An opportunity as well can be evaluated to be aware if it has immediate or major impact to act quickly and decisively.

2.3 Creating, Adapting, and Implementing Strategy

The condition for a business strategy to succeed depend on the strengths of the organization reconcile with market need and competitor weaknesses (Aaker 2008, p.105). The goal is to gain sustainable competitive advantage (SCA), which is an element or combine elements of the business strategy that provides a meaningful advantage over both existing and future competitors (Aaker 2008, p.121).

Figure 9: The Sustainable Competitive Advantage (Aaker 2008, p.121)

The most sustainable element of a business strategy is represented by the assets and competencies of an organization, because these are usually difficult to copy or counter (Aaker 2008, p.121). From the basis of the analyses the author can distinguish the possible assets and competencies of the Case Company. If SCA can be reached a market strategy should be implemented to makes it visible to the customers. According to Aaker (2008, p.122), an effective SCA should be visible to customers and provide or enhance a value proposition by linking SCA with positioning visible through a brand strategy to support a product reliability positioning strategy. An important determinant for an SCA is the choice of the target product market. This is to say that even though the analyses represented in this chapter indicated that the case company had the assets and competencies to succeed, the established strategy might not work in the marketplace. (Aaker 2008, p.122)

3 FASHION RETAIL INDUSTRY

Chapter 2 introduced the framework for strategic analysis. It was stated that strategic analysis logically starts with analysing the issues external to a business. This chapter will analyse Denmark as a business environment. Analysis will be focusing on current situation in the Danish market. The information for the analysis is mostly collected from internet sources.

3.1 Current situations in the Danish market

As mentioned future customer analysis will be reviewed as a part of external analysis to understand how the market segments, what motivates the customer and what are the unmet needs of the customers. For Primark to efficiently and effectively correspond with the consumers unique needs, the process of consumer segmentation is vital. This will allow the company to focus on those consumers they have the greatest chance of satisfying use (Kotler & Lane Keller, 2012, p.214). PESTEL analysis with political, economic, social, technological, environmental and legal aspects introduced in Chapter 2 will be utilized to structure the information in the following sub-chapter.

3.1.1 Political Analysis

Denmark, officially Kingdom of Denmark has 5,707,251 (January 1st, 2016, excluding Greenland and the Faroe Islands) inhabitants, and has Constitutional monarchy headed by Queen Margrethe II, who acceded to the throne in January 1972 (Economist Intelligence Unit, 2017, p.15-17). The National Government Cabinet headed by the prime minister Lars Lokke Rasmussen, responsible to the Folketing, is formation in 2016 of a three-party, centre-right coalition, led by the Liberal Party and backed by the Liberal Alliance (LA) and the Conservative People's Party (KF), has reduced the risk of an imminent government collapse. However, the coalition still falls short of a parliamentary majority (53 out 0f 179 seats), leaving it dependent on the support of the right-wing Danish People's Party (DF) (Economist Intelligence Unit, 2017, p.2-3) and forecast is maintained that the government will not last its full term to 2019 (Economist Intelligence Unit, 2017, p.2-3)

By international standards, Political instability is low. Denmark´s history of consensus-based policies has facilitated a stable environment for businesses, as policies reflect a wide range of interests and are rarely reversed even after a change in government (Marketline Denmark In-depth PESTLE insights, 2017, p.2). However, inter-party tensions have increased this year since the start of parliamentary talks on the 2025 growth plan to revive the economy which was originally designed by Mr Lokke Rasmussen in 2015. The plan's main policy goals which is the reformation of the property tax system and the labour market prove to be contentious among the opposition parties. Negotiations have also created new and unexpected political alliances, with Mette Frederiksen, the leader of the opposition centre--left Social Democrats (the largest party in parliament, with 47 seats out of 179 seats) co-operating on many issues with Kristian Thulesen Dahl, the head of the DF. So far, this alliance has managed to undermine government effectiveness on several occasions. Negotiations on the 2025 growth initiatives aimed at spurring commercial activity are still ongoing.

The government has presented a budget for 2018, which plans overall growth of 0.5% in public expenditure, which is higher than the expected 0.3% growth that the government had announced as an earlier aim. On August 29th the government presented tax plan that includes tax cuts worth Dkr23bn (US$3.65bn). The financial and political initiatives aim at stimulating society in a broad sense to stimulate the economy from all angles (Economist Intelligence Unit, 2017, p.2-3)

3.1.2 Economic Analysis

According to Statistics Denmark, a current account surplus of $20.6 billion in 2015 was recorded, compared to $18.5 billion in 2012. As a percentage of GDP, the current account surplus improved from 5.7% in 2012 to 7.0% in 2015 (Marketline Denmark In-depth PESTLE insights, 2017, p.5). Denmark's economic outlook is on a more positive side. This year It register its highest rate of annual growth in ten years, benefiting from the pickup in economic momentum across the eurozone and a rebound in trade activity. It records low interest rates, low unemployment and rising confidence will underpin strong growth in private consumption, which is set to be the main driver of the economy in 2018-22. Moreover, economic growth of 2.4% is estimated this year, however above 2% growth rates is not expected to be sustained over the forecast period (Economist Intelligence Unit, 2017, p. 7)

Economic growth

%	2017[a]	2018[b]	2019[b]	2020[b]	2021[b]	2022[b]
GDP	2.5	1.9	1.8	1.7	1.8	1.6
Private consumption	2.3	2.1	2.0	1.7	1.7	1.8
Government consumption	1.3	0.9	0.9	1.0	1.0	1.0
Gross fixed investment	1.6	2.5	2.1	1.9	2.0	2.3
Exports of goods & services	4.3	2.4	2.4	2.6	2.6	2.6
Imports of goods & services	3.7	2.5	2.3	2.3	2.3	2.9
Domestic demand	1.9	1.7	1.8	1.5	1.6	1.7
Agriculture	3.5	1.6	1.5	1.9	1.9	1.9
Industry	2.0	1.8	1.0	1.4	2.1	2.1
Services	2.6	1.9	2.1	1.8	1.7	1.5

[a] Economist Intelligence Unit estimates. [b] Economist Intelligence Unit forecasts.

Figure 10: Denmark Economic Growth (Source: Economist Intelligence Unit, 2017, p. 7)

The major objective of Denmark's monetary policy is to keep the value of Krone stable with respect to Euro (Marketline Denmark In-depth PESTLE insights, 2017, p.70). In September the annual rate of consumer price inflation (national measure) has increased to 1.6% compared to its highest level (1.5%) since December 2012. inflation in recent months has risen from an average of 0.9% over the first half of 2017 to its current 1.6%.
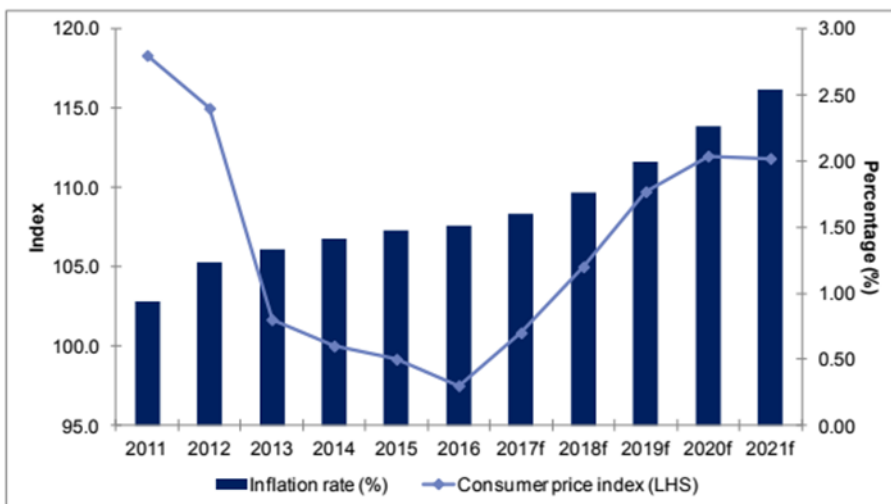
Figure 11: Consumer Price Index (Source: Marketline Denmark In-depth PESTLE insights, 2017, p.70)

There is an upward trend in annual price growth due to higher food and fuel costs, as well as constant rise in housing rents. Some seasonal price effects over the peak holiday period have partially dissipated, and there was a rise in clothing prices in September, following the summer sales. The rate of unemployment (national measure) has also increased over the past year, from an eight-year low of 4.1% in mid-2016 to the current 4.4%, although it has been broadly stable since the start of 2017, though latest survey and vacancy data continue to point to labour demand. Over recent months many business groups and companies have reported a shortage of qualified labour, although at present the issue appears to be confined largely to parts of the construction sector (Economist Intelligence Unit, 2017, p.22-23). The issue that might impact Primark brand is the demand for wage increase because wages have also been on the increase, faster than labour productivity in Denmark. Unit labour Cost (ULC) in Denmark grew by 2.36% during 2001-2015 in comparison with 1.97% and 2.10% increases in Sweden and Finland (Marketline Denmark In-depth PESTLE insights, 2017, p.3).

3.1.3 Social Analysis

With almost 90 percent of the inhabitants living in cities (Statista, urbanization in Denmark 2015), Primark has good prospects of distributing their products to a large part of the market fast. The welfare system is highly developed with benefits such as pension schemes, unemployment insurance and social assistance, along with health-care, accident- and long-term care insurance. Expenditure on social and health services account for approximately one third of the Danish gross domestic product, amounted to DKK 604 billion in

2013 (Statistic Denmark, 2015, p.9). The country has also adopted the system of "flexicurity", which render flexibility in the labour market without compromising on social security. Employers do not have to bear social security costs under this system. The flexicurity model is built on flexible rules for hiring and dismissals, spending on labour market policies and replacement rates of unemployment benefit schemes. 80% of the labour market in Denmark is unionized and issues such as minimum wages, working hours, and holidays are decided on collective agreements (Marketline Denmark In-depth PESTLE insights, 2017, p.33)

Current strengths	Current challenges
• Social security system with flexicurity • High standard of living • High social spending	• Immigration
Future prospects	**Future risks**
• Improvement in education outcomes	• Ageing population

Source: MarketLine   **MARKETLINE**

Figure 12: Analysis of Denmark's social system (Source: Marketline Denmark In-depth PESTLE insights, 2017, p.33

"Denmark's population enjoys a high degree of work-life balance and life satisfaction, and the country has a very good record in human development" (Marketline Denmark In-depth PESTLE insights, 2017, p.33). Primark is therefore place itself able to focus on needs and wants such as health and physical activities, as 20% of the population are into sports activities (Statistic Denmark, 2015, p.19). "According to OECD data, only 2.21% of Danes work for long hours compared to 11.63% in the United States and the OECD average of 13.02%. An average Dane devotes 15.87 hours of his daily time to leisure and personal care compared to 14.47 hours by an average US citizen and 14.91 hours for an average OECD nation" (Marketline Denmark In-depth PESTLE insights, 2017, p.35)

3.1.4 Technological Analysis

Being a Western European country, the technological development in Denmark is naturally high; there were 5.56 million internet users which was about 96.8% of total population in 2016, compared to 4.76 million users in 2009 which was 86.0% of the total population. Mobile phone inflow rate in the country was at 151.2 per 100 people in 2016. Denmark is challenged by a low level of human capital formation (Marketline Denmark In-depth PESTLE insights, 2017, p.6). Using the internet for buying goods and services is quite common, mainly tickets for cultural events or trips. It´s also quite popular among women to buy clothes using the

internet. 61% of all women who bought clothes in 2014 was with internet. 41% of business enterprise with at least 10 employees use social media (Statistic Denmark, 2015, p.13)

The Danish economy has maintained leadership in innovation and has positioned as one of the innovation leaders in the European Commission's (EC) Innovation Union Scoreboard 2016. The European Innovation Scoreboard places Denmark among the top performing EU countries, well above the regional average, notably in "open excellent and attractive research systems, finance and support, intellectual assets, and linkages and entrepreneurship". Denmark is ranked the third out of 34 countries in the European Commission's (EC) Innovation Union Scoreboard 2016 and expenditure on research and development is one of the highest in OECD region (Marketline Denmark In-depth PESTLE insights, 2017, p.40). Primark need to consider provision of a more technology orientated marketing strategy to build high customer portfolio.

3.1.5 Environmental Analysis

The trend is that consumers that has become increasingly more aware of the environment and ecology. Denmark has been at the forefront of environmental legislation. It has a strong environmental policy framework that encompasses EU directives. They focus on policies on air pollution, water quality, biodiversity, chemical substances, environmental health, and global issues such as climate change. Denmark has adopted sustainable development and it has managed to successfully separate environmental pressures from economic growth in several areas though unsustainable consumption patterns in areas like waste generation, transport, and land usage still prevails (Marketline Denmark In-depth PESTLE insights, 2017, p.50-51). MarketLine viewed that CO_2 emissions in Denmark declined from 52.9 million metric tons in 2007 to 33.0 million metric tons in 2015. During the period from 2007-15, CO_2 emissions declined by an annual average of - 5.6% in Denmark (Marketline Denmark In-depth PESTLE insights, 2017, p.6). To maintain brand loyalty, Primark therefore must try to invest in a sustainable production method.

3.1.6 Legal Analysis

Denmark is considered one of the most favourable business locations in the world. It ranked third out of 189 countries and is ahead of other Nordic nations including Norway (6th), Finland (13th), Sweden (9th) and Iceland (20th) in the World Bank's Ease of Doing Business report of 2017. Denmark has a highly developed infrastructure network, a liberal foreign trade and investment policy, and a skilled labour force. Although

companies operating in Denmark operate with minimum government interference, and successive governments have maintained policy continuity, industries such as retail trade, pharmaceuticals, taxis, construction and professional services are highly regulated in Denmark. Some of the stumbling blocks affecting the efficiency of retail trade are regulations pertaining to permit requirements, zoning and environment. Additionally, specific restrictions for large outlets and some forms of protection for existing firms restrict competition and economies of scale (Marketline Denmark In-depth PESTLE insights, 2017, p.46-47). These legal conditions might restrict Primark from launching in Danish market. In terms of tax, Denmark has a very high tax rate, with a progressive income tax up to 56.48% (excluding the church tax) as of 2017. The corporate tax as of 2017 iis 22.0%. Danish residents are taxed based on their worldwide income and capital gains. Non-residents are taxed only on income and capital gains deriving from sources in Denmark (Marketline Denmark In-depth PESTLE insights, 2017, p.82).

3.2 Customers in the industry

Primark business model has a very large customer segment. They sell many different products in the form of garments that best reflect each season's key fashion trends. Primark's range includes womenswear, lingerie, children's wear, menswear, footwear, accessories, hosiery and homeware and offers customers quality, up-to-the-minute designs at value-for-money prices, with a unique combination of the latest fashion and lean operations (Associated British Foods plc: Annual Report and Accounts 2016, P.37). Primark also focused on changing consumer lifestyles coupled with a focus on health, fitness and wellbeing through its 'athleisure' and active wear with the aim to look fashionable while working out. The trend of healthy living, wellbeing and fitness has become a global phenomenon and is gaining momentum and Primark customer has joined this lifestyle expedition and claim to continually re-inventing and developing exciting new products and fabric innovation to meet customer´ expectations (Associated British Foods plc: Annual Report and Accounts 2016, P.39)

We identify Fast Fashion consumer segments for Primark, including an overview of their key traits. These consumers potentially hold the most financial opportunity for Primark, 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.

3.2.1 Geographic Segmentation

In terms of geographic, the Danish population is 5,659,715 (Statistic Denmark: Denmark in Figure, 2015, P.4) people as of 2015 as shown in figure 9. It would be most appropriate for Primark to start in the in the Copenhagen Metropolitan Area and later expand to other metropolitan because the capital region represents the highest proportion of total consumer expenditure in the country, due to the large concentration of the population in that region. Between the period of 2016-2030, the Capital region is forecast to be amongst those showing the strongest expansion in total consumer spending, reflecting its higher concentration of wealthy households, with fastest increase in disposable income, along with the Central and North regions due to its expected faster population growth (Euromonitor International: INCOME AND EXPENDITURE: DENMARK, June 2016, P-6). Copenhagen metropolitan region includes four provinces which are: Copenhagen city or Kobenhavns, Kobenhavns Omegn, Nordsjalland and Ostsjalland and has total population of 2.0 million in 2015 with forecast to reach 2.2 million by 2025 (MarketLine City Profile: Copenhagen, August 2016, P.13)
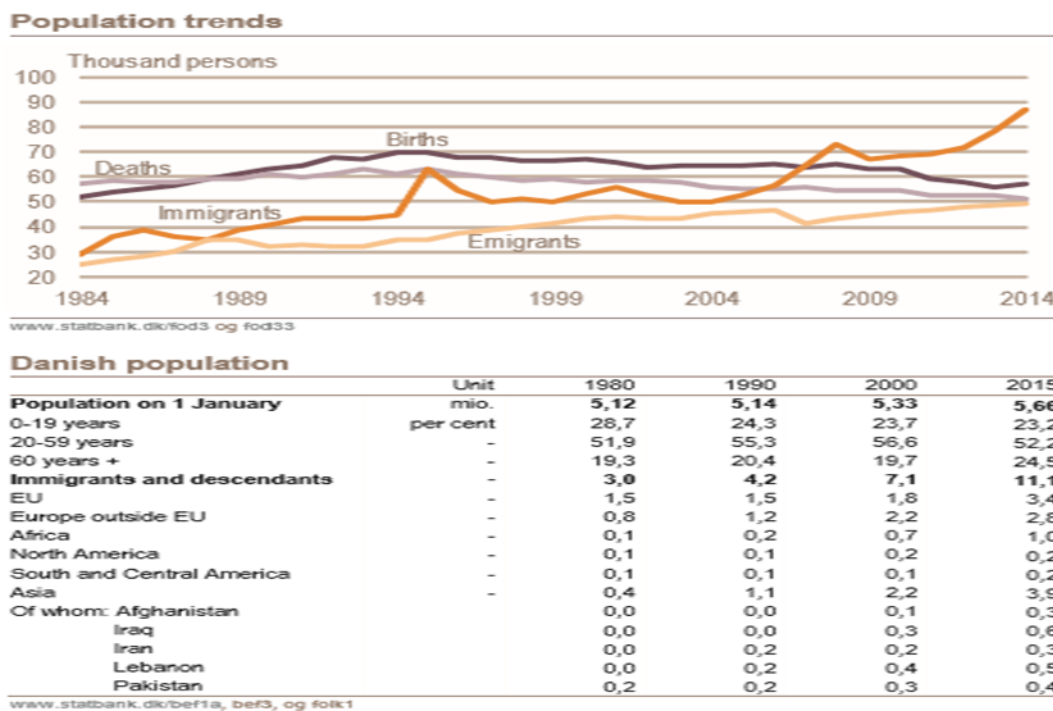
Population trends

www.statbank.dk/fod3 og fod33

Danish population

	Unit	1980	1990	2000	2015
Population on 1 January	mio.	5,12	5,14	5,33	5,66
0-19 years	per cent	28,7	24,3	23,7	23,2
20-59 years	–	51,9	55,3	56,6	52,2
60 years +	–	19,3	20,4	19,7	24,5
Immigrants and descendants	–	3,0	4,2	7,1	11,1
EU	–	1,5	1,5	1,8	3,4
Europe outside EU	–	0,8	1,2	2,2	2,8
Africa	–	0,1	0,2	0,7	1,0
North America	–	0,1	0,1	0,2	0,2
South and Central America	–	0,1	0,1	0,1	0,2
Asia	–	0,4	1,1	2,2	3,9
Of whom: Afghanistan		0,0	0,0	0,1	0,3
Iraq		0,0	0,0	0,3	0,6
Iran		0,0	0,2	0,2	0,3
Lebanon		0,0	0,2	0,4	0,5
Pakistan		0,2	0,2	0,3	0,4

www.statbank.dk/bef1a, bef3, og folk1

Figure 13: Population Trends (Source: Statistic Denmark: Denmark in Figure, 2015, P.4)

3.2.2 sociodemographic variables Age/social class/demographics

Households in Denmark are predominantly urban with a low number of persons per home. Single-person households dominate the Danish market and is expected to increase due to high rate of divorce. This is followed by couple-without-children households often with high disposable income, thereby supplying non-essential expenditure on categories such as travel and leisure pursuits. Most of homes are still headed by males in Denmark, but female heads are following closely. However, females are already the decision makers for food, household services, holidays or healthcare, just like in many advanced countries (Euromonitor International: HOUSEHOLDS: DENMARK, July 2016, P.1-5)

Denmark's income inequality remains relatively low due to its extensive social safety net, although high tax rates and elevated housing costs deduces spending levels by Danish households. According to Euromonitor International, an ageing population and shifting lifestyles also shape income and spending patterns. Danes in the age segment 45-49 had the highest levels of average gross income in 2015. However, the increasing ageing process of the Danish population, the age group 65+ will have become by far the largest amongst the country's top income earners by 2030, generating demand for goods and services in categories like health goods and medical services, holiday packages and hotels and catering, targeted at the premium segment; the age segment of total gross income earners is between 37 and 54 due to both the country's demographic profile and the relatively large levels of average gross income of individuals in this age group. Danish middle youth have typically started a family, and therefore are an attractive market for products like household goods and services, education and transport. Apparently, there is also a rising number of Danish millennials (Generation Y) living with their parents due to economic reasons, and this contributes to increase demand for family-focused spending categories (Euromonitor International: INCOME AND EXPENDITURE: DENMARK, June 2016, P.1-2)
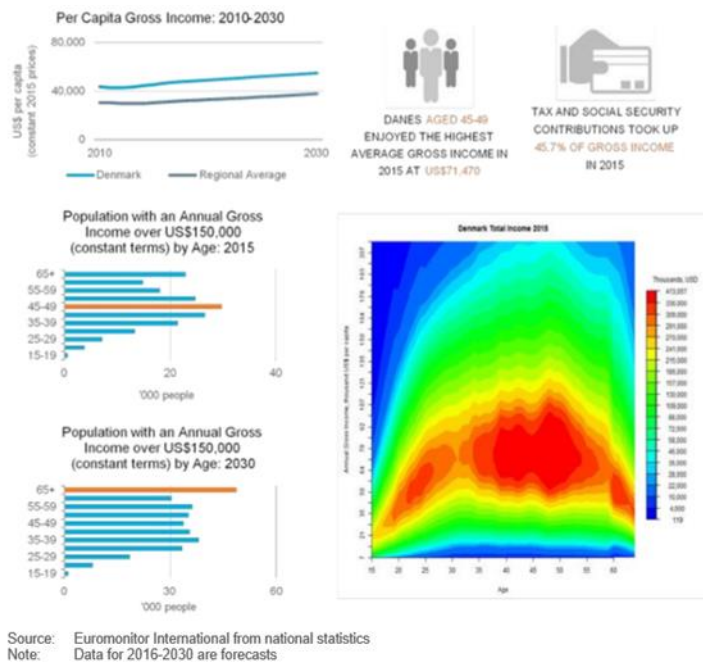
Figure 14: Gross Income Distribution in Denmark (Source: Euromonitor International: INCOME AND EXPENDITURE: DENMARK, June 2016, P.2)

Euromonitor International (INCOME AND EXPENDITURE: DENMARK, June 2016, P.2-3) showed that among the social class composition, Social class D which is the second lowest-income class as the largest in the country. This is because of Denmark's extensive social safety net, subsidized higher education and 'flexicurity' labour market model, that have support earnings of the lowest-income households and allowed them access to higher social classes. Social class D is expected to rise between 2016-2030 and will reflect Denmark's future demographics, as population growth will be mostly driven by immigrants from within and outside the European Union) who are typically in the lower incomes levels than Danish-born population.
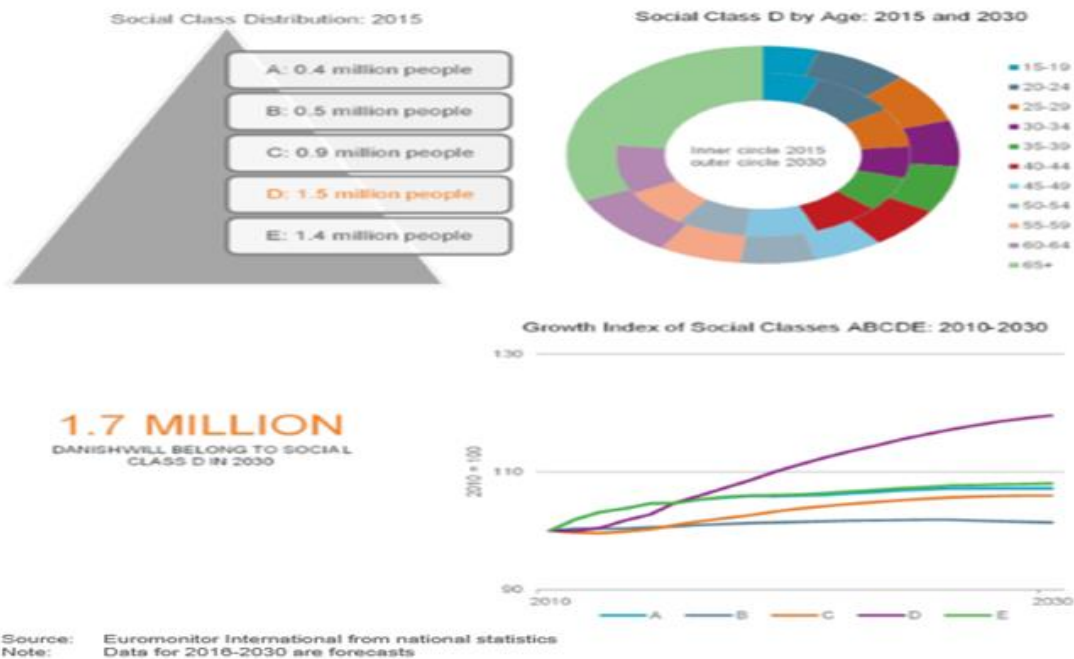
Figure 15: Overview of Denmark's Social Classes (Source: Euromonitor International: INCOME AND EXPENDITURE: DENMARK, June 2016, P.3)

Expenditure on food, non-alcoholic beverages and housing are gradually increasing, by regional and global standards and this seen by the elevated housing costs in the country, particularly in Copenhagen. But it is forecasted that essential spending in Denmark will decline in 2016-2030 as decreasing food costs more than offset rising costs of housing. Leisure and recreation is expected to grow between 2016 and 2030, which will bring a rise on services expenditure like package holidays and recreational and cultural services. Couples without children has the largest share of consumer spending across household types, accounting for over one-third of the total in 2015 (INCOME AND EXPENDITURE: DENMARK, June 2016, P.5-8) This could mean that Primark can tailor their product to adapt to each segment and according to the consumer demand of the local market, as consumers are combining the various channels and make selection based upon mood and lifestyles demand.

3.3 Competitor Analysis

According to MarketLine's research, the global apparel industry has become increasingly competitive as more companies have entered, including large supermarket chains. So, companies are using competitive pricing strategies and running intensive marketing campaigns to maintain market share. The global apparel retail

industry (menswear and womenswear combined) grew at a moderate rate generating total revenues of $427bn in 2013, representing a compound annual growth rate (CAGR) of 4.7% for the period spanning 2009-13. Among the leading retailers, companies such as Inditex, H&M and Primark have carved a niche in this industry by following the fast fashion model and have avoided a decline in revenues in recent years. "Fast fashion retailers such as Inditex, H&M and Primark are adept at getting trends from the catwalk to the sales floor quickly and at considerably cheaper prices" (MarketLine Case Study: High street fashion retailers: Survival of the fittest, 2014, p.6-9)

Revenue of the leading clothing and accessories retailers worldwide in 2016 (in million euros)

Retailer	Revenue in million euros
Inditex	23 311
H&M	19 946
Fast Retailing	14 672
GAP	14 233
Limited Brands	11 534
VF Corporation	11 025
PVH	7 525
C&A	7 077
Primark	7 049
Bestseller	6 200

Source
Modaes.es
© Statista 2017

Additional Information:
Worldwide; Modaes.es; 2016

Figure 16: Leading global clothing and accessories retailers based on revenue 2016 (Source: Statista 2017)

Increasingly, there is a growing industry for 'Discount Apparel Retail' with stores such as Wal-Mart, Costco, H&M or Primark providing, low-cost, prolific-output fashion. The products are determined by designers, sub-cultures and creative industries and are subject to sharp and unpredictable changes. Brand loyalty here, is associated with the retailer, and switching costs are low, thereby strengthening buyer power (DATAMONITOR: Apparel Retail in Denmark, Industry Profile, 2009, P.12)

Since Primark is a new clothing chain in Denmark, it is useful to understand the competitors and their strategies. The biggest competitors based on Aaker´s concept of strategic groups, will be similar clothing chains who also sell clothes at low prices. In the competitive landscape of the Danish apparel retail industry, the leading companies identified are: H & M Hennes & Mauritz AB, Inditex (INDUSTRIA DE DISENO TEXTIL S.A.) and IC Group (DATAMONITOR: Apparel Retail in Denmark, Industry Profile, 2009, P.15-21)

3.3.1 H & M Hennes & Mauritz AB

H & M is a Swedish based and one of the leading fashion companies in the world. The group offers apparel, cosmetics, accessories and shoes for women, men, teenagers, children and infants. It also offers home textiles and decorative items under H&M Home label. H&M conducts business through leased store premises, online and through franchises in certain markets. The group operates stores under the following banners: H&M, COS, Monki, Weekday, Cheap Monday and '& Other Stories' As of November 30, 2016, the group had 4,351 stores, which included 3,962 H&M stores, 194 COS stores, 118 Monki stores, 28 Weekday stores, 45 & Other Stories stores, and four Cheap Monday stores. Of the group's total number of stores, 188 were franchise stores. The company outsources product manufacturing to around 820 independent suppliers, mostly in Asia and Europe, through its local production offices. (Marketline, H & M Hennes & Mauritz AB, Company Overview, 2017, P.5)

The company recorded revenues of SEK192,267 million ($22,629.8 million) in FY2016, an increase of 6.3% over FY2015. The revenues were generated through three business segments, classified based on geographic presence: Europe and Africa (69% of the total revenues in FY2016), North and South America (16.7%) and Asia and Oceania (14.3%).
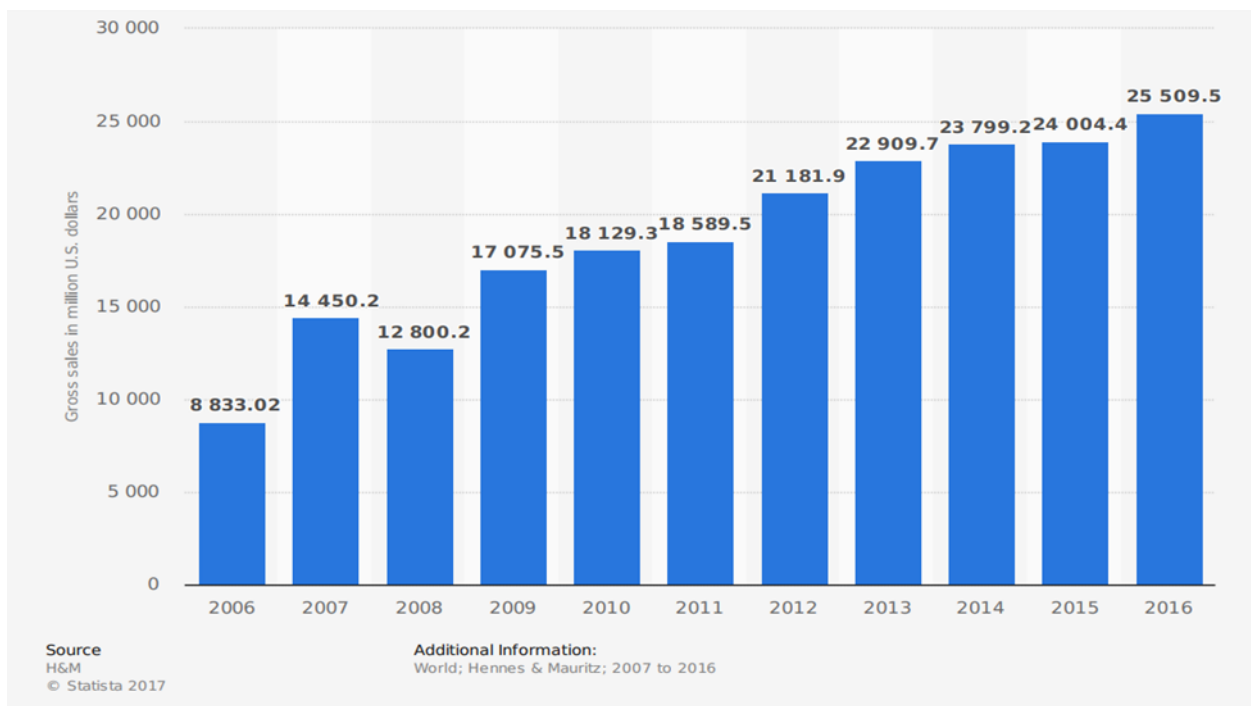
Figure 17: Gross sales of the H&M Group worldwide 2007-2016 (Source: Statista H&M Group, Sales Figure P. 12)

Sales of the H&M Group worldwide 2008-2016, by country

Sales of the H&M Group from 2008 to 2016, by country (in million U.S. dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total	12800.2	17075.5	18129.3	18589.5	21181.9	22909.7	23799.2	24004.4	25527
Germany	3135.67	4325.66	4373.33	4289.26	4553.98	4753.2	4709.45	4224.42	4254.6
United States	801.29	1077.06	1273.1	1398.58	1886.03	2087.35	2328.18	2874.18	3075.7
United Kingdom	902.67	1088.14	1198.28	1331.62	1564.88	1565.48	1750.78	1829.71	1723.4
France	982.76	1216.32	1305.09	1347.35	1499.21	1623.48	1660.23	1552.76	1551.8
China	108.39	232.19	360.83	519.25	813.17	1015.82	1218.53	1207.42	1240.9
Sweden	915.84	1133.74	1194.43	1200.43	1236.07	1260.35	1202.36	1085.75	1161.8
Italy	329.11	520.19	618.42	636.44	730.52	837.99	962.1	988.44	1039.3
Netherlands	835.74	1064.84	1054.78	1009.5	1005.08	1030.32	986.36	860.02	903.9
Spain	710.87	904.15	872.3	841.08	872.69	917.52	909.28	884.61	903.5
Switzerland	600.26	869.19	874.15	865.18	874.79	841.96	801.89	782.61	724.2
Norway	650.83	805.32	836.46	778.88	843.83	844.86	761.33	663.92	678.2
Denmark	475.76	611.97	622.27	605.41	645.76	703.98	687.89	618.98	650.3
Austria	617.61	791.65	750.35	691.71	718.65	735.88	695.97	613.03	636
Franchise*	47.98	85.02	128.37	177.37	287.64	365.42	397.1	513.89	550.3

Figure 18: Sales of the H&M Group worldwide 2008-2016, by country (Source: Statista H&M Group, Sales Figure P. 13)

Strength	Weakness
Broad product portfolio supported by a unique brand identity Diversified geographic presence Strong financial performance	Excessive dependence on third party vendors for supply of merchandise
Opportunity	Threat
Constant focus on expansion could fuel profitability Growing preference to shop online in Europe	Rising labor costs in Europe Risk of foreign exchange fluctuations Evolving fashion trends

Figure 19: H&M SWOT Analysis (Source: Marketline Advantage: COMPANY PROFILE H & M Hennes & Mauritz AB, 2017, P25)

3.3.2 Inditex (INDUSTRIA DE DISENO TEXTIL S.A.)

Industria de Diseno Textil, S.A. (Inditex) is a Spanish based company engaged in in-store and online distribution and retails apparels for men, women and children. Its product portfolio includes clothing and leather garments and apparels such as designs and fabrics, lingerie, sweatshirts, t-shirts, jeans, bermudas

shorts, plimsolls, hats and sports clothing. It also offers bedding and bed linen, tableware and bath linen, dishware, cutlery, glassware and home decoration objects and accessories. Inditex operates retail stores under various commercial brands including Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterque. The company has stores in Austria, Belgium, Denmark, France, Italy, Finland, Poland, the US, Japan and China. Inditex is headquartered in A Coruna, Spain. As of January 2017, it operated through a network of 7,292 stores of which 6,314 stores are company owned and 978 are franchised stores In FY2017. Inditex generated EUR23,310.5 million for the fiscal year ended January 2017 (FY2017), an increase of 11.5% over FY2016. 43.9% of the company's total revenue was generated from Europe (excluding Spain), 23.9% from Asia and the rest of the world, 16.9% from Spain and 15.3% from America (Marketline Advantage: COMPANY PROFILE Inditex SA, 2017, P 3-5)
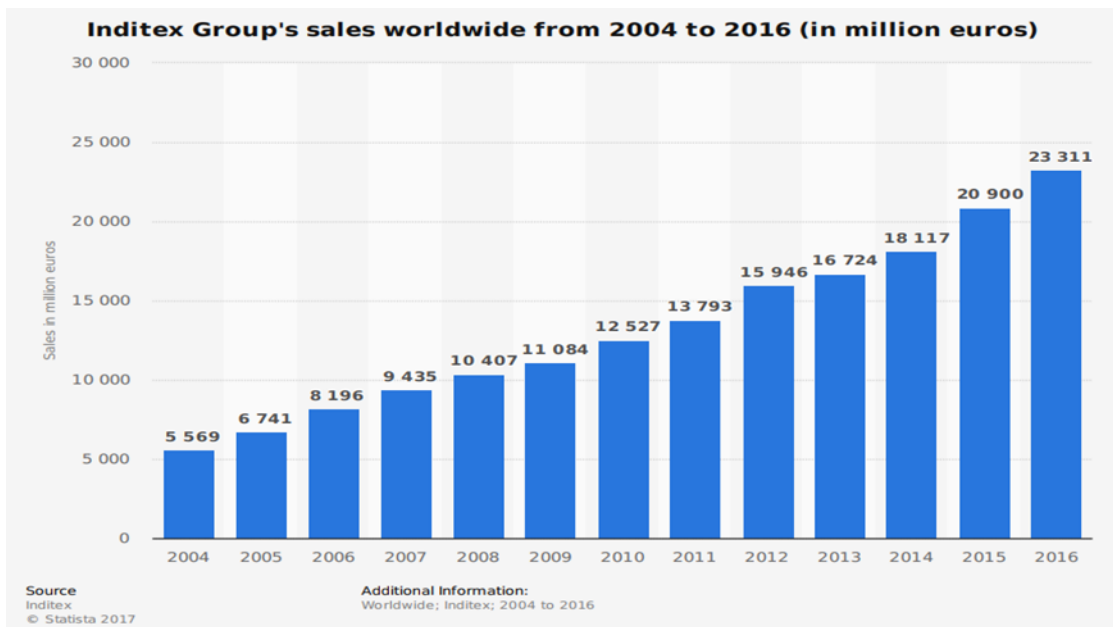

Figure 20: Inditex Group's sales worldwide 2004-2016 (Source: Statista 2017)

ANNEX II. STORES BY CONCEPT AND MARKET AS AT 31 JANUARY 2017

Market	Zara	Zara Kids	Pull&Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	Uterqüe	INDITEX
ALBANIA	1	0	1	1	1	1	1	0	0	5
GERMANY	77	0	11	20	11	0	0	18	0	137
ANDORRA	1	0	1	1	1	1	1	1	1	8
SAUDI ARABIA	34	0	15	14	31	44	18	6	3	165
ALGERIA	1	0	0	0	1	2	1	1	0	6
ARGENTINA	10	0	0	0	0	0	0	0	0	10
ARMENIA	2	0	2	2	2	2	1	0	0	11
ARUBA	1	0	0	0	0	0	0	0	0	1
AUSTRALIA	18	0	0	0	0	0	0	3	0	21
AUSTRIA	14	0	3	3	8	0	0	4	0	32
AZERBAIJAN	3	0	2	2	3	2	1	0	0	13
BAHREIN	2	0	2	2	1	1	1	1	0	10
BELGIUM	29	0	8	23	11	0	2	9	0	82
BOSNIA	3	0	3	1	3	3	0	0	0	13
BRAZIL	56	0	0	0	0	0	0	15	0	71
BULGARIA	6	0	5	5	7	5	5	0	0	33
CANADA	28	0	0	8	0	0	0	2	0	38
CHILE	9	0	0	0	0	0	0	2	0	11
CHINA	193	0	81	79	84	74	73	36	0	620
CYPRUS	6	0	5	4	6	6	4	4	0	35
COLOMBIA	13	0	5	5	11	11	3	3	0	51
SOUTH KOREA	43	0	5	8	6	3	2	3	0	70
COSTA RICA	2	0	2	1	2	2	0	1	0	10
CROATIA	10	0	6	4	9	6	3	2	0	40
DENMARK	4	0	0	0	0	0	0	1	0	5
ECUADOR	2	0	2	1	2	2	1	0	0	10
EGYPT	5	0	5	4	5	4	3	3	0	29

Figure 21: Zara Presence in Denmark (Source: Inditex: Annual Report and Accounts 2016 P.303)

Strength	Weakness
Wide Geographical Presence Multi Channels Selling Financial Performance	Employee Issues
Opportunity	**Threat**
Expanding Retail Market in Spain E-Commerce sales in Europe Business Expansions Initiatives	Fast Changing Fashion Trends and Pricing Pressure Market Competition Foreign Exchange Risks

Figure 22: Inditex SWOT analysis (Source: Marketline Advantage: COMPANY PROFILE Inditex SA, 2017, P24)

3.3.3 IC Group A/S

IC Group A/S is a Denmark-based company involved in the operation in the design and sale of apparel that offers a broad assortment of apparel, including formal, casual, fashion, luxury wear and accessories for both men and women. The company´s core brand segments comprise of Peak Performance, Tiger of Sweden, By Malene Birger and has non-core segment brand comprising of Saint Tropez and Designers Remix Collection. IC Group's subsidiaries include: IC Group Denmark A/S, Saint Tropez af 1993 A/S, IC Group Finland Oy, IC

Group Austria G.m.b.H., IC Group France SARL, IC Group CZ s.r.o. and Peak Performance Italy SRL (MarketLine: Industry Profile Apparel Retail in Denmark, 2016, P.23).

According to Marketline Advantage, the company procures its products through third party suppliers located primarily in Asia and conducts business operations in Finland, the UK, Sweden, Norway, Ireland, Germany, Holland, Belgium, Poland and Canada. IC Group is headquartered in Copenhagen, Denmark. Peak Performance brand provides a broad combination of sport and fashion products and operates through 39 retail stores, 36 franchise stores and one concessions. Tiger of Sweden brand offers fashion apparel and accessories for men and women and operates through 20 retail stores, 11 franchise stores and 19 concessions. By Malene Birger brand operates through eight retail stores, nine Franchise stores and six concessions. The Saint Tropez brand provides Fast Fashion apparel whereas The Designers Remix Collection offers international line of clothing for women. The company recorded revenues of DKK2,665 million for the fiscal year ended June 2016 (FY2016), an increase of 1% over FY2015. (Marketline Advantage: COMPANY PROFILE IC Group A/S, 2016, P.3-5)

FINANCIAL OVERVIEW

Summarized Statement
*Note: Eliminations not included, all figures in Million except per share data.

Parameters	Currency	2013	2014	2015	2016
Income Statements					
Total Revenue	DKK	2,423.70	2,563.40	2,638.00	2,665.00
Gross Profit	DKK	785.30	844.00	802.00	887.00
Operating Income	DKK	191.40	220.50	207.00	243.00
Net Income	DKK	1.70	163.50	140.00	193.00
Diluted Normalized EPS	DKK	8.31	9.91	9.31	11.39
Balance Sheet					
Total Current Assets	DKK	1,502.00	1,294.00	1,283.00	968.00
Total Assets	DKK	2,022.30	1,854.00	1,852.00	1,444.00
Total Current Liabilities	DKK	1,131.00	958.00	920.00	677.00
Total Liabilities	DKK	1,217.20	1,026.00	973.00	711.00
Total Equity	DKK	805.10	828.00	879.00	733.00
Total Common Shares Outstanding	DKK	16.40	16.48	16.57	16.61
Cash Flow					
Cash from Operating Activities	DKK	232.10	263.60	226.00	183.00
Cash from Investing Activities	DKK	-167.20	-91.00	15.00	55.00
Cash from Financing Activities	DKK	-34.80	-109.00	-172.00	-319.00
Net Change in Cash	DKK	29.00	65.90	71.00	-83.00

Figure 23: IC group Financial Overview (Source: Marketline Advantage: COMPANY PROFILE IC Group A/S, 2016, P.20)

Strength	Weakness
Wide Geographical Presence Improving Operational Margins Strong Portfolio of Independent Brands Strong Liquidity Position	Lower Inventory Turnover Ratio
Opportunity	**Threat**
Growth in Emerging Markets Economy Expansion through Organic Growth Growth of Web-Based Store Concept	Foreign Exchange Risks Changing Consumer Preferences Intense Competition

Figure 24: IC Group SWOT Analysis (Source: Marketline Advantage: COMPANY PROFILE IC Group A/S, 2016, P.12)

3.4 Denmark Market/Submarket Analysis

Based on the five forces analysis, customer and competitor analyses help the business to make strategic judgement about a market/submarket and its dynamics. Despite only three competitors were analyzed in this research there are other competitors in the market. Therefore, it is important to assess the industry factors in the new market to create an appropriate strategy that will help Primark succeed in its new surroundings

Figure 6: Forces driving competition in the apparel retail industry in Denmark, 2015
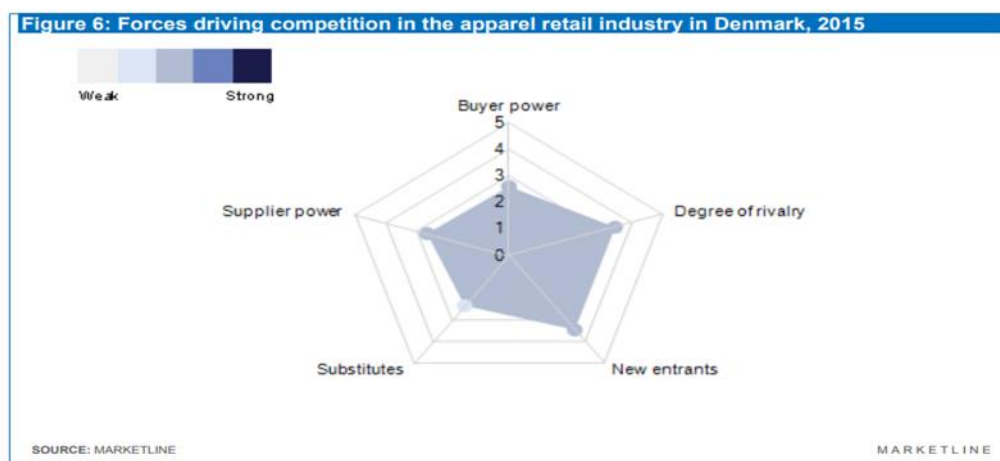
Figure 25: Forces driving competition in the apparel retail industry in Denmark, 2015 (Source: MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.14)

The intensity of competition is decided by the number and power of competitors, their size and their commitment; whether their product offerings and strategy are similar; whether there is existence of high fixed costs and the size of the exist barrier. The more competitors that exists, the more competition intensifies (Aaker 2008, p. 67). The Danish apparel retail industry consist of large numbers of similar retailers, many of which are independents. However, there is still room for large numbers of smaller players in this industry. Retailers, according to Industry Profile Apparel Retail in Denmark, 2016, P.19, proceed with fine-tuning their promotional strategies, with many relocating their discounted goods by introducing off-price formats, though off-price stores face the challenge of some customers entirely switching to shopping at the new concept, which means that retailers are cannibalizing sales rather than growing profitability.

In the apparel retailer sector, product innovation is constant. Also, apparel retailers are increasingly targeting to establish themselves as "lifestyle brands". This trend has been shown in new collections like plus size and "athleisure" lines, as well as fundamentally new categories. Some apparel retailer such as H&M have diversified into the retail of other items, while some retain a strong emphasis on apparel specifically, which intensifies rivalry. Additionally, 'Black Friday' which was introduced in Denmark in 2014, sees retailers cut prices on different items, including clothing during the Christmas period, leading to chaotic scenes at retailers. Due to this, it is simple for customers to move from one retailer to another based on price and this increases the intensity of rivalry. All in all, rivalry is assessed as strong in the Danish market (MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.19).
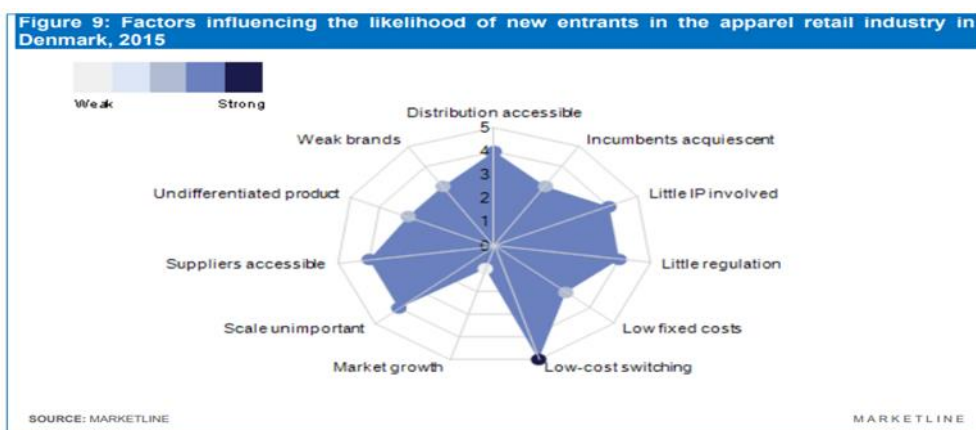
3.4.2 The Threat of Potential Entrants

Figure 27: Potential Competitors (Source: MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.17)

The threat of potential entrants assesses if competitors are likely to enter the industry due to low or high barriers of entry. In Danish market, barriers to entry are not high and capital requirements are low enough for individuals to enter. However, large corporations like IC Company and H&M, account for a significant share of total market revenues. They have advantage on scale economies that permits them to create brands in multiple retail outlets. Also, they benefit from greater buying power when negotiating with suppliers, which allows them to compete more intensely on price. Additionally, there is an increasing competition from low price and off-price retailing. To satisfy demand for discounted branded products, brands tend to overproduce or repeat last year's designs to ensure the off-price stores are full. As a result, competitors compress consumer prices and traditional retailers will be forced to go for low price and low-cost operations. "Low switching costs for buyers and a low level of product differentiation make it easier for new entrants to compete with existing players. Generally, there is a strong threat of new entrants to Danish market (MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.17

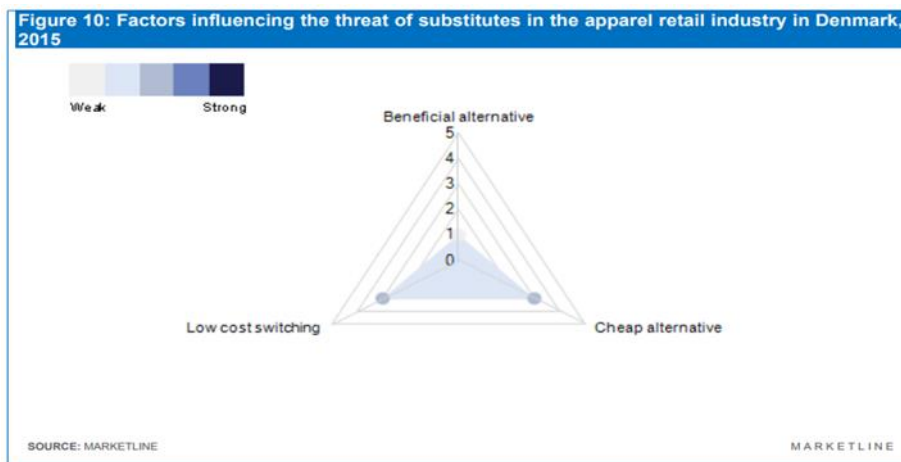### 3.4.3 The Threat of Substitute Products

Figure 28: Substitutes Products (Source: MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.18)

Products in other industries that can replace the products in the analysed industry constitute the threat of substitutes (Aaker 2008, p. 68). Although there are no substitutes for apparel as such, there are alternatives to retail such as purchasing clothing directly from the manufacturer rather than the conventional distribution chain, facilitated by online sales. The online manufacturers take advantage of lower running costs from not having to pay for the overheads cost of running a high street by selling directly to end users without the need for the retailer. Other options to retail ready-made clothes are the home-made and custom-made clothing, as well as counterfeit clothing which can also be a threat to manufacturers. Another alternative is purchasing

second-hand clothing from charity shops and internet sites such as eBay. In general, the threat of substitutes to the Danish apparel retail industry is analyses as weak (MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.18)
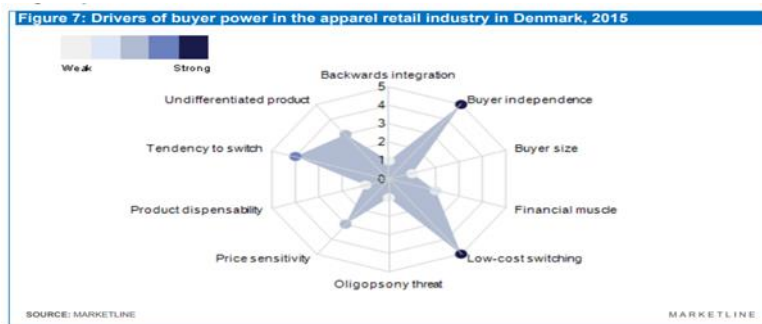
3.4.4 The bargaining power of buyers

Figure 29: Customer Power (Source: MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.15)

The buyer power refers to the power the buyer has over the provider of goods or services by forcing the prices down or demand more services, thereby impacting profitability (Aaker 2008, p. 68). Buyer power in the Danish apparel retail industry is weakened by the small number of buyers, as retailers tend to have large numbers of individual customers, which weakens buyer power as the loss of one is unlikely to have a significant impact on revenues. Also, retailers can strongly differentiate themselves through the styles of clothing they are offering and the price range of this clothing, and this weakened the buyer power. On the other hand, buyer power is strengthened by a high level of choice generated by the absence of switching costs. Brand loyalty within the top end of the apparel retail industry is more connected with the designer than the retailer, though some labels also have their own retail operations. Price sensitivity varies regionally, although clothes are considered as being connected to lifestyle and social status, which allow retailers the chance to impact consumer behaviour. In Denmark apparel retail industry, there is a large market for non-designer apparel retail, principally among customers with lower disposable incomes. Moreover, customers are gradually in favour of off-price stores that offer fashion at an attractive price. Notwithstanding consumers' lack of financial strength, the retailers position at the end of the value chain makes it unsustainable to integrate forwards. This is to say that they are forced to offer buyers what they demand, in an unpredictable market with fast changes in fashion and these factors strengthen buyer power. Buyer power is generally determined as moderate (MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.15)
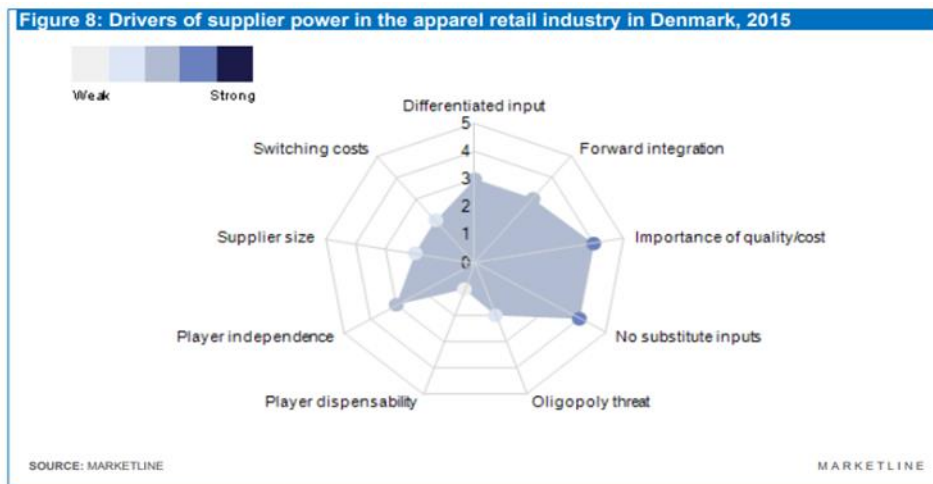
3.4.5 The bargaining power of suppliers

Figure 30: Supplier Power (Source: MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.16)

Supplier power refers to the influence any supplier can exercise on its buyer. A concentration of suppliers, volume and differentiation of products all affect supplier power. A high concentration of purchasers lowers the supplier power since the product is easily produced and the switching costs from one supplier to another is relatively low (Aaker 2008, p. 68). In the Danish apparel retail industry, the main supplier are the wholesale and clothing manufacturing, consisting of small to medium sized enterprises which give retailers the possibility to source from both. Because wholesale and manufacturing sectors are quite fragmented, retailers can source from external manufacturers and the liberalization of international trade decrease the suppliers power due to competition from manufacturers in low wage regions, particularly Asia. Despite that retailers' switching costs are not very high, switching involves the risk of choosing a supplier with a greater supply chain or suppliers able to adapt to unanticipated changes in demand on the market. Supplier power is also weakened by the absence of diversity among suppliers, due to the importance of the apparel retail industry to their business. The difficulty of automating processes such as the sewing of garments makes the apparel manufacturing labour intensive and being that there is minimum wage in many countries, the power of suppliers of labour moderately increases. There is an amount of forward integration amongst the manufacturers of apparel products because large companies frequently manufacture and retail their own products, with most production sites being in low-cost countries like Asia. But the production being overseas may result to problems related to: "delays, high intellectual property protection burdens, quality control issues, management overheads, logistics overheads and other hidden costs" "Overall, supplier power in this market is assessed as moderate" (MarketLine, Industry Profile Apparel Retail in Denmark, 2016, P.16)

4 THE CASE COMPANY: PRIMARK

This chapter is a part of internal analysis. It will introduce the Case Company background. Swot analysis of company's internal strengths and weaknesses and external opportunities and threats will conclude the chapter

4.1 Case Company Background

Primark Stores Limited (Primark) is a fashion retailer based in the UK. It is a retail division of Associated British Foods plc. (Marketline Advantage: COMPANY PROFILE Primark Stores Ltd, 12 June 2017, p.4). Associated British Foods plc (ABF) is a British multinational food processing and retailing company whose headquarters are in London, United Kingdom. Associated British Foods is a diversified international food, ingredients and retail group with sales of £15.4bn, 133,000 employees and operations in 50 countries across Europe, southern Africa, the Americas, Asia and Australia. Their purpose is to provide safe, nutritious, affordable food and clothing that is great value for money. Their business is split into five segments: Grocery; Sugar; Agriculture; Ingredients; and Retail (www.abf.co.uk: Associated British Foods plc Overview)

FINANCIAL HEADLINES

Group revenue
£15.4bn
Actual: +15% Constant currency: +6%

Adjusted operating profit
£1,363m
Actual: +22% Constant currency: +13%

Adjusted profit before tax
£1,310m
Up 22%

Adjusted earnings per share
127.1p
Up 20%

Dividends per share
41.0p
Up 12%

Gross investment
£945m

Net cash
£673m

Operating profit
£1,336m
Up 21%

Profit before tax
£1,576m
Up 51%

Basic earnings per share
151.6p
Up 47%

Figure 31: Financial Headlines (Source: Associated British Foods plc: Annual Report and Accounts 2017, p.1)

4.2 History of Primark

Primark was founded in 1969 Republic of Ireland when an Irish retailer, Arthur Ryan joined forces with finance director Paddy Prior to open the first store in Mary Street for parent company ABF (Associated British Foods) called Penneys. Then it was offering "pile-them-high, sell-them-cheap" clothes at rock-bottom prices. In terms of fashion, Penneys became particularly well known during the 1980s and '90s by bargain hunters for its wide offering of swimwear and expanded its fashion credibility over the years, with more strikes into high fashion at low prices. In 1974, he took the model to Britain – renaming the stores Primark to avoid legal problems with US company JC Penney because it had trademarked the name in the UK. The major turnaround came in 2005, when Primark acquired 42 Littlewoods high street stores in the UK in a deal worth £409 million from the Barclay Brothers, owners of the Telegraph newspaper. It made headlines in 2007 with the opening of its flagship in Oxford Street. "Three thousand people – many of whom had queued from early in the morning – caused a stampede and a number were injured" (The Irish Times: Thanks, Penneys. The rise and rise of Primark, Fri, Apr 8, 2016)

According to the Associated British Foods plc Annual Report and Accounts, 2017 p.40, the increase in selling space has been driven by capital investment in freehold and leasehold properties as they have become available, first on the high streets of the UK and Ireland, and more recently on the high streets and in the shopping centres of continental Europe and the US. The first move outside the UK and Ireland into continental Europe with the opening of a store in Madrid and it now operates from over 13 million sq. ft. of selling space across 11 countries. Presently, Primark is one of the largest clothing retailers in Europe and positioned as number 9 in the revenue of the leading clothing and accessories retailers worldwide in 2016 **(appendix 1**). It has 345 stores and employs 73,000 people in the UK, Republic of Ireland, Spain, Portugal, Germany, the Netherlands, Belgium, Austria, France.

	Year ended 16 September 2017		Year ended 17 September 2016	
	# of stores	sq ft 000	# of stores	sq ft 000
UK	182	6,835	171	6,362
Spain	44	1,675	41	1,503
Germany	22	1,401	20	1,272
Republic of Ireland	37	1,083	36	1,032
Netherlands	18	849	15	679
France	11	562	8	407
US	8	485	5	322
Portugal	9	300	9	300
Austria	5	242	5	243
Belgium	5	227	4	166
Italy	4	203	1	56
	345	13,862	315	12,342

Figure 32: Strategic report – operating review (Source: Associated British Foods plc: Annual Report and Accounts, 2017 p.43)

Primark's organic growth has been achieved through a combination of like-for-like growth and increasing selling space. The total revenue of clothing from the financial year ending September 2007 to the financial year ending September 2016 is shown in **(Appendix 2)**. The like-for-like growth reflects investment in buying, merchandising and constantly refreshing the stores to ensure they remain exciting places to shop. The increase in selling space has been driven by capital investment in freehold and leasehold properties as they have become available, first on the high streets of the UK and Ireland, and more recently on the high streets and in the shopping centres of continental Europe and the USA (Associated British Foods plc: Annual Report and Accounts, 2016 p.37).

Revenue

£7,053m

2016: £5,949m

Actual fx: +19%
Constant fx: +12%

Adjusted operating profit

£735m

2016: £689m

Actual fx: +7%
Constant fx: +3%

Adjusted operating profit margin

10.4%

2016: 11.6%

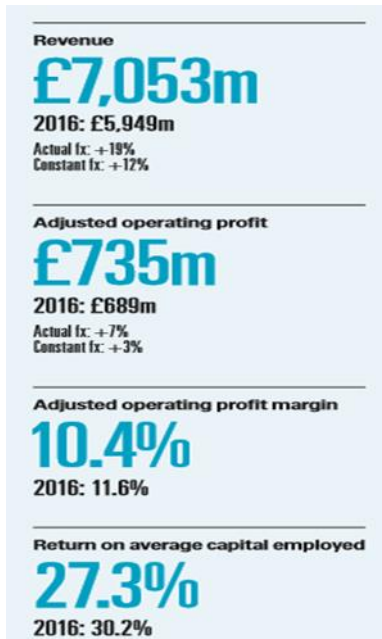**Return on average capital employed**

27.3%

2016: 30.2%

Figure 33: Primark key figures 2017 (Source: Associated British Foods plc: Annual Report and Accounts, 2017 p.43)

Other 16 Primark stores were predicted to be launched across the US and parts of Europe in 2017 (Marketline Analyst Insight, Primark expansion, the impact of Brexit on its profit margins, p.5), however it increased in the scale and breadth with 1.5 million sq. ft. of selling space and a net 30 stores opened across nine countries. This brought the total estate to 345 stores and 13.9 million sq. ft. at the financial year end (Associated British Foods plc: Annual Report and Accounts, 2017 p.43).

Jokingly nicknamed "Primani" after the expensive Italian fashion house Giorgio Armani (Wall Street Journal, Eastern edition; New York, N.Y., Oct 2014), Primark is an attractive retailer to the young, with just under half of its sales coming from customers aged below 35. Moreover, sales to these customers continue to increase despite the age group spending less money in the overall market. In the past years, the total expenditure on fashion from under 35 declined by 4%, however expenditure from older Primark customers, aged 45 and over increased. Half of Primark's growth comes from this age group and four in ten purchases made by these customers are items for themselves rather than their children or other family members (Retail Week: London Business and Economics--Marketing and Purchasing, Nov 05, 2013).

4.3 Primark business model

Like that of Inditex and H&M model, Primark brand is positioned as budget retailer in the fast fashion industry, Primark can offer value and low prices because its business model is based on high sales volumes and lower retail margins. "Primark is very clear about what if offers and the company makes no claims about competing with premium brands. Primark makes clothes with simple designs, uses local fabric and trims, buys in volume and focuses on the most popular sizes; which means it can sell items considerably cheaper than its rival". The fast fashion model allows retailers to place orders closer to season, meaning that these orders are based on recent trends and catwalks. Fast fashion retailers' consumer base such as that of Primark are generating interest from teenagers, who are looking for variety and value (MarketLine Case Study: High street fashion retailers: Survival of the fittest, 2014, p.9).

At Primark, the average selling price was Pounds 3.87 (The Economist; London, Sep 5, 2015). Primark is particularly strong positioning in athleisure streetwear and beauty with its PS Beauty line. It is the largest European retail partner for Harry Potter-themed merchandise, the chain recently expanded its Wizarding World sales with new products in fashion and home décor inspired by the launch of "Fantastic Beasts and Where to Find Them". Primark stores collections showcased include: a "Looney Tunes" collection with Warner Bros. Consumer Products, an exclusive "Family Guy" for Father's Day collection of men's apparel, accessories and homewares with Fox Consumer Products and clothing and accessories with an array of Disney characters with Walt Disney Company U.K. & Ireland" (License Global: 17 Retailers to Watch in '17, Dec 01, 2016). Primark invests heavily in its stores, despite selling clothes at low prices. Most stores are in "prime urban sites and have around 100,000 square feet of selling space, in chic, modern buildings with high ceilings and wide aisles. Some have in-store coffee shops" (Wall Street Journal, Eastern edition; New York, N.Y., Oct 2014) instead relying on its customers 'doing the talking' about its products

Some of the ways Primark was able to keep its prices low with high standard is to make savings at every level of their supply chain; It does very little advertising, no celebrity fashion campaign on Tv instead relying on customers to talk about the product; to combine low prices with good standard in the supply chain, it sells a lot of items and, so it is able to make savings by buying in bulk. It designs cloths that offers the latest trends, but it does not use expensive hangers, tags or labels; it tries to be as efficient as possible when transporting products from factories to stores (https://www.primark.com/en/our-ethics). Primark is engaged in a high level of social media channels through Instagram posts and Snapchat views keeps Primark top-of-mind for its consumer base. Beauty posts on Instagram regularly achieving more than 60,000 likes and Snapchats can get over 1.5 million views (Associated British Foods plc: Annual Report and Accounts, 2017 p.46).

Buying and merchandising teams in Dublin (Republic of Ireland) and UK travel internationally to source and buy fashion items that best reflect each season's key fashion trends. (Associated British Foods plc: Corporate Responsibility Report 2016, 2016 p.5). Primark's products are mainly sourced from suppliers in Europe and Asia. Its key sourcing countries are China, India, Bangladesh and Turkey (The Times 100, Business Case Studies, p.72). The drive to cut costs in its supply chain has put Primark under fire for relying on cheap labor. The retailer was one of many that made clothes in the Rana Plaza factory in Bangladesh, which collapsed in 2013, killing more than 1,100 workers (Wall Street Journal, Eastern edition; New York, N.Y., Oct 2014). The accident is already "one of the worst industrial accidents in world history," according to Scott Nova, the executive director of the Worker Rights Consortium. (Time.com, May 02, 2013)

The tragedy was a wake-up call for the international fashion industry to band together and protect those most vulnerable in their supply chains. it was also an "immediate call to action for Primark, who sourced from New Waves Bottoms, a supplier in Rana Plaza, to take a closer look at its ethics and CSR, to see where it could improve" (fashionunited.uk/Primark-sustainability). "Factory owners, governments and retailers such as Primark, H&M and Zara moved to try to ensure improved safety and working standards with an accord agreed with 10 labour unions" (The Irish Times: Thanks, Penneys. The rise and rise of Primark, Fri, Apr 8, 2016). Primark has since paid more than $12 million in compensation to victims and families affected by the disaster (Wall Street Journal, Eastern edition; New York, N.Y., Oct 2014). Primark is fifth **(Appendix 3)** among the names of the 20 among Apparel and Footwear companies ranked in on their efforts to address forced labour in their supply chains (KnowTheChain: Ranking companies' efforts to address forced labour in their supply chains)

4.4 SWOT Analysis of Primark

The major strengths of the company are a strong supply chain network and product offerings, though limited business operation remains a major area of concern. The future expansions by competitors, increasing manpower costs, and changes in fashion trends pose challenges to the company's growth. Nevertheless, expanding retail market in UK, growth of e-commerce in the UK, as well as international expansion are likely to provide growth opportunities to the company (Marketline Advantage: COMPANY PROFILE Primark Stores Ltd, 12 June 2017, p.12)

Strength	Weakness
Strong Supply Chain Network Product Offerings	Limited Business Operation
Opportunity	**Threat**
Expanding Retail Market in UK Growth of E-commerce in the UK International Expansion	Expansions by Competitors Changes in Fashion Trends Increasing Manpower Costs

Figure 34: SWOT Analysis (Source: Marketline Advantage: COMPANY PROFILE Primark Stores Ltd, 12 June 2017, p.12)

Strength

- Strong Supply Chain Network

Due to its strong supply chain network, Primark can develop high quality service to large-scale of clients and able to increase its sales. Its products are sourced from international suppliers based in Europe and Asia. Buying and merchandising teams procure fashion items that best reflect each season's key fashion trends at competitive price. Primarily, it obtains products in bulk to keep overheads to a minimum and achieve economies of scale. The company steadily invests on logistics to enable its stores to replenish stocks quickly and reduces stock-out costs. While selecting its suppliers, each factory is vetted to internationally-recognized standards set out in the Primark Code of Conduct. Its code of conduct is regularly reviewed by the management board. Products are tested at various stages of production to ensures high quality standards.

- Product Offerings

Primark offers varieties of product to assist the company to provide different needs and preferences of customers thereby enhancing its top line performance. Primark's range includes womenswear, lingerie, children´s wear, menswear, footwear, accessories, hosiery and homeware. Product porfolio includes shirts, t-shirts, trousers, coats, pants, denims, sportswear, golf wear, ski-wear, suits, skirts, cardigans, dresses, jackets, leggings, tops and lingerie, among others. Apart from these, the company offers variety of accessories such as hat, scarf, bags, ties, bracelets, wallets, sunglasses and footwear. It also provides home products such as fragrances candles, towels, bath mats, cushions and throws, duvets, bed sets, percale sheets and pillows.

Weakness

- Limited Business Operation

As of 2016, Primark's organic business growth rate was slow as compared to its major competitors. Primark operates only 315 stores across the US and eleven countries in Europe, with revenue of GBP 5,949 million and employs approximately 68,000 people (Associated British Foods plc: Annual Report and Accounts 2016, p.37-38). Whereas H&M, one of the key competitors of Primark, operates 4,351 stores in the 64 markets worldwide, with revenue of SEK 222,865 million, employing 161,000 people (H&M ANNUAL REPORT 2016, p.43) and Inditex operates 7,292 stores in 93 markets worldwide, with revenue of EUR 23,311 billion and employs 162,450 people (INDITEX ANNUAL REPORT 2016, p.6). Although compare to IC group with revenue of DKK 2,749 million, 1,186 employees and operates 126 stores plus 43 concessions mostly in Nordic region and Europe (IC GROUP ANNUAL REPORT 2016/17, p.1), Primark is in good position. However, it must take strategic measures to improve its performance to stay competitive over the major operating companies in the segment.

Opportunity

- Expanding Retail Market in UK

Primark is based in the UK and has been growing organically by opening new outlets. Primark performed quite well in the UK where sales were 10% ahead compared to 2016 and its share of the total clothing market increased, and Eleven stores were added in the UK (Associated British Foods plc: Annual Report and Accounts 2017, p.42-43). Therefore, growing retail market in the UK could offer it further growth avenues. According to Marketline Advantage, "an in-house research report, retail sales in the UK grew by 1.1% reaching a value of EUR46,281 million in 2017 and are expected to reach EUR52,669 million by 2022, growing at a CAGR of 2.63% during 2017-2022". The Health and Beauty market is expected to lead the share of 27.3% towards the retail sales followed by clothing & footwear with 24.8%, food & grocery (20.2%), home wares (11.3%), DIY & gardening (7.8%), furniture & floor coverings (3.8%), electrical (2%) and other (7.3%). The positive economic trend in Europe provides a good scope for the company to expand its operations in the region by adding new products and expanding its reach through new stores. Marketline Advantage: COMPANY PROFILE Primark Stores Ltd, 12 June 2017, p.12)

- Growth of E-commerce in the UK

The total E-retail sales in the UK are expected to remain a slow growth till 2020. According to Marketline Advantage, the in-house research viewed that E-retail sales in the UK reported revenue of US$63,248.3 million in FY2015 and they are expected to register US$ 93,056.7 million by the end of 2020, growing at a CAGR of 8% during 20152020. Primark sells its merchandize to 11 markets through its website www.primark.com. Primark could therefore could focus on strengthening its presence in e-commerce to improve its revenue growth.

- International Expansion

Primark intends to expand its retail network through the opening of stores in international markets. Sales in continental Europe were 16% ahead of last year at constant currency. Out of Primark's top 20 stores by sales density, 15 are now in continental Europe including seven in our newest markets of France and Italy and open its ninth US store in Brooklyn, New York in the summer (Associated British Foods plc: Annual Report and Accounts 2017, p.42). Primark can launch its product in the Nordic region starting from the Danish market. The increase in number of stores could increase the visibility of the company that may encourage more customers to visit its stores.

Threat

- Expansions by Competitors

Primark faces intense competition from both domestic and international companies in the retail market. Its key competitors in the Danish apparel retail industry include IC Group, Hennes & Mauritz AB, and Zara (Inditex) among others. According to Marketline Advantage (p.14), high competition in the market could force the company to increase its product differentiation by offering merchandise at low prices and/or increase its promotional expenses, which could escalate its operating costs.

- Changes in Fashion Trends

Primark is vulnerable to frequent changes in fashion trends. The fashion trends change instantaneously, which force companies such as Primark to update their product offerings with the latest market trends. Customers tend to shift their loyalties to those brands that offer such trendy merchandise, to adopt the latest fashion trends. Not being able to meet up to the change or update its collection according to the fashion trends and varying customer preferences could result in loss of sales, affecting its brand image. So, it must keep its product attractive and with lowest possible price in order not to lose consumers.

- Increasing Manpower Costs

Increasing manpower costs could result to a negative effect on Primark. The tight labour markets and a higher proportion of full-time employees result in an increase in labour costs. The Denmark labour cost index increase from 104.97 in second quarter of 2016 to106.63 Index Points in the first quarter of 2017, though it decreased to 106.30 Index Points in the second quarter of 2017 (Trading Economics: Denmark Labour Costs 1990-2017). In 2016, average hourly labour costs in the whole economy (excluding agriculture and public administration) were estimated to be € 25.4 in the European Union (EU) and € 29.8 in the euro area. This average shows significant gaps between EU Member States, with the highest hourly labour costs recorded in Denmark (€ 42.0), Belgium (€ 39.2), Sweden (€ 38.0), Luxembourg (€ 36.6) and France (€ 35.6) and the lowest in Bulgaria (€ 4.4), Romania (€ 5.5), Lithuania (€ 7.3), Latvia (€ 7.5), Hungary (€ 8.3) and Poland (€ 8.6). Note should be taken that when comparing labour cost estimates in euro over time, those Member States outside the euro area are influenced by exchange rate movements (Eurostat Statistics Explained: Hourly labour costs). As Primark employs a large group of skilled workforces, rise in the wages may increase the operating costs of the company.

5 EMPIRICAL RESEARCH AND ANALYSIS

The research has proceeded from introducing the theory into the actual empirical research and analysis. The goal of the research is to find ways the Case Company can develop its business activities in practice. The Danish retail industry is highly influenced by the end-consumers, as they sell cloth to them. Therefore, Primark will need to follow the demands of the end-consumers to survive on the market and direct interaction with this group is necessary

5.1 Data collection

As mentioned in the introduction of the thesis, the research utilized interviews. Primary data is gathered from a questionnaire conducted with a few possible consumers from different age groups. Primark´s primary target group as comprises fashion between the ages of 16 and 65 years, living in, or close to Copenhagen. We chose to send out the questionnaire on Facebook, WhatsApp and e-mails, as we were assured answers from a younger audience, which we had a hypothesis about, represented a large part of my target audience. The original questions are found in **appendix 4**

5.2 Data Analysis

The idea behind the questionnaire is to analyse how Primark can control and utilize the current capabilities to conduct a development plan with the necessary actions required to possibly reach growth in the Danish market. We were able to obtain 44 responses from different target group **(Appendix 5)**. In the questionnaire, the target groups were asked to describe their age. According to the answers, the ages between 16 and 24 are 43.2%, 24-45 are 31.8% and 45-65 are 25%. Out of 43 responses, 79.1% have heard about Primark while 20.9% have not. 8.3% know Primark from its website, 13.9% from social media and 77.8% from another source. 84.6% would like Primark to open a store in Denmark while 15.4% responded no. 61.4% of the respondents would like to buy from Primark, 34.1% responded maybe while 0.5% answered no.

The first objective is to determine the attractiveness and the possible business opportunities in the limited budget fashion retail industry. Based on these answers we can make a statement that Primark brand have good opportunities in the Danish market.

6 DEVELOPMENT PLANS

In this section, the final objective of the research can be accomplished. The research has proceeded to a phase where a suitable strategy can be created. However, the strategy will be introduced as a development plan. The development plan will focus on answering the third research question.

- What strategic measures can Primark consider to be able to reach growth in the target to develop and grow opportunities? How is Primark able to control and utilize the current capabilities in expanding the business to the Danish market?

Analyses conducted in the Chapter 3 as well as the SWOT analysis of the Case Company in the Chapter 4 are the basis for the development plan. Also, the results of the questionnaire conducted for the in the Chapter 5 take into consideration when conducting the development plan. As stated, the development plan will focus on the ways the company is able to reach growth in the target market and utilize its current capabilities. The development plan will not make any financial estimation about what will be the costs of the expansion.

6.1 Strategic Competitive Advantage

The development plan is presented by utilizing the four areas of reaching SCA. The ways to reach sustainable competitive advantage were presented in the Subchapter 2.3.

6.1.1 The way Primark competes

Despite the high expense of introducing a new product to a market Primark wants to be up against other fast fashion players like inditex and H&M. Its product line is innovative and interesting, offering the customer clothing, footwear or accessories from the retailer in the latest year that they can afford.

Primark offers great value for money which it achieves by: incurring no advertising costs, instead relying on its customers 'doing the talking' about its products; buying in vast quantities and passing on the cost savings to customers; keeping overheads to a minimum but investing in high-level logistics to enable its stores to replenish stocks quickly; and by not compromising its high-quality standards, rigorously testing products at the various stages of production.

Primark's remarkable performance and its success in appealing to older shoppers means it is now in more direct competition with retailers who target older age groups. The company continues to expand its operations in the region by adding new products and expanding its reach through new stores. Primark does not own the companies or factories that produce its merchandise. By focusing on recognizing its responsibility to the workers in those factories, and to its customers, to ensure that its products are made in good working conditions, the company could carry out its social responsibility and enhance brand image.

6.1.2 Basis of Competition

The Case Company has been operating since 1969 under the name of Penneys and today operates in over 335 stores in eleven countries across Europe and America. Primark is a subsidiary company within Associated British Foods (ABF). Associated British Foods is a diversified international food, ingredients and retail group with sales of £15.4bn, 133,000 employees and operations in 50 countries across Europe, southern Africa, the Americas, Asia and Australia. Our purpose is to provide safe, nutritious, affordable food and clothing that is great value for money. As part of the ABF family Primark shares its core values: taking care of their people, being good neighbours, and fostering ethical business relationships. It also shares the group's overriding

principles in relation to human rights, employment conditions, business practices and engagement with suppliers and stakeholders.

In sales, Primark has an irresistible offer: trendy clothes at astonishingly low prices. It lacks online business, probably because its prices are too low to justify the shipping cost. It also does limited advertising but enjoys a loyal fashion following and the brand boasts over 10 million followers across its social media platforms. From the latest beauty tutorial videos to live streaming of press events and store openings, engaging this community directly drives footfall in its stores, and sales. The Primark website aims to inspire, and enables its followers to keep up-to-date on all the latest products, create wish lists, receive styling advice, and upload outfit posts to Primania. The company has put an effort on increasing the awareness among fashion consumers about the products. However, in the future if the company decides to go for expansion, more sales representatives are required. Investing in training good sales representatives would become an asset for Primark in the future. In addition to efficient sales force, the innovative products give the company the basis of competition and the buying and merchandising teams in Dublin and London facilitates the distribution of the products and sales promotion.

6.1.3 What Primark Offers

Primark brand is best known for its low price and high value because it offers customers quality, up-to-the-minute fashion at value-for-money prices. Primark products are available in over 335 stores in eleven countries: Republic of Ireland, the UK, Spain, Portugal, Germany, the Netherlands, Belgium, Austria, France, the US and Italy, directly employing 73,000 people. Primark has the potential for significant growth and this was demonstrated again this year by its opening of a net 30 stores across nine countries. Three resources are important in the retail industry: brand, design and quality. Primark in general has a strong branding strategy and a strong brand image. This brand image has made Primark an export success, since it increased in its export and sales in 2017 were 19% ahead of 2016 at actual exchange rates and 12% ahead at constant currency. This will help Primark to create a stronger brand profile and increase their buyer network and sales in the Danish market.

6.1.4 Where Primark Competes

Primark should focus on attracting Danish consumer segments by offering generic product of all age category and adapting it to the local preferences. As clothing is an essential item and consumer choice is influenced by factors such as fashion and a desire to signal social status, demand patterns are susceptible to branding, advertising, etc, which also tends to weaken buyer power despite the lack of significant switching costs.

Supplier power in the Danish market is moderate. Due to the steady market growth observed in recent years, and low barriers to entry, there is a high likelihood of new entrants in this market (DATAMONITOR: Womenswear in Denmark, Industry Profile, August 2009, p.12). With changing demands of individual buyers, menswear market players aim to adhere to their customers through brand consciousness through vigilant marketing and PR campaigns to maintain their market shares in a densely populated market where new entrants are regularly breaking into the market (DATAMONITOR: Menswear in Denmark, Industry Profile, May 2010, p.12). Clothing, footwear, sportswear and accessories retailers accounted for the largest proportion of sales in the Danish children swear market in 2013, sales through this channel generated $642.9m, equivalent to 66.3% of the market's overall value. The Danish children swear market has been in decline since 2011. The market is predicted to recover from 2014 to the end of the forecast period in 2018 (Marketline Industry Profile: Children swear in Denmark, June 2014, p.6).

A careful approach to the market is recommended. Primark should therefore start by opening one or two shops around the centre of Copenhagen. Since the company does not invest money for big marketing strategies to reach the customers, being recommended to the end-consumers by the different bloggers and fashion magazines provides much free publicity and increases the knowledge of the brand, which is very important as the company does use advertising. Moreover, technology and innovation change the way business interact with customers or with each other, the shift of fashion retail is now to be accessible at any time through online platforms that allows the customer to have a virtually purchasing experience. Primark should therefore consider online business as many Danish consumers simplify their life by purchasing online

7 CONCLUSIONS

This section concludes the research and answers the research questions. The purpose is to summarize the project process and the findings of this research and to make suggestions for further research. The project process started with determining if the Case Company has the potential to expand its brand, position itself and gain market share on the Danish B2C market. The fashion retail industry was chosen as the target market and thus, the goal of the project was to conduct a business development plan for the Case Company to reach growth from this specific field.

The study was performed deductively with the assistance of qualitative and quantitative methods. Various sources were utilized in collecting information and knowledge. Primary data were gathered from a questionnaire conducted for a few possible consumers. Secondary data are acquired from several sources such as books, journals and internet. A business development plan was presented based on all the accumulated knowledge during the project process.

The research was conducted according to David. A. Aaker's model of Strategic Analysis. The model contained the internal analysis of the Case Company and external analysis of the target market. Complementing tools were utilized to support the model and organize the data. PESTEL and Porter's five forces are used to discuss the external factors, including the current situation in the market as well as competition to evaluate the opportunities and threats. Further, Swot analysis was used to study the current internal strengths and weaknesses of the Case Company.

It was concluded in the business Empirical Analysis that Danish market offers a growth opportunity for the Case Company. The business development plan suggests targeting the sales to different segments of Danish consumers; providing products of all age category and adapting it to the local taste; starting around Copenhagen centre; Involving different fashion magazine and bloggers to for consumers to be more aware of the brand, as it´s advert is limited and consider doing online business.

7.1 Answers to research questions

- What is the current state of the target market?

The target market economic outlook is on a more positive side. This year It register its highest rate of annual growth in ten years, benefiting from the pickup in economic momentum across the eurozone and a rebound

in trade activity. It records low interest rates, low unemployment and rising confidence will underpin strong growth in private consumption, which is set to be the main driver of the economy in 2018-22. The expected growth rate for the target market is estimated to be 2.4% this year and 2% to be sustained over 2018-22. However, the market has reached maturity and competition in the market will increase. The main competitors in the fast fashion retail market are Inditex, H&M and IC Group which have already reached a stable position in the market.

- Does expansion to Denmark offer Primark a growth opportunity?

Research proved that expansion offers a growth opportunity for Primark. However, further research is advisable on economic issues to ensure the profitability of the necessary investments.

- What strategic measures can the case company consider to be able to develop and reach growth in the target market? How is Primark able to control and utilize the current capabilities in expanding the business to Danish market?

The business development plan suggests targeting the sales to different segments of Danish consumers; providing products of all age category and adapting it to the local market taste; starting around Copenhagen centre; Involving different fashion magazine and bloggers to for consumers to be more aware of the brand, as it´s advert is limited. The business development plan suggests the Case Company should introduce more innovative products to place the company on a competitive advantage. The potential customers should be informed and be more aware of the brand and its products through publicity like bloggers and fashion magazines since it relies on organic growth. Also, it is suggested that if the business expansion is to be implemented, Primark should hire more sales forces to carry out the sales promotion.

7.2 Suggestions for further research

These research findings can help business developers to make better strategic decision prior to launching in new markets. It is important that the business developer understand market dynamics and the opportunities these create for those who can leverage them. However, the project also raises some questions that can serve as a basis for future research. An interesting area could be to investigate the significance of social networks engagement to a brand's success; if it would be enough to support a global strategy or whether it is necessary to adapt to local preferences.

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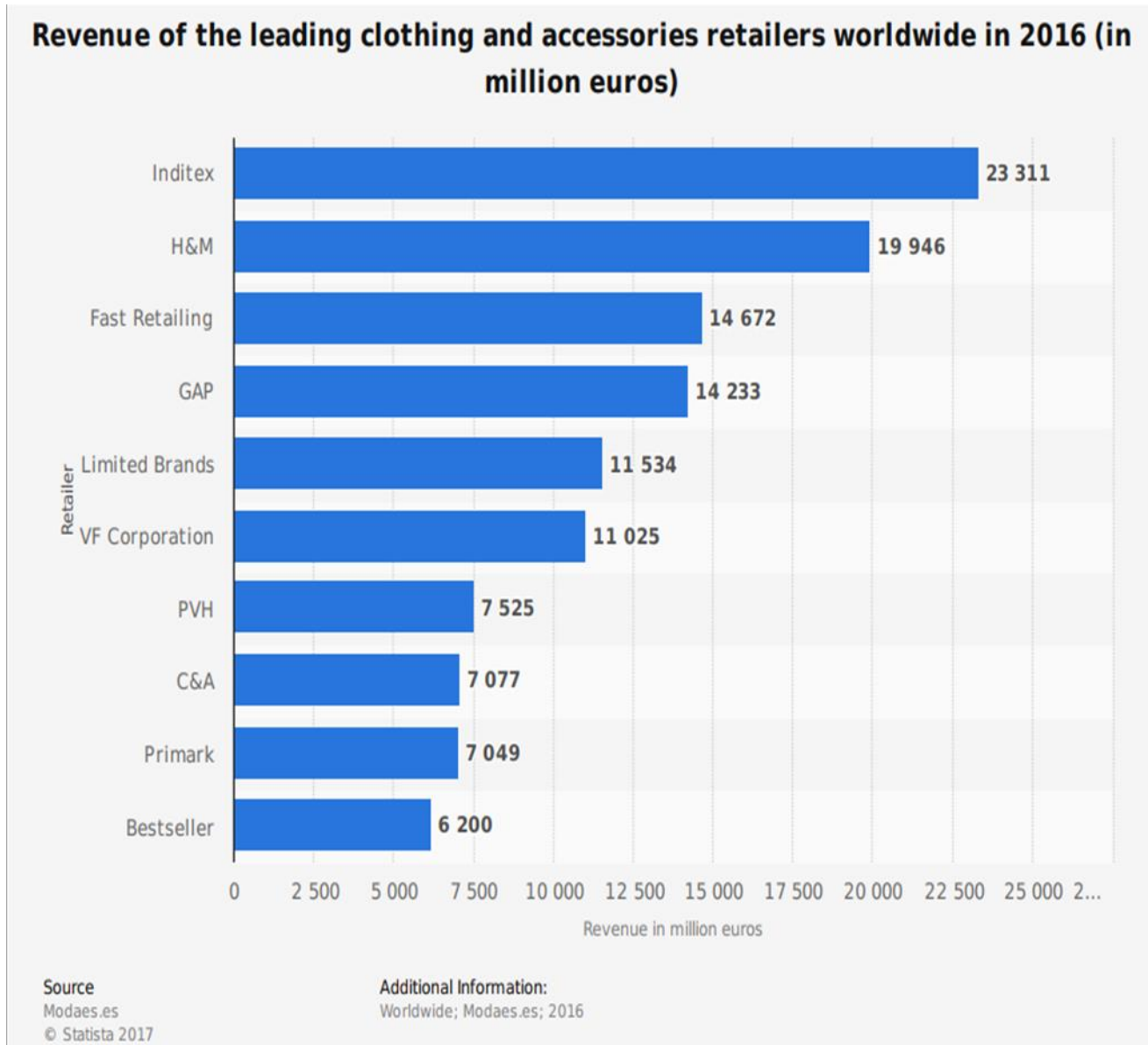
Time.com: Bangladesh Factory Collapse: Is There Blood on Your Shirt? By Victor Luckerson, May 02, 2013

http://business.time.com/2013/05/02/bangladesh-factory-collapse-is-there-blood-on-your-shirt/?iid=sr-link10

Trading Economics: Denmark Labour Costs 1990-2017 https://tradingeconomics.com/denmark/labour-costs

UNIAVISEN: Copenhagen fashion shops for a student budget, 5. April 2013 — 05:51

https://uniavisen.dk/en/copenhagen-fashion-shops-for-a-student-budget/

10 Appendices

Appendix 1: Primark Market Share

Revenue of the leading clothing and accessories retailers worldwide in 2016 (in million euros)

Retailer	Revenue in million euros
Inditex	23 311
H&M	19 946
Fast Retailing	14 672
GAP	14 233
Limited Brands	11 534
VF Corporation	11 025
PVH	7 525
C&A	7 077
Primark	7 049
Bestseller	6 200

Source
Modaes.es
© Statista 2017

Additional Information:
Worldwide; Modaes.es; 2016

Source: Statista 2017

Appendix 2: Primark's revenue worldwide from financial year 2007 to 2016 (in million GBP)
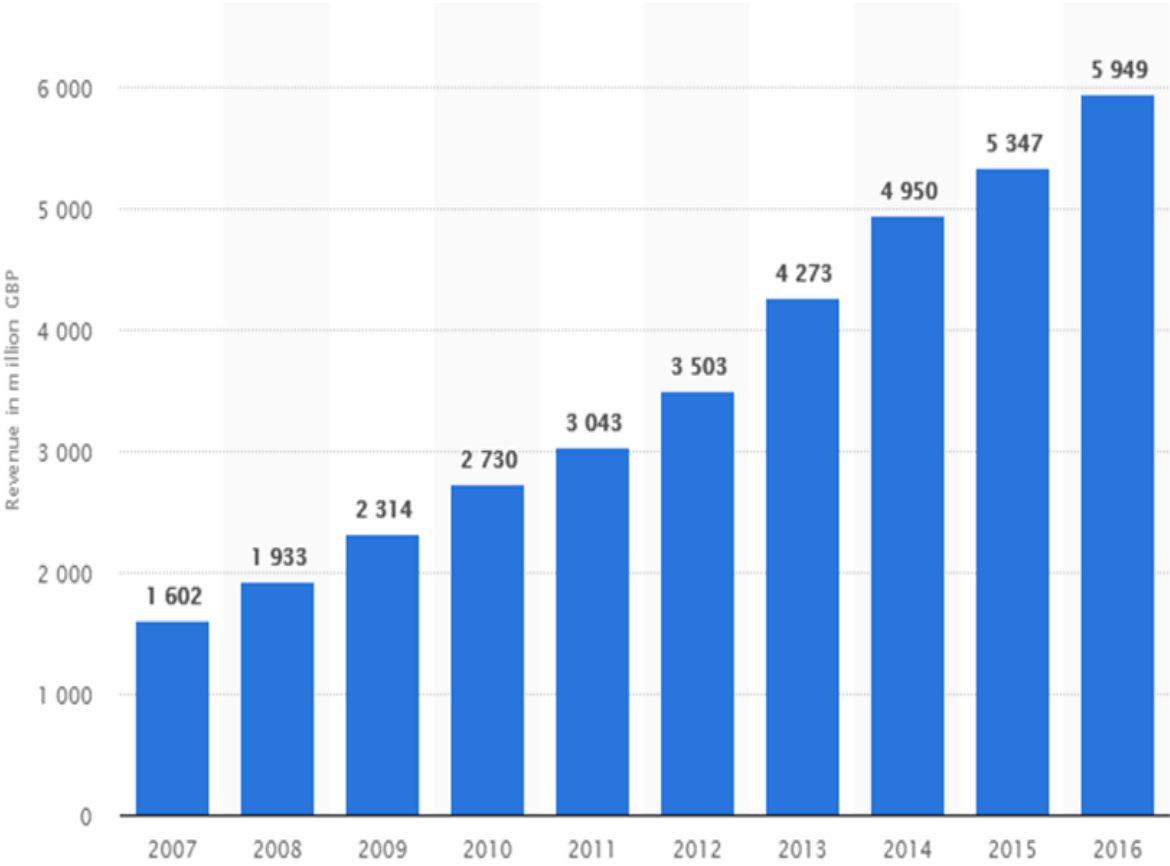
Source: Statista 2017

Appendix 3: KnowTheChain's first benchmark of 20 large apparel and footwear companies
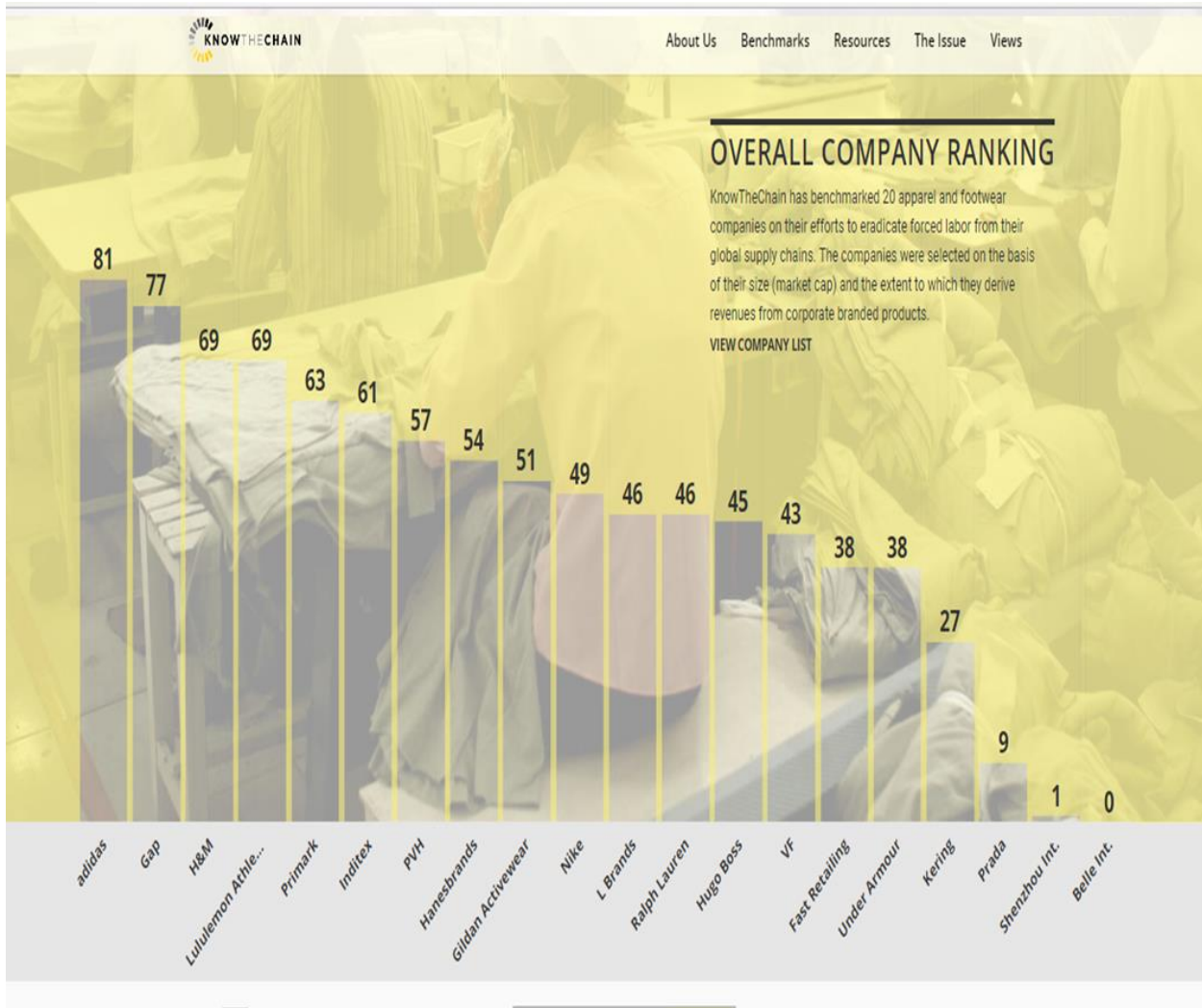
Source: KnowTheChain, May 2017. https://knowthechain.org/benchmarks/3/

Appendix 4: The original questionnaire

Fast fashion low budget retailer for women's wear, men's wear, children's wear and accessories

Age *

○ <16

○ 16-24

○ 24-45

○ 45-65

○ >65

Do you know Primark?

○ Yes

○ No

If yes, from where do know Primark?

○ Website

○ Social Network

○ Other

Would do you like Primark to open a store in Denmark?

○ Yes

○ No

Would you buy in Primark? *

○ Yes

○ No

○ Maybe

Appendix 5: Responses to the questionnaire

RSVP

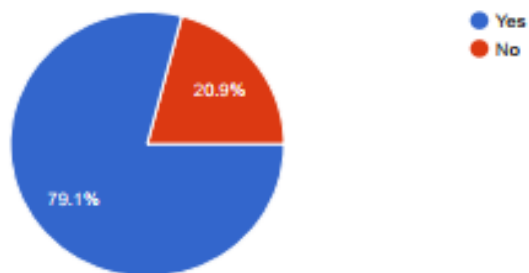## 44 responses

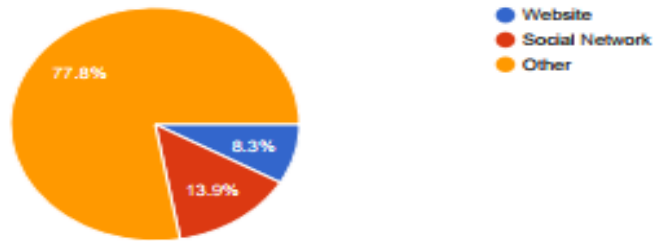SUMMARY | **INDIVIDUAL**

Accepting responses

Age
44 responses

- <16
- 16-24
- 24-45
- 45-65
- >65

31.8% 25% 43.2%
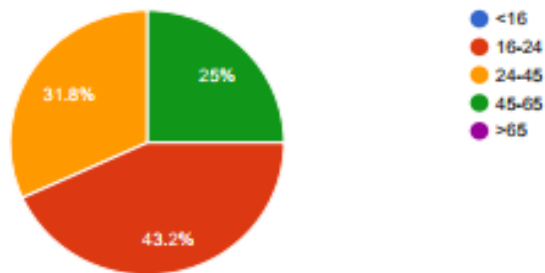
Do you know Primark?
43 responses

- Yes
- No

79.1% 20.9%

If yes, from where do know Primark?

36 responses

- Website
- Social Network
- Other

77.8%
13.9%
8.3%

Would do you like Primark to open a store in Denmark?

39 responses

- Yes
- No

84.6%
15.4%
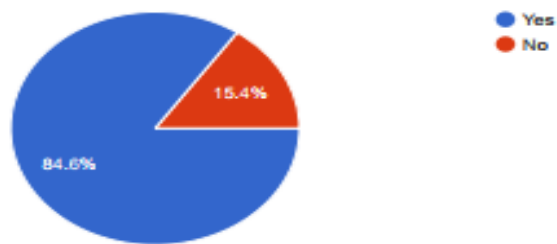
Would you buy in Primark?

44 responses

- Yes
- No
- Maybe

61.4%
34.1%
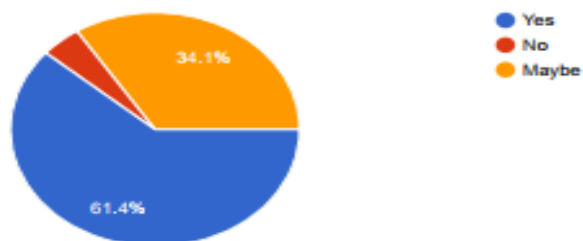
Appendix 6: RUC Database

Business Proquest

Business Source Complete

Google Scholar

Marketline Advantage

Proquest (Alle databaser)

Statista

World Development Indicator Online

Country Reports 1996- Economy, politics, and statistics from all countries. (E-journal)

EBSCOhost (alle databaser) 1990- (Bibliography and E-journal)