

# The Reasons of Primark Brand Loyalty in The Post-Epidemic Era Based on Marketing Mix Theory

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**Abstract.** Brand loyalty has always been a hot topic in academia, with high theoretical and practical value. Primark is an Irish clothing retailer receiving consumers' favorites with affordable and fashionable clothing products. Meanwhile, unlike most brands, Primark doesn't participate in e-commerce sales and only carries out sales business offline. As a fast-fashion clothing shop, compared with the well-known global brands H&M and Zara, Primark's products are more affordable, while the product range is also more extensive. The epidemic has made a major impression on the global economy, which has also dealt a huge blow to the clothing industry. As for Primark, the closure of its shops during the epidemic caused a huge loss, but after the closure was over, Primark's shops had huge queues and saw a huge increase in sales in a short period. There is a lack of research on Primark in the academic world, and the research is not focused. Based on marketing mix theory, this paper adopts a qualitative approach to systematically sort out and summarize Primark's product, price, and promotion and explores the reasons for Primark's high brand loyalty. It was found that the diversity of Primark's product range, the cost-effectiveness of its price, the decline in consumer spending after the epidemic, and its digital marketing on social media were the key reasons for Primark's high brand loyalty.

**Keywords:** Primark, Brand loyalty, Marketing mix theory.

## 1. Introduction

### 1.1. Research Background

With the global economy's continuous expansion and the Internet's rising penetration, the global e-commerce market remains in a fast-growing position. The number of people who use the Internet, the quantity of websites, and the extent of Internet connectivity in each location are all increasing to varying degrees. According to the Internet World Stats website, the number of global Internet users had surpassed 5.386 billion as of December 31, 2021, and the Internet coverage rate had reached 67.9%, with the average coverage rate in Europe and the United States above 90% [1]. In 2022, worldwide retail sales will amount to US\$27.34 trillion, with e-commerce retailing accounting for 5.31 trillion US dollars, or 19.4% of total retail sales. In the worldwide retail business, e-commerce is quickly becoming a vital sales channel [2, 3]. E-commerce is becoming more common in the garment retail sector; most firms will choose to conduct online sales after reaching a certain scale, and many apparel brands will close their offline stores and exclusively sell their clothing products online. H&M and Zara, for example, not only operate their businesses offline, but customers can also place purchases for merchandise directly on their e-commerce platforms and official websites. However, Primark, a well-known company in the fast fashion retail market, refuses to participate in e-commerce sales, preferring to operate only offline stores. It presently operates over 400 stores in 15 countries, with an annual revenue of \$60 billion. The pandemic outbreak, country closures, and control measures all had a significant influence on the garment sector in 2020. Staff reductions and delays in the supply chain resulted in an 8.9 percent drop in worldwide retail clothing sales in 2020. During the three-month closure, Primark also sustained huge losses. When it reopened, there were long lines outside Primark, demonstrating that Primark customers are incredibly loyal to the brand.

Primark products are affordable and fashionable. Nowadays, Primark has become an international fashion giant. Nowadays, academic research on Primark is scattered in terms of direction and content. Josep et al., using Primark as a target, studied Primark's relationship with followers on Facebook and

the use of consumer enthusiasm through social networks [4]. Jones et al., using Primark as a case study, examined the issue of corporate reputation management in the new environment of social networks [5]. Also, Dach et al., using Primark and H&M as case studies, examined the issue of web-based communication for corporate sustainability [6]. Previous research has been more dispersed, with the main direction being the use of social networks to build consumer relationships and issues of corporate reputation, with less research on Primark's marketing approach.

## 1.2. Research Gap

While many offline stores failed to survive the post-epidemic recession and went out of business, Primark was able to rise quickly despite the end of the epidemic, and customer loyalty did not diminish over the three months, despite the fact that its offline sales channels were blocked during the epidemic, resulting in three months of no revenue. The reasons behind this have yet to be investigated. As a result, the goal of this study is to look into how Primark survived and maintained consumer loyalty during the epidemic without engaging in e-commerce sales. The study's significance is that other garment companies that are not involved in e-commerce sales can leverage Primark's business concepts to boost consumer loyalty.

## 1.3. Structure of Paper

This article aims to conduct an analysis of Primark's information as well as UK and EU apparel sector data, both pre- and post-epidemic. Additionally, it will examine Primark's items, locations, promotions, and pricing strategies in order to assess the factors contributing to consumer loyalty and the methods employed to sustain a high level of customer loyalty.

## 2. Case Description

Primark was founded in 1969 with the opening of its first shop in the heart of Ireland. From the outset, the company was established to provide affordable and fashionable clothing to its customers. This new format quickly gained traction. The shops became so popular that Penneys, the CEO of Primark, opened more shops in Ireland. Primark debuted its first store in Madrid, Spain, in 2006. Subsequently, it opened stores in France, Portugal, Germany, Italy, and the Netherlands. In 2015, Primark entered the US market for the first time and opened several shops there over the next few years. Primark's target group has a low level of consumption, is more sensitive to the price of clothing, and pursues fashionable clothing.

Nonetheless, the arrival of the epidemic in 2020 also gave the EU retail industry and Primark a major blow. The constant change of the epidemic led to the EU countries' policies being tightened and loosened, and the EU retail market's performance is also changing. Before the epidemic, the EU retail market stabilized at a steady growth rate of 2%–3% [7]. Starting with the controls in March, the retail sector experienced a significant decline, down 6.8% year-on-year in that month and 17.6% year-on-year in April, before starting a slow recovery in May [7]. After multiple rounds of outbreak ultimate, in May 2021, overall sales in the EU largely returned to pre-outbreak levels and began to grow modestly. Meanwhile, the EU is an important market for Primark. With no online shops, Primark was completely unable to sell during the blockade and was forced to cease operations.

## 3. Analysis of Problems

To answer why Primark could still have high consumer loyalty while not participating in e-commerce throughout the outbreak, so that it could recover fast after the epidemic. The Marketing Mix Theory, founded by Neil Borden in 1964, refers to a set of marketing variables and marketing methods that marketers can influence and modify, and it will be used to further evaluate the reasons for this in this essay. This idea emphasizes the integration of several aspects in order to achieve

company and consumer objectives. Product, pricing, promotion, and place are the four components of the marketing mix.

Product strategy refers to how a firm realizes its marketing objectives by offering a variety of products to its target market that suit the needs of consumers. It includes the combination and application of controllable factors such as product variety, specifications, style, quality, packaging, features, and various service measures.

Pricing strategy refers to the way enterprises set and change prices according to the laws of the market to realize their marketing objectives, including basic prices, discount prices, allowances, a variety of pricing methods and techniques, and other combinations and applications of controllable factors.

Promotion strategy refers to the use of various means of information dissemination to stimulate consumers' desire to buy and promote the sale of products to realize its marketing objectives, which include advertising, sales promotion, public relations, and other controllable factors of the combination and application.

Place strategy refers to the rational choice of distribution channels to realize its marketing objectives, including the coverage of the channel, the flow of goods, intermediaries, and other controllable factors such as the combination and application.

Previous studies on consumer loyalty used mostly an experimental approach with a research method based on the Marketing Mix Theory. Wang used the Marketing Mix Theory to conduct research on the factors that influence consumer brand loyalty in the platform economy [8]. Jin investigated the relationship between marketing analysis, brand equity, and brand loyalty in sports facilities using marketing mix theory [9].

As a result, the marketing mix hypothesis may be used as the foundation for further investigation in this study.

### **3.1. Reason on Product Strategy**

Primark's clothing includes men's clothing, women's clothing, children's clothing, and toddler's clothing, which not only meets the needs of almost all ages for clothing shopping but also meets the needs of the whole family for shopping in offline shops. Primark also offers a wide range of clothing for all body types and seasons to ensure that the unique needs of the consumer are met, and the variety of Primark styles gives the consumer a wide range of choices, allowing them to try on a wide range of styles in-store before making a purchase.

Consumers in Europe take the environment very seriously, and Primark has always emphasized the sustainability of its products. For example, cotton is used in the production of clothing rather than synthetic fibers, which are more polluting to the environment. For the cultivation of cotton, Primark has also worked with agricultural experts to create the Cotton Sustainability Program, which not only improves the quality of cotton but also allows the farmers who grow it to have a higher income. Such behaviors and concepts are more in line with the target group's concept of environmental protection, and promoting the brand's concepts can also enhance consumer stickiness and loyalty. Hwang et al. also elaborated on the effect of the product on consumer loyalty in Customer Affinity Response to Design Value: A Comparative Study by Product Type [10].

The global fashion industry undergoes frequent and time-sensitive transformations, necessitating Primark's ability to adapt and immediately introduce new products that align with prevailing trends and effectively appeal to their intended consumer base. The product design encompasses both a minimalist and understated daily casual design as well as a vibrant and expressive personality design that offers a wide range of styles and an extensive use of colors. Simultaneously, the frequent initiation of novel product releases can effectively sustain customers' focus on the brand and maintain its novelty.

### 3.2. Reasons on Price Strategy

Primark's product prices are significantly lower than the average market price, which is very cost-effective. Primark reduces the price of purchasing clothes from suppliers through economies of scale, tries to control the cost of operation with fewer staff in shops, mainly focusing on the cashier's area, gives up the anti-theft measures, and does not participate in e-commerce. It also saves on the cost of logistics management and the losses from returns and exchanges. The cost savings are reflected in the price of the products. The average summer clothing price of Primark is about US\$30 lower than that of Zara, which is also a fast-fashion high-street brand. Primark has attracted many consumers with its excellent value for money and has built strong customer loyalty as a result.

The effects of Britain's exit from the European Union, as well as the epidemic, have gradually damaged the economies of the United Kingdom and the European Union. In the first quarter of 2023, German household consumption expenditure on clothing and footwear increased by 0.9% year on year, while France and the United Kingdom decreased by 0.4% and 3.8%, respectively, and the growth rate fell by 48.4%, 6.2%, and 27.4%, respectively, compared to the same period the previous year. When price hikes are eliminated, real retail sales growth in the United Kingdom will be basically nil in the first four months of 2023. The bad economy is accompanied by a gradual reduction in consumption, at which time more people prefer more affordable apparel. In such an economic condition, Primark has experienced an increase in the number of customers [11].

A lower price reduces the decision-making time for consumers, as the price is not too high, so consumers do not need to worry too much. At the same time, the affordable price does not make consumers have high expectations of the product itself in the evaluation stage after the purchase of the product, even if there is dissatisfaction, but also because the price is not too high to ignore, and ultimately on the product as a whole and the brand to leave a better impact on the improvement of customer loyalty. Javier et al. have also illustrated that value for money has a strong correlation with consumer choice [12].

### 3.3. Reasons on Promotion

Primark rarely uses traditional advertising and marketing methods to cut costs and instead relies heavily on social media. Primark frequently posts new products on social networking platforms such as Facebook, TikTok, and YouTube, allowing Primark fans to learn more about the new products before deciding whether or not to purchase them. Simultaneously, if you share several models wearing Primark's daily wear and add matching scenes as the background, such a video or photo will make customers have the same craving, bring themselves into the situation where the model is, and therefore produce the purchase idea.

Primark also creates hot topics on social media from time to time. Primark has successfully operated Primania, a topic where consumers are free to share their opinions about Primark and what they are wearing. Using this approach, users can help generate content and promote the brand, which increases brand awareness and strengthens the connection between consumers and the brand, thus increasing brand loyalty.

Primark has also asked many KOLs to promote the brand. For example, sharing shopping experiences at Primark on YouTube, recommending cosmetics sold by Primark, items worth shopping for at Primark in the autumn, etc.—all of which have helped Primark increase its visibility and, in turn, increase consumer loyalty.

In addition to regular discount promotions, Primark often co-brands with other brands or IPs, such as Disney, Marvel, the NBA, and other well-known brands. IP, such as Barbie and Winnie, whose images often appear in the clothing, not only to make the clothing more recognizable but also to let the potential consumers who love these brands and IP become Primark consumers and then become loyal customers. The brand's success has been recognized by a number of well-known designers who have collaborated with Primark to develop the brand. At the same time, many well-known designers will also cooperate with Primark to design more recognizable clothing and increase the added value

of the clothing. The popularity of the designers themselves will also bring in more consumers, strengthening the bond with them and enhancing customer loyalty.

## **4. Suggestion**

### **4.1. Suggestion on Product Strategy**

Primark boasts an extensive range of merchandise, encompassing many categories such as apparel, essential commodities, and travel-related items. Consumers sometimes encounter challenges in locating highly pertinent products across expansive retail spaces exceeding 10,000 square meters. This predicament diminishes the efficiency of the shopping experience.

Consequently, a viable strategy for enhancing the effectiveness of product launches involves bundling items with greater contextual relevance. During the academic semester, it is common for toiletries, bedding, and dormitory supplies to be bundled and offered for sale as a package. These packaged goods often come with specific discounts. This phenomenon not only expedites consumer transactions but also enhances sales by means of discounts and promotional activities.

### **4.2. Suggestion on Price Strategy**

Even though Primark has kept its prices very low, there is still room for improvement in its pricing strategy. In 2005, Primark was voted the most unethical place to buy clothes in the UK, with Primark scoring only 2.5 out of 20 on the Ethical Index. Today, many developed countries are placing an increasing emphasis on environmental sustainability, and the clothing industry has a huge impact on the environment, generating around 20% of the world's wastewater each year and accounting for 10% of the world's carbon emissions, making it the world's second-most polluting industry after oil. Over the past decade, many fast fashion retailers have initiated various sustainability programs in their supply chain management, such as H&M's "Clean Transport" campaign and Uniqlo's participation in the Tokyo Carbon Reduction Reporting Scheme [13].

Therefore, in terms of pricing, it is possible to apply allowances whereby customers can take unwanted clothes to Primark for recycling, and after the shop staff has assessed whether the clothes are recyclable or not, they will pay a commission or points to the consumer. In this way, it not only strengthens the connection between the brand and consumers but also creates a good reputation for the brand itself, allowing people to know more about the brand through the clothing recycling activities, and at the same time shapes the brand's sustainable image and strengthens consumer loyalty.

### **4.3. Suggestion on Promotion Strategy**

The supply chain within the global apparel business is characterized by a high degree of complexity. In the initial stages of the emergence of clothing labels, Primark witnessed instances where textile factory workers expressed their grievances by displaying labels on their faces, which indicated their compulsion to endure prolonged and arduous working hours. Over the years, Primark has faced persistent criticism and negative feedback. Despite the consistent assertions made by CEOs regarding the necessity of equitable treatment for workers, the intricate nature of supply chain matters has hindered the resolution of these challenges. Within the realm of customer relationship management (CRM), it holds significant importance for firms to cultivate a favorable brand image and demonstrate a steadfast dedication towards addressing such situations with consumers. One potential approach to addressing this issue is to produce a documentary video that highlights the company's endeavors in this particular domain. Additionally, it is imperative for the retailer to proactively address the deficiencies observed within the supplier's operations.

## **5. Conclusion**

In this paper, against the background of rapid global Internet coverage and the rapid growth trend of e-commerce, Primark is studied in terms of brand loyalty, exploring how it has high brand loyalty

in the post-epidemic era without participating in e-commerce sales. This paper analyzes Primark's product, price, and promotion based on the Marketing Mix Theory, which suggests that the diversity of Primark's product range, the cost-effectiveness of its price, the drop in consumer spending after the epidemic, and digital marketing on social media are the key reasons for Primark's high brand loyalty.

The key factors contributing to Primark's high brand loyalty are in terms of pricing. To increase the brand's image, a used clothing recycling area can be set up in shops where consumers' unwanted clothing is recycled and part of the commission is returned, promoting environmentally friendly behaviors among consumers while shaping a sustainable brand image. Products can be packaged and sold to improve consumer shopping efficiency and experience. On the promotional side, documentaries can be made about the brand's culture, philosophy, and production, reflecting the brand's commitment to sustainability and thus shaping the brand's image.

This paper fills in Primark's research on brand loyalty and provides a reference for future research on fast fashion-related brands. However, there are still some shortcomings in this paper, as the Marketing Mix Theory itself is limited; it focuses on product orientation while the consumer aspect is not given much consideration. Moreover, the whole analysis is conducted from a micropoint of view, while macro-market factors are not taken into account. The opinions are summarized by reading a large amount of literature and are subjective. In future research, a more comprehensive analysis of Primark is needed, including applying the mix theory of the 4Cs to the analysis as well as macro-environmental and industrial analysis.

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