

PRIMARK®

Planning for Contemporary Issues in Marketing

MBA Marketing Management
(BMMB7012)

Table of Contribution

Team Member	Contribution
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Yifan Liu (2206060)	The event happened in Primark
Rebecca Steele (1902180)	Analysis of Primark's ethical issue
Zichen Hong (2200548)	Is primark more ethical after tragedy?
Jasika chauhan (2215849)	Recommendations and suggestion

(part 1) Introduction

The company is a subsidiary of British food processing company ABF and is based in Dublin.

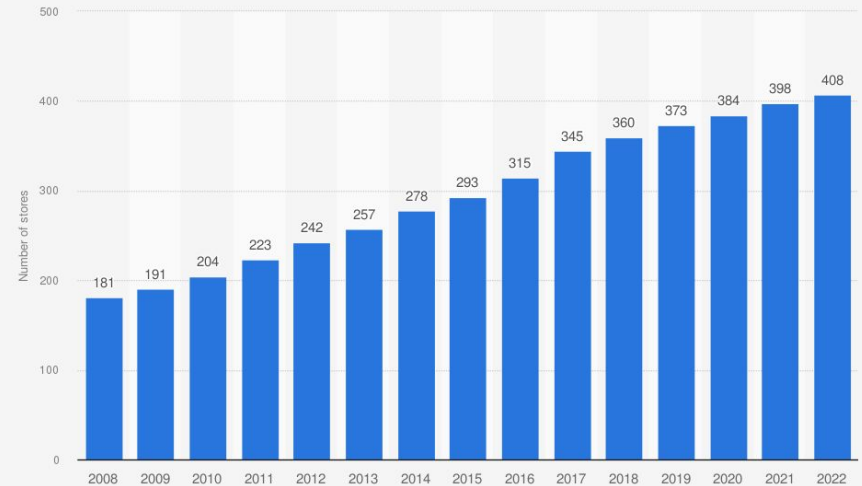
"the most improved store on the street"

"the most affordable store",

"the best store in 50 pounds"

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Number of Primark stores worldwide from 2008 to 2022



Source
Associated British Foods
© Statista 2022

Additional Information:
United Kingdom; 2008 to 2022



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Product Positioning: Womenswear, menswear, kidswear, shoes, accessories, underwear, homeware.

Corporate Positioning: Imitate the trends of fashion catwalks and make similar versions of clothes in a few weeks, and finally sell them at the lowest price

Competitive Positioning: Same low price companies like Gap, Old Navy, Forever 21, Zara, H&M

Consumer Positioning: For fashion consumers under the age of 35



Market
positioning

Development timeline

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June 1969	a store called PENNEYS opened on St Mary's Street in Dublin.	In May 2006	PRIMARK entered Spain, opening its first store in Madrid, followed by Murcia in September 2006.
1973	the number of PRIMARK stores in Ireland had reached 18 and began to trade with four suburban stores in the UK.	December 2008	PRIMARK opened its first store in Rotterdam, the Netherlands.
From 1984 to 1994	the total number of PRIMARK stores in the UK and Ireland reached 66.	In May 2009	PRIMARK opened its first stores in Lisbon, Portugal and Bremen, Germany.
1995	The development of the UK business allowed them to fully acquire the BHS discount chain store	In December 2009	PRIMARK opened its first store in Liege, Belgium
2000	C&A withdrew from the UK market, and PRIMARK acquired 11 of their stores, bringing the total number of stores to 108.	2011	PRIMARK further expanded and opened new stores in the UK, Spain, the Netherlands, Portugal and Germany.

why is it developing so fast?

part 2:Event

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On April 24, 2013

**In Bangladesh, The Rana Plaza factory,
which produced garments for brands
such as Primark and Mataran, collapsed,
killing 1,132 people.**



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**They held protest signs
such as
"Shame on Primark"
and "Never Again".**



Legal - Primark continued working within this factory despite the owners illegally adding several stories to the top of the building, creating a weight the building could not bear (Jimenez and Pulos, 2016).

Social - Primark's focus on marketing themselves as a “fast fashion” brand is what played a major role in them utilising such an unethically operating factory to produce their products.

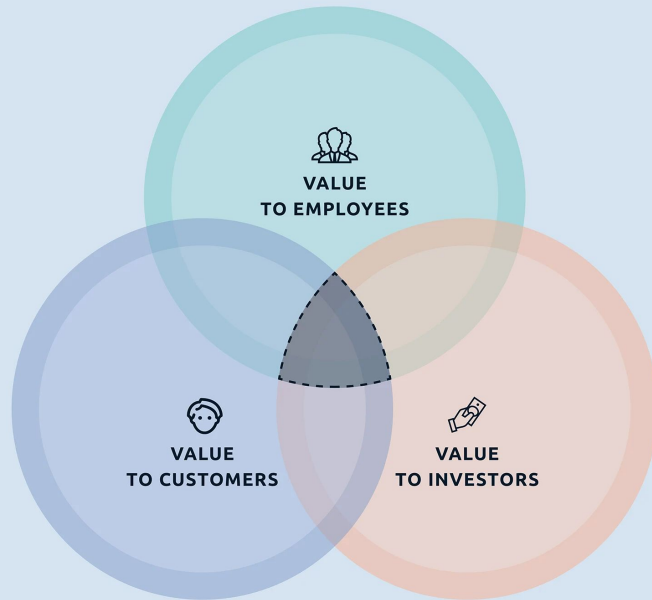
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Source: <https://www.statius.co.uk/pestel-analysis/>

Analysis of the Issue

VALUE CREATION IN BUSINESS



Source: Dieffenbacher (2022)

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The ethical perception of a business' activities by customers and wider society is becoming increasingly important as modern marketing is now seen to be all about value creation as marketing aims to meet human needs by creating value (Kotler, 2022).

Because of this paradigm shift, the incorporation of Corporate Social Responsibility has become an increasingly important part of marketing success for many businesses, such as Primark.

Corporate social responsibility (CSR) surrounds the idea that managers have responsibilities to society and has been further developed as a social obligation (Kraus and Brtitzelmaier, 2012).

The enthusiasm consumers have for CSR and the response to CSR initiatives has been explored by authors such as Brown and Dacin (1997) along with the marketing benefits of actions with a social dimension.

(part 4) Is primark more ethical after tragedy?

Short term response

- Food fund and financial support
- Technology support to rescue people
- Agreement with local government

Long term response

- Working with local partner and ILO
- Long term payment schedule
- Additional finance and nonfinancial support
- Give money management advice

Is primark more ethical after tragedy?

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Primark displayed **good transparency** by listing all of the **28 countries** it sourced from, and listing factory names, on its company website. It also had a **strong supply chain policy**, with its Code of Conduct translated into 40 languages and assuring payment of a living wage. Primark stated that it **audited suppliers** at least once per year, and paid for these audits. As Primark met most of the key requirements in our lengthy Supply Chain Management rating it received our best rating for its policy.



Is primark more ethical after tragedy?

In 2019 the Christian Initiative Romero (CIR) issued a report stating that it had interviewed 73 Sri Lankan employees from six named supplier factories to Primark. It stated that **none of these** met the retailer's code of conduct, and some were involved in breaches of local law.

Primark was **poorly reviewed** in the 2019 Tailored Wages UK report published by Labour Behind the Label. It claimed Primark showed **no evidence** of workers being paid a living wage and said "Primark should sign a legally-binding, enforceable agreement with worker representatives to deliver a living wage".

(part 4) summary

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Many claims of MNC exploitation are not **based on relative wages**, as discussed in the previous section. Rather, the claims refer to evidence of “unacceptably” or “immorally” bad standards of treatment, including **child labor, physical and verbal abuse, excessive working hours, and inadequate health and safety measures**. As discussed, exploitation may arise from violations of moral rights, irrespective of the distributional outcome. (2017, Zwolinski and Wertheimer)



suggestion and recommendation

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I would like to recommend and suggest primark should:

- ☐ Companies should undergo internal ethic audits on a regular basis.
- ☐ Primark should take a Top- Down approach to ethics.
- ☐ There should be no gap between ethical standard and actual behaviour of employee.
- ☐ Fair wage rates to children working in warehouse,
- ☐ strict action against their auditors and suppliers ensuring adherence to higher ethical standards.
- ☐ Primark paid for auditors to ensure the ethical standards of their suppliers.

Both the ethical standards of Primark and those of their suppliers were raised. As a testament to their commitment to their ethical stance, Primark paid for auditors to verify the ethical standards of their suppliers. We came to the conclusion that even though Primark was at the centre of the incident, market rumours have frequently singled them out as a target because they are the well-known brand at the very end of the supply chain. Primark is not solely to blame, it must be said. Without Primark's knowledge, the supplier subcontracted the task to other local merchants. Children were employed by these subcontracted merchants in their overworked, poorly paid warehouses. The auditors at Primark ought to have known this.

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