

Primark

Rapid changes in media, transport and communications technology have made the world economy more interconnected now than in any previous period of history. Nowhere is this more evident than in the world of textile manufacture and clothing distribution. Consumers want fashionable clothes at affordable prices. Much of high street fashion is produced in various countries across the world. Businesses source clothes from countries like India, China, Bangladesh and Turkey because of lower material and labour costs in these countries. In order to meet consumer demand, Primark works with manufacturers around the world.

Primark has almost 200 stores across Ireland, the UK, Spain, Netherlands, Germany, Belgium and Portugal. Primark's annual turnover accounts for a significant proportion of ABF's revenues and profit.

Primark's target customer is fashion-conscious and wants value for money. Primark can offer value for money by:

- sourcing products efficiently
- making clothes with simpler designs
- using local fabrics and trims
- focusing on the most popular sizes
- buying in volume
- not spending heavily on advertising.

Primark's business growth comes from meeting these customer needs whilst continuing to expand stores and move into new markets.

Important business principles for Primark include respecting human rights and setting guidelines for appropriate conditions of employment in its suppliers' factories. Primark has over 600 major suppliers in 16 countries. These companies provide employment for over 700,000 workers in three continents. Primark is committed to making sure that its partners, both factories and suppliers, also act responsibly towards their employees.

Typically, textiles are manufactured in low-wage/high manual skill economies such as are found mostly in the developing world. Factories in countries such as India or China may supply a range of retailers and brands, producing goods according to each individual retailer's specifications. In these circumstances, the factory sets the same wage rate to employees, regardless of which retailer the goods are for. At least 95% of the factories supplying Primark also produce for other high street retailers.

Sustainability



Good business practice involves being sustainable over the long term. A business is sustainable when it is able to make profits for shareholders, offer good employment opportunities for its staff, pay taxes to the governments of countries in which it operates, and at the same time give consumers what they want (e.g. products that represent good value for money at affordable prices). A business that makes a profit is

able to make an important contribution to society and to look after all of its stakeholders.

Operating in an ethical way may incur additional costs to a business when compared with other retailers and companies who may not do business in the same way. For example, Primark bears the cost of carrying out all audits. Then there are its costs associated with working with ethical partners. An example of this is Primark's partnership with Nari Uddug Kendra (NUK). This is an organisation supporting women's rights and health in Bangladesh.