



Primark in Brazil

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Introduction to Primark

- ▶ Primark is a retail fast fashion brand originating from Dublin, Ireland in 1969 by Arthur Ryan.
- ▶ They have over 400 locations globally.
- ▶ Primark is a low-cost department style store that sells products from clothes, shoes, and jewelry.
- ▶ They have not expanded out of the North American and European markets.



Brazil Basics

- ▶ 7th largest population in the world - 215.3 million
- ▶ Portuguese is universally spoken apart from indigenous people
- ▶ Home to a majority of the Amazon
- ▶ 50% of population is Roman Catholic
- ▶ Family, community, and culture is heavily valued
- ▶ Rich diversity due to history
- ▶ One of the most concentrated incomes in the world
- ▶ Home to famous cities of Sao Paulo, Rio de Janeiro, and Brasilia

Sao Paulo

- ▶ Largest city in Brazil and 4th in population globally
- ▶ Strong metropolitan area, responsible for 12% of the national Brazilian GDP
- ▶ Located in Southeastern Brazil on the plateau of the Brazilian Highlands extending inland from the Serra do Mar.
- ▶ Has many trending restaurants and clubs that entice the social scene
- ▶ Famous architecture, museums, and art galleries



Marketing Objectives



- ▶ Target market
- ▶ Young adults and adults ages 16-35
- ▶ Individuals searching for affordable, trending clothing items
- ▶ Attract people who are going out to restaurants and clubs in Sao Paulo
- ▶ Both men and women shop at Primark
 - ▶ About 65% female and 35% male shoppers



SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none">• Consistent Trend Adaptation• Positive In-Store Experience• Pre-Established Global Footprint	<ul style="list-style-type: none">• Lacks a Strong Online Presence• Clothing Quality Concerns• Ethical Concerns regarding Labor Practices	<ul style="list-style-type: none">• E-Commerce• Enhancing Sustainability• Expanding to different Target Markets	<ul style="list-style-type: none">• Strong Competition from Larger Retailers



Product

- ▶ Main Product

- ▶ Baby, Children's, Women's, and Men's Clothing
- ▶ Tops & T-Shirts, Pants & Leggings, Sweaters & Cardigans, Pajamas & Sleepwear, etc.

- ▶ Packaging

- ▶ Offers customers brown paper bags as primary packaging
- ▶ Committed to eliminating all remaining single-use plastic packaging for a more sustainable environment

- ▶ Support

- ▶ Online Customer Service




































Promotion Mix

- ▶ Brazilians are best reached through online mediums
- ▶ 7/10 Brazilians regularly shop online
- ▶ Some of the highest network usage rates
- ▶ Value the customer experience even more than high quality
- ▶ Care about diversity and representation of culture

Advertising	Sales Promotion	Other Promotional Tactics
Media Mix <ul style="list-style-type: none">- Social media engagement- Website- Word of mouth- Appealing window displays	Coupons <ul style="list-style-type: none">- Sales are mostly in store- Through email	<ul style="list-style-type: none">-Collaboration with local artists to emphasize care of community and promote culture
Message <ul style="list-style-type: none">- Money saving opportunities- Focus of sustainability- Culture is valued	Premiums <ul style="list-style-type: none">-Do not have any since focus is on providing clothes as cheap as possible	<ul style="list-style-type: none">- Continue to use influencers to promote brand

Distribution

- ▶ Port of Santos is right in São Paulo, the financial center of Brazil.
- ▶ All cities in São Paulo are connected by rail.
- ▶ Metro is the most common mode of transportation with their integral railways.
- ▶ With this we can see that Water and Rail are the most effective way to distribute products.

TRANSPORTATION MODE Comparison							
Explore the pros and cons of the most popular shipping modes and see how they stack up against each other across a variety of key determining factors.							
	 COST	 SPEED	 CAPACITY	 REACH	 SHIPMENT VISIBILITY	 RELIABILITY	 ENVIRONMENTAL IMPACT
TRUCK	 Cost effective for short distances	 Quick delivery for short to medium distances	 Limited by truck size and weight restrictions	 Extensive market reach, even to remote areas	 Equipped with GPS tracking devices	 Typically reliable, barring any major traffic, construction or weather delays	 Less fuel efficient than other modes
RAIL	 One of the most cost effective modes, especially for large volumes/long distances	 Comparable speed to truck	 Able to transport large volumes at one time	 Reaches major markets coast to coast but can require coordination with trucks for first and last mile	 GPS tracking and ID tags on all rail cars to provide high level of visibility	 Shipments can be expected to arrive within a pre-determined timeframe	 Environmentally responsible and fuel efficient
WATER	 One of the least expensive shipping modes	 Slow transit time	 High carrying capacity with few size and weight restrictions	 While extensive coverage is available across the U.S., this mode requires access to navigable waterways	 Can be difficult to track shipment's location while in transit	 Can be difficult to predict and control transit times; congestion or unplanned outages by an aging infrastructure can cause delays	 Environmentally responsible and fuel efficient
AIR	 Typically the most expensive shipping mode	 Fastest shipping mode, especially for long distances	 Low carrying capacity	 Accessible to most locations, but an airport infrastructure is required and truck pick-up and delivery is typically needed	 Easy to track your shipment while in transit	 Easily impacted by inclement weather and susceptible to delays	 One of the most fuel-intensive modes




Channel of Distribution - Retailers

- ▶ Franchise Model, Open one store in São Paulo.
- ▶ Profit margin of 8.2% (Average industry markup of 55%-62%).
- ▶ Focus on creating affordable products.
- ▶ Cost of living for a family of four in Brazil is 50.2% compared to the US.
- ▶ Accepting cash and cards.
- ▶ Prices are already about as low as they can go so markup should stay the same.
- ▶ Average Primark is approximately 80 workers and 40,000 sq ft, to test the waters about half that would be a safer investment.



Price

(prices listed are in Brazilian Real)

- ▶ Below listed is the price of most purchased essential items.
 - ▶ These prices are consistent to the prices offered by competitors in the target market.
 - ▶ Primark T-Shirt: 23.02 BR (\$4.50)
 - ▶ 5 pack Socks: 20.47 BR (\$4.00)
 - ▶ Regular Hoodie: 66.51 BR (\$13.00)
 - ▶ Average Pants: 102.33 BR (\$20.00)
 - ▶ 7-pack boxers briefs: 58.84 BR (\$11.50)
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Production Capabilities and Costs

Primark Brazilian Expansion Projections												
Five Year Projection Plan												
(all values are calculated in USD)												
Franchises	Year 1				Year 3				Year 5			
Franchises Revenue (in thousands)												
Revenue				\$15,000.00				\$ 19,837.50				\$ 26,235.09
Cost of Goods Sold				\$ (9,600.00)				\$(12,696.00)				\$(16,790.46)
Sales Revenue to Primark Corporate (10%)				\$ (1,500.00)				\$ (1,983.75)				\$ (2,623.51)
Franchises Gross Profit				\$ 3,900.00				\$ 5,157.75				\$ 6,821.12
Franchise Expenses												
Salaries and Wages				\$ 1,222.47				\$ 1,296.91				\$ 1,375.90
Rent				\$ 1,176.00				\$ 1,247.62				\$ 1,323.60
Utilities				\$ 300.00				\$ 318.27				\$ 337.65
Franchise Net Revenue				\$ 1,201.53				\$ 2,294.95				\$ 3,783.98
Profit to Primark Corporate (40%)				\$ 480.61				\$ 917.98				\$ 1,513.59
Franchises Total Net Income				\$ 720.92				\$ 1,376.97				\$ 2,270.39

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect. The shapes are layered, with some appearing more prominent than others, and they extend from the edges of the frame towards the center.

Thank You!