A descriptive research on customer segmentation and promotional strategy adopted by H&M in India

Jasqueen Anand
Kunal Beria

ABSTRACT

The aim of this article is to analyse the perception of customer towards buying behavior in H&M and how customer segmentation play key role in H&M. H&M is Sweden company and one of the largest multinational clothing retail in the world, so, this paper aims to investigate how its strategic direction and the strategy changes have led to this success in the last decade. Specifically, this paper will analyse the strategic changes in the company leadership, culture, structure, stakeholder's strategy, environment and the business function in the last decadewith Indian standard.

Keywords: customer segmentation, Indian market, buying behavior, strategic changes.

INTRODUCTION

The issue of customer preference is of keen interest to the researchers, policy makers and practitioners dealing with the issues related to marketing and consumer behaviour. Customers are central to the process of sales and marketing of any product and service and their preferences can impact companies. Therefore, satisfying customers' needs becomes the primary goal for a marketer to work toward. The role of customer preferences is very prominent in the overall buying behaviour of customers. Customer preference is primarily concerned with selecting various alternatives available to them based on the expected value which they can derive in terms of fulfilment of their needs and desires along with overall satisfaction.

The Indian retail fashion market is marked by the presence of numerous domestic and foreign players. As the Indian economy is witnessing a higher degree of demographic dividend in comparison to the world market, there are increasing trends in the overall consumption within the Indian economy. This is also drawing the attention of several good brands that do not currently have a presence in India. Some domestic brands in the Indian market are Allen Solly, Park Avenue, Peter England, Flying Machine and Louis Philippe while some of the international brands are H&M, Forever 21.

The H&M cluster is one of the world's top fashion companies, with brands being H&M, Weekday, Monki amongst others. H&M hopes to inspire fashion globally to dress their individual style.

With every exclusive identity, H&M offer brands amalgamated in their desire for fashion in a cost cost-effective and maintainable way.

REVIEW OF LITERATURE

A literature review is comprehensive summary of previous research on a topic. The literature review surveys scholarly articles, books, and other sources relevant to particular area of research. A literature review creates a "landscape" for the reader, giving her o him a full understanding of the developments in the field. The present research attempts to capture customers' perception of some dimensions typical of Romanian fashion retailers and how these dimensions are reflected in the customer-based brand equity. The analysis, conducted from the perspective of customers of fashion, sporting goods and shoe stores, has significant managerial and scientific implications. In fact, the authors highlight specific directions that the management of fashion retailers may take to have customers adopt a particular behavior of preference or recommendation of stores so as to increase their trust in, and appeal of the said retailers as well as the quantity of purchased goods. In other words, it is important for the management of the fashion retailers to identify the most appropriate way whereby they can,through synergistic efforts, obtain a lasting response from demand agents.

OBJECTIVE OF THE STUDY

- To obtain customer perception economically and which type of apparel categories they prefer.
- To know about the customer segmentation and perception of consumer towards to the brand H&M.
- To know the promotional strategy and the buying behavior of customer, which mode of buying they prefer.

METHODOLOGY

The methodology of this study is based on descriptive research to measure the customer perception and customer segmentation in H&M. But first of all we need to know what is descriptive research, it is defined as the feature of the population that is being examined.

METHODOLOGY ADOPTED
Research design

It is important to choose a suitable method to collect data. There are two research methods—qualitative method and quantitative method. The qualitative method is to focus on the individual to obtain a deeper understandingof the situation while the quantitative method focuses on gathering a great number of facts to analysis the states. (Hussey & Hussey, 1997)

It is descriptive and primary as well as secondary data- based research study which is carried out and is concerned with describing the customer perception on H&M

Sample Size -The total sample size was 200 out of which there were 150 respondents

Target Segment/ Population - Major portion was Gen Z i.e. people of the age group 18-25 years.

ANALYSIS AND INTERPRETATION

To understand consumer preferences as this understanding could help companies in shaping their product offering. This understanding gains even more importance when the product is a fashion brand where preferences can change rapidly and the product is highly personal. The study finds that the difference is significant with respect to factors such as price, advertisements and the convenience of buying, while there is no significant difference with respect to other factors. Price, brand image, social status attached to the products are factors that have been ranked higher in preference.

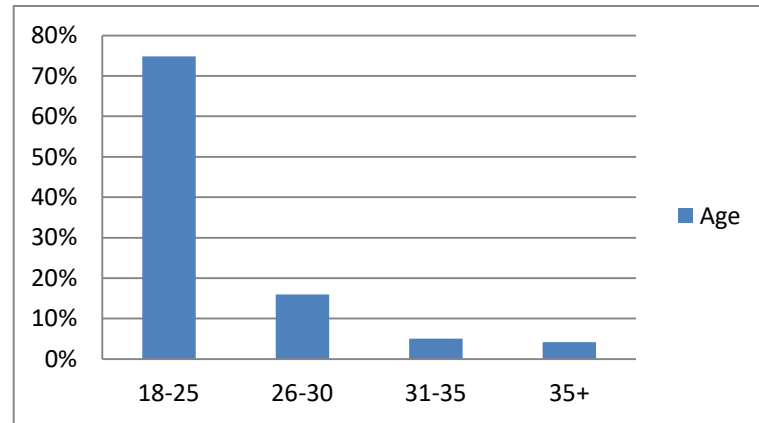**Question 1.How old are you?**

fig.1

In above graph 74.79% people are in the age group of 18-25 , so mainly these people are targeted and mostly data has been received from these people and only 4.20 are in the age group of 35+.
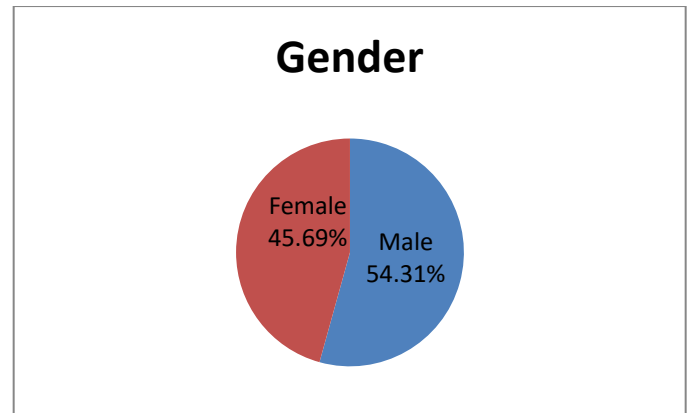
Question 2.What is your Gender?
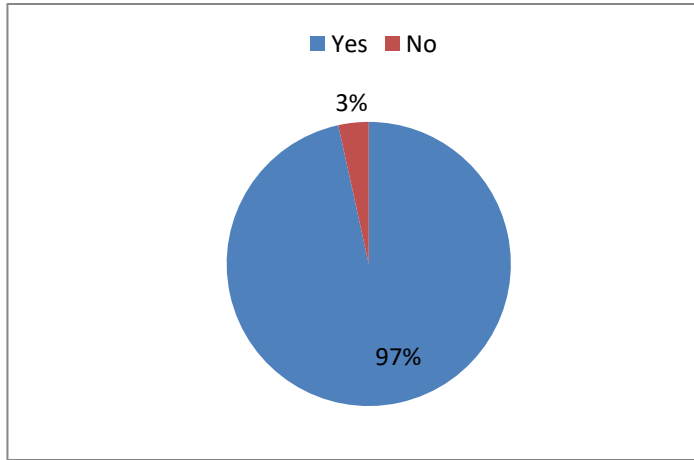

fig.2

Question 3. Do you know H&M?

fig.3

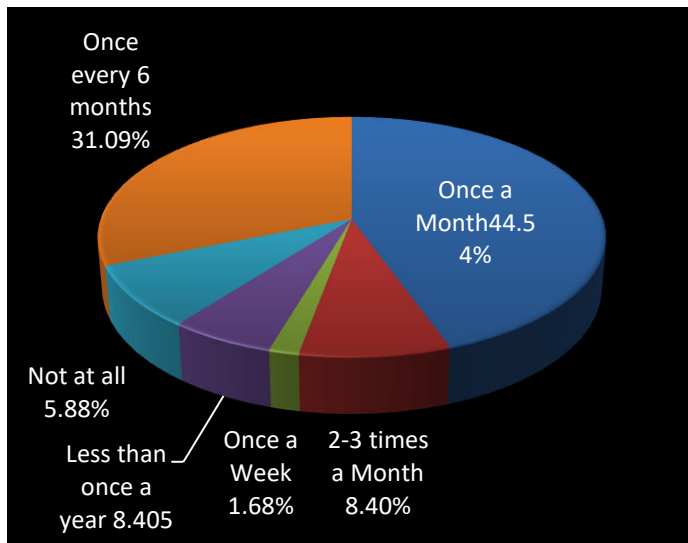## Question 4.About How Often do you shop for Clothes?

fig.4

Interpretation: The above Pie chart shows that How often do they shop for clothes. People buying clothes Once a month stands with 44.54%,

Once every 6 months are 31.09%, once a week are 1.68% shop for cloth.

Question 5.What's your opinion about H&M Product Price ?
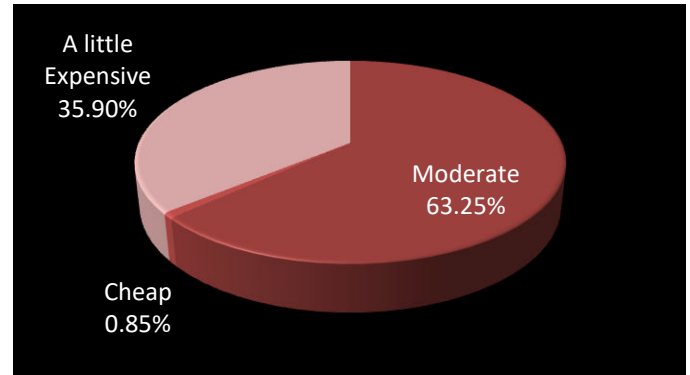

fig.5

Interpretation : The above pie chart tells the opinion of product price by customer. 63.25% of people say its price is Moderate and 35.90% of people says its price is Little expensive as compare to other products.

Question 6.In the last year, where have you seen advertisements for H&M? In the last year, where have you seen advertisements for H&M?
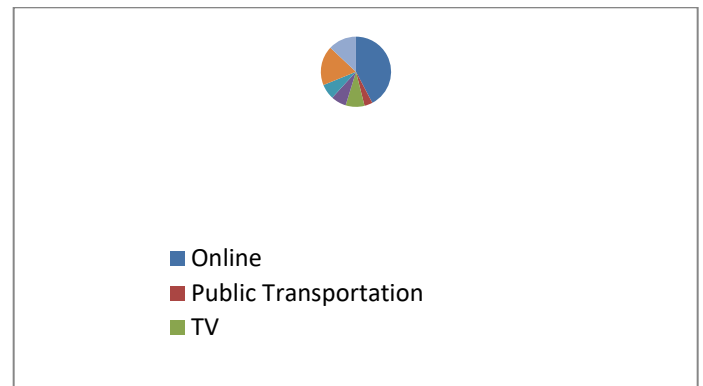

fig.6

Interpretation: In above pie chart it depicts with method of advertisement they had watch. 41.05% of people watch online, 17.89% had seen advertisement in Magazines, and 12.63% in Newspaper.

Question 7.Which of the following brands do you currently use?

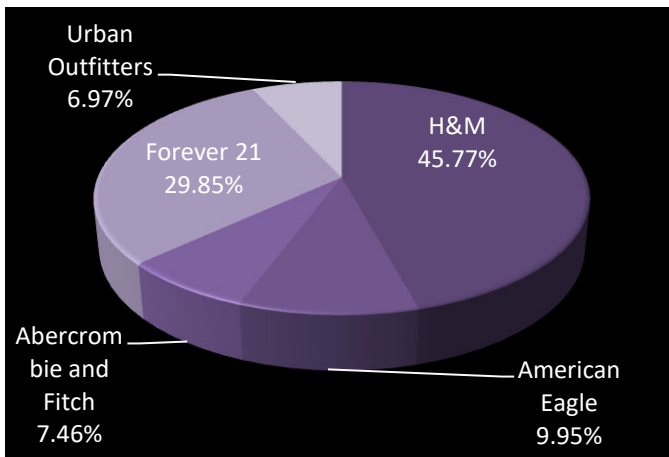fig.7

Interpretation : The above pie chart says that the mostly use brands are Forever 21 with others 29.85, and 45.77% of people use H&M brand.

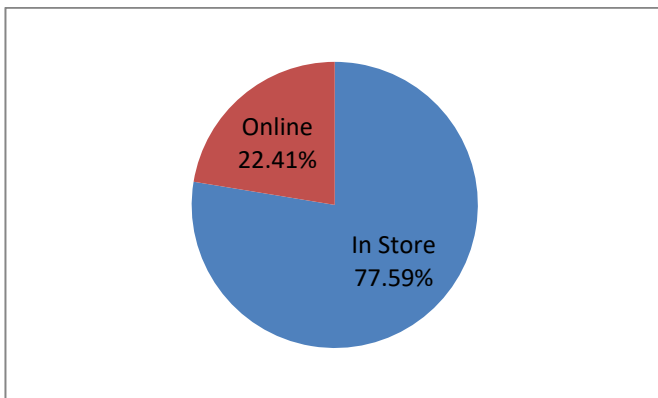## Question 8. How do you Shop?

fig.8

Interpretation : The above pie chart depicts that 77.59% do shopping from store and 22.41% people do shopping from online portal of H&M.

RECOMMENDATION AND FINDINGS

It can be prescribed that H&M ought to redistribute a portion of its supply chain functions to independent agencies, by re- appropriating procurements would not imply that they had lost its control of sourcing and purchasing process, rather it will enable them to give careful consideration on its core competencies which will make it a market leader by making change in its quality and standards and solve the problem which are occurring.

So they need to focus on:

We need to keep our eyes on the preference and the standard of quality cloths for our customer satisfaction.

Focus on the Economic Pricing in which the customer can buy products Range of product categories is , Contemporary and Unique style etc.

H&M needs to strategies how they outsource all production activities, which makes it hard for them to control products quality and dependability of supply, which can raise the bar with there competitor.

They should invest in multiple suppliers as they only upstream in their designs to match there competitors and change the customer perception.

CONCLUSION

H&M is an apparel company, against all odds and challenges faced in the clothing industry, they still emerged as one of the top clothing industries.

Which focus on the customer knowledge and work according to customer preference and maintain the good competition with there competitors. The standard of apparel and quality they offer is very satisfactory and pricing of products is very according to the economy of the area.

So we understand the emerging trend of online shopping for that reason people less preferred to go physical store, and there were 4700 store are around the world and 220 are more building so they need to focus on expansion of E- commerce operations also.

Compare to its competitors like forever21 , urban outfitter, Zara etc according to our study they are almost same like in price range so they need make a difference in pricing the disruption is happening online, and H&M has been relatively slow to adapt to it For now but Brands like H&M have to improve their online performance to maintain or improve their market share In future.

REFRENCES

1. https://simconblog.wordpress.com/
2. https://www.scribd.com/document/252929 902/H-M
3. https://www.academia.edu/24618206/Repo rt_on_H_and_M_India
4. http://www.diva-portal.org/smash/get/diva2:627836/FULL TEXT01.pdf
5. https://www.youtube.com/channel/UCoc8t pGCY1wrp8pV7mI0scA