

Factors Leading to Market Segmentation of Fashion House Business based on Customer Behavior: Evidence from Bangladeshi Fashion Industry

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ABSTRACT

The key objective of this paper is to find out factors affecting market segmentation of fashion house business in Bangladesh based on customer behaviour. For the purpose of the study, a judgment sampling of 200 customers from the entire populations has been targeted. Data collected in randomly through using five-point Likert scale (1=strongly disagree, 5=strongly agree) questionnaires. The hypothesis has been developed on the correlation between variables and a total of 14 variables are considered for the study. After analysis of data, it has been revealed that there are two types of customer segments a) low fashionable customers (LFC) and b) high fashionable customers (HFC). The study depicts that, in the case of low fashionable customers, the marketer pay attention to prices, return facilities, online shopping, friendly employees, well decoration and hassle free environment whereas in the case of high fashionable customers marketers pay attention to brand image, quality of clothes, credit cards, customized fashionable clothes, modern and stylish clothes. The study is a part of Segmentation-Targeting-Positioning (STP) analysis where KMO and Bartlett's Test were used to determine the appropriateness of data for factor analysis. The rotation matrix used for extracting the number of leading factors from 14 variables and their relationship and the residuals used to the model fit. The study concluded with the statement that, fashion product marketers must need relevant and adequate concentration on customer behaviour while making product marketing strategy.

Keywords: Segmentation, perception, fashion house, factor analysis, customers, STP, Bangladesh.

1. INTRODUCTION

Fashion houses are the key part of the apparel business in Bangladesh. Over the passage of time, this business strongly emerged and influences every corner of modern consumers locally and globally. Every year, a great numbers of fashion

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houses are infusing into Bangladesh market to merchandise the products. By dint of quality and appeal these attracts by different lucrative and segmented products based on fashionable and non-fashionable customer groups. This trend has tremendously increased through setting up new industry having a high potential economic growth and prosperity. As a result, the expanding trend creates local demand and also export to international markets from Bangladesh.

Fashion house product includes designs and sells of new styles of fashionable goods. It is what a firm is specializing in designing of products and sale of high-fashion clothing along with necessary accessories. Fashionable clothes reflect multiple changing patterns and color combination, and also the meeting point of sudden chaos and quiet. In Bangladesh, fashionable clothes also known as tradition that shows transition between old-new and generation to generation. Because of unique look and demand, new entrepreneurs with different commercial names and title have started fashionable boutiques business to Dhaka and other cities, districts, towns across the country. Designers and fashion houses begun to influence and promote the industry because of the huge potential demand in cross countries.

As such the study aim is to explore the fashion industry particularly customer behaviour. Unlike related prior studies, this research will highlight how new entrepreneurs can easily segment fashion house customers properly. The key motivator of this paper would also assist marketers and owners of fashion houses to find out bases to segment their customer groups. In this study, the research team has emphasized on customer behaviour which is a key controller of market segmentation of emerging fashion industry of Bangladesh. Hence, it examined the variables or descriptors of fashion house market segmentation that exclusively concentrate to make a group of customer called high fashionable customers (HFC) and low fashionable customers (LFC). This study explores the top list of fashion houses in Bangladesh as market leaders. To the best of our knowledge, it is the first study conducted on factors leading to fashion houses market segmentation in context of Bangladesh.

This study consists ten sections as follows: 1. Introduction, 2. Statement of the problem, 3. Objectives of the study, 4. Review of related literature, 5. Discussion on Important concepts, 6. Methodology, Data Collection, and Research Design, 7. Current scenario of Fashion houses and impacts in the market economy of Bangladesh, 8. Research Findings & Analysis, 9. Recommendation and 10. Limitations of the study.

2. STATEMENT OF THE PROBLEM

Before entering the fashion house market, firstly owners or the marketers need to analyse market segmentation. This is because of the different design, colours,

styles, customer's choices, trends, attitudes, and tradition. In Bangladesh, a great number of Small and Medium Enterprises (SME) business started on boutiques houses and fashion accessories. As newcomer and in growing stage, the industry requires solid foundation to set up the management patterns, organizational design and prospecting marketing segmentation strategy. Despite the abundance of empirical studies on fashion industry, customer behaviour in context to Bangladesh, the understanding of emerging a new industry, market planning, and other areas of importance is not well understood by the stakeholder. An emerging industry must necessitates the leadership and management development (Islam, Mohammad Shariful, 2016) in line with setting business vision and goals. If they cannot segment their customer groups in proper way, it will be strong hindrances in making the fashion business stable and promising through achieving profits and sustainable business.

Segmentation is used in marketing with an objective to identify a homogenous group of customers by using predefined criteria (Hajar 2014). Each customer group (Segment) must be heterogeneous from another customer group, but customers within a group must be homogeneous. Segmentation process has three main elements namely Segmentation, Targeting and Positioning as shown in Figure 1 (Dibb and Simkin 1991).

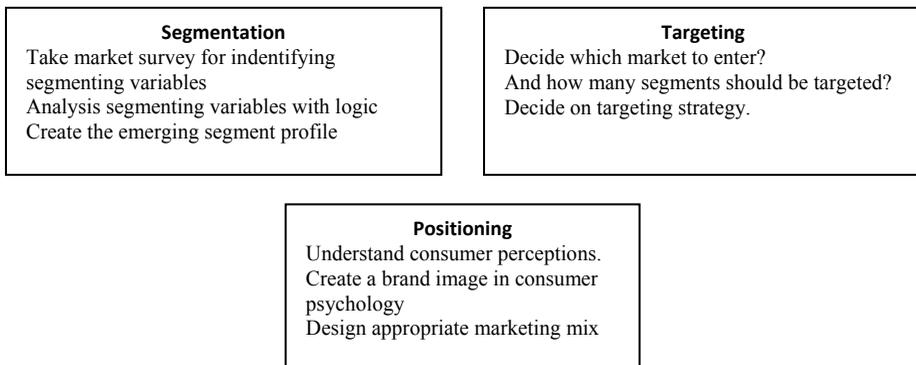


Figure 1: Segmentation elements

The ultimate importance of market segmentation is to utilize scarce resources to identify target customers who are likely to patronage its marketing and product offerings (Asiedu 2016). It is quite impossible for a single firm to launch a unique product for all customers in every market of the world because of limited resources and capacity of that firm (Asiedu 2016). For that reason, it is compulsory for all companies to segment customer groups before developing traditional marketing mix of 4P's. Onaolapo, Salami et al., (2011) argued that segmentation is influenced by the ways to satisfy customer needs. In that sense,, firms consciously launch new products or modify existing products to adapt with different market segments (Swink, 1999). Apple Inc. marketed different series of

iPhone over the period of time based on customer's choices. Every year in Bangladesh new clothes were launches by considering different market segments. Jaman, (2012) identified four major market segmentation variables namely geographic segmentation (location, nations, regions, states, countries), demographic segmentation (age, income, gender), geo-demographic segmentation (combination of geographic and demographic variables), and psychographic or lifestyle segmentation (learning, emotion, social class). Kotler and Armstrong, (2013) also argued and mentioned four major market segmentation variables including geographic, demographic, psychographic and behavioural (occasions, benefits, and usage rate). Throughout this paper, the focus is given on particular variables that are associated with fashion houses business market. This article also identifies numbers of segments involved in fashion house business market mentioning specific variables in a specific segment.

3. OBJECTIVES OF THE STUDY

The foremost objective of the study is to assess segmentation process of fashion house market in Bangladesh. Hence, the objectives have been categorized into following specific objectives:

3.1 Specific Objectives

- To identify the bases and descriptors/variables in order to segment the fashion house market.
- To find out the factors that customer consider in the case of choosing fashion house products.
- To diagnose the impact of those factors relevant to set market segmentation strategy.
- To suggest a model fit for the customer segmentation.
- To outline some recommendations.

4. REVIEW OF RELATED LITERATURE

Sound market segmentation means dividing the market into different homogeneous and meaningful consumer groups. Segmentation refers to grouping consumers who are similar to one another within the segment and are distinct from the consumers in another market segment with respect to their responsiveness to marketing offerings (Lynn, 2011). Citing words of van Veen and Verhallen, (1986), the main objective of market segmentation is to find a homogeneous subgroup of the customer. Effective segmentation is essential to match the large diversity of customer choices (Bruwer, Roediger et al., 2017). In their study, there were indications of effective segmentation but variables and

components are not clearly recommended. According to Lancaster and Reynolds, (2002), companies pay attention to market segments because of high competing, educated customers and changing demands. In the book, it focused the reasons as well as importance of market segmentation. Market segmentation provides lots of benefits for both customer and companies. Segmentation has a powerful effect on creating a competitive advantage because of its application on value chain (Porter, 1985). In the study by porter, the conclusive analysis has focused the effects of segmentation as competitive advantages and that enable marketers to win the race amongst the rivals. The top 20% of the customer in a business may generate as much as 80% of the company's profit, half of which is then lost serving the bottom 30% of unprofitable customers (Yabs 2014). In that sense, two approaches to segment a market based on customers nature: segmenting business market and segmenting consumers market (Hajar, 2014). This study did not mention findings regarding appropriate variables for segmenting consumer market. With a viewpoint of Kotler and Keller (2012), two major approaches for segmenting markets are descriptive variables (geographic, demographic and psychographic) and behavioural variables (benefits- sought, occasions, user status and usage rate). Marketers try to use a combination of both approaches (Bruwer, Roediger et al. 2017). In the study by Yabs (2014), there are lots of variables to segment a market namely customized products, user status, user rate, education level of customer, price, location, branches and etc. Hajar (2014) concluded with some demographic factors like income, age, gender, education by which a radio market can be segmented focusing on young listeners, old listeners and male and female category under gender. This study has excelled the segmentation ideas focusing the demographic group and not the categorization of high and low fashionable customer. The new study reveals that high concern for fashion house marketers is not only the demographic variables to segmenting their market because in fashion house psychographic variables and behavioural factors also have an impact on customer choices. Bruwer, Roediger et al. (2017) identified three major areas for market segmentation including psychographic, socio-demographic, and product involvement Bruwer, Roediger et al. (2017) emphasized that only psychographic factors focused on Activities, Interest and Opinion (AIO). Bruwer, Roediger et al. (2017) identified market segmentation can be based on psychographic (lifestyle) considering two additional methods including socio-demographics and product involvement. But they did not clearly identify which socio-demographics factors such as family, income, sex, age, gender, occupation are influential to segment a market. After segmenting customer groups, the organization can customize its marketing mix strategy in order to reach the needs, wants, demands, choices, and perception of that segment of customers (Dibb, Stern et al., 2002; Lynn, 2011). This process is also known as targeting market- choosing one or few market segments to take entry with an evaluation of that segment attractiveness through five requirements including measurable, accessible, substantial, differentiable, actionable (Kotler and Armstrong, 2013). According to Lynn (2011), different segments must be

differ in the case of size and accessibility, large enough to enter, unique, reachable via marketing intermediaries, and relatively stable to serve over time.

After selecting the target market, the company must select positioning strategy. Creating a brand image on consumer psychology is known as positioning (Kotler and Keller, 2012). Market segment in fashion is different and each fashion business should acknowledge each market segment to be the future leading firms in the fashion market who also identified three main market segments namely Haute Couture, ready to wear, and mass market (Sugih and Soekarno, 2015). In their study, there is no specification of factors in these three market segments. Accordingly, this research study has efforts to provide a concrete views on specific variables that led to market segmentation on fashion industry. It relates the customer behaviour through specifying their specific drivers as well as motivators of selecting the fashionable products and accessories.

5. DISCUSSION ON IMPORTANT CONCEPTS

5.1 Customers

Customer simply meant any persons or organizations that buy goods or services in order to satisfy their needs. It is also a kind of services that somebody wishes to attain in return of something. Customers, in other words, called the client, buyer, and the purchaser.....Kotler

In different meaning, the customer is the beneficiary of goods-services, product or sometimes an idea that obtained from a seller, vendor, or every other form of the supplier. It executes through financial transaction or exchange for money or some other valuable consideration.

5.2. Fashionable Goods

Fashionable goods are those where style holds the primary importance, and the price is secondary. The concept of fashion houses is originated from Giorgio Armani. He was a designer who invented the red carpet fashion. This concept evolved through his decision to dress movie stars in the latest fashions. Fashion is the products for which the demand changes frequently of changes in consumer taste or product attributes. Demand may vary with price or time and season and the retailers have to keep continuous change because of the styles. Fashion houses meant a company, firms who are expert in the design and sale of fashion goods as well as its accessories. A fashion house is a place where high-fashion clothing is designed and made. In Bangladesh, fashion house usually sold fashionable clothes that include saree, salwar kamiz, scarf, kurti, fotua, panjabi, kids wear, toot wear, bag, handicraft, nokshi katha, shirt, t-shirt, trouser, pent, check shirt, formal shirt, three quarter, men's and women's clothes, shoes, fashion

accessories, polo shirt, pant, formal pant, casual pant, denim pant, blazer, men's jeans, casual shirt, casual pant, women's tops, foot wear, perfume, jewellery and all other accessories.

5.3 Market Segmentation

A systematic process of marketing that segregate potential customers into multiple types, groups, segments, cluster based on different characteristics and attributes of customers. The segmentation created through is composed of consumers who will respond similarly to marketing strategies and who share traits of similar taste, interests, needs, or locations. It is an art of dividing the complete market set-up into small groups, subsets comprising of consumers with a similar choice, likening, taste, demand and product preference.

5.4 Stages of Market Segmentation

Three stages are involved in identifying market segments (Kotler and Armstrong, 2013).



Figure 2: Stages of Market Segmentation

- a. Survey stage:** Marketers conduct customers market survey through qualitative or quantitative methods to gain knowledge about customers' insight. In this stage, researchers collect data regarding market segmentation variables such as product quality, price, credit facilities, online shopping of fashion house products. Here marketers address the questions "who buys and what is bought?"
- b. Analysis stage:** This stage processes the data collected in the first stage, In this stage, researchers try to find out which variables influencing customers to differentiate them from others. Here marketers address the questions "who buys what and why customers buy products and services?"
- c. Profiling stage:** This stage describes the segments in terms of distinguishing customer attitudes, demographic, geographic and psychographic variables. Each segment profiled is given a specific named based on its dominant feature such as Muslim market segment, high fashionable market, teenager segment (Yabs, 2014).

6. METHODOLOGY, DATA COLLECTION, AND RESEARCH DESIGN

6.1 Methodology

This study targeted respondents from the universe of the population in entire fashion industry and its stakeholders. Judgment sampling with random selection was conducted among 215 respondents by distributing questionnaires through field work, email and focus group discussion conducted. A total of 215 questionnaires has been carried out and out of those 200 has been accepted. Total 15 has been rejected as well as removed from the extraction due to non-conformity of the content and vague answer. Most of questionnaires were received by email, one-one contact. This resulted in a response rate was 93%. The questionnaire was used to collect primary data for the study.

The questionnaire contained Likert 5 point scale questions, ranking order question, for knowing the customer opinion about the segmentation process of fashion house stores. Factor analysis is the major tools used in this study. In the analysis part, the statistical named SPSS 20 was used. The hypothesis has been developed and varimax analysis has been used data analysis.

6.2 Data Collection

A structured questionnaire was formed to collect responses from sample respondents. Primary data collected from shopping malls, outlet of fashion house, central sales, marketing division, and salesman. The information was acquired by making a physical survey with the customers and officials of the fashion house and stores. Some questionnaire also sent by email to the central sales and marketing department of head office fashion houses. There were about 215 questionnaires placed to the respondent in total. Among those 15 questionnaires has been rejected for errors and in completing the contents. In survey process, among the buyers of different shopping malls focus group discussion were also conducted.

Secondary data has been gathered and searched from various books, articles regarding market segmentation, websites of fashion houses, periodicals, newspapers, magazines, trade bodies reports, articles, and books regarding segmentation.

Data has been collected in a period of five months starting from December 2016 to April 2017.

6.3 Sample Plan and Characteristics

The target population of this research is the customers of fashion house, stores outlets, specific shopping malls, and distribution centres. All end consumers of fashion products of the country are the concern population. In this study, the only consumers in Dhaka, Comilla city are considered as the key population. Sampling frame involves the regular clients of fashion houses stores. Simple random sampling technique was used for sampling. The study has been conducted on a sample of 200 customers of fashion house stores that have been conveniently selected based on sampling technique as the budget and time constraint to complete data collection. In view to gathering strategic and behavioural aspects of fashion houses, relevant data were also collected from the offices of fashion houses.

The actual collected sample size was 200 that represent the entire population.. As such, the sample has the following characteristics:

Table 1: Questionnaire Constructs

| Characteristics | | Total |
|-----------------------------------|--|-------|
| 1. Age | | |
| 15-25 | | 70 |
| 26-35 | | 40 |
| 36-45 | | 30 |
| 46-55 | | 60 |
| 2. Education | | |
| Below High School | | 50 |
| HSC | | 60 |
| Bachelor degree | | 40 |
| Masters and above | | 50 |
| 3. Annual Income of family | | |
| Below BDT 30,000 | | 20 |
| BDT 30,000-40,000 | | 70 |
| BDT 41,000-50,000 | | 60 |
| BDT 51,000-60,000 | | 50 |
| 4. Respondents Class | | |
| Customers | | 150 |
| Owners | | 15 |
| Officers & Salesman | | 35 |

6.4 Research Design

Quantitative research design has been selected in this study. This research steps applied in accordance with scientific research design. Accordingly, data collected

was based on a predetermined instrument and the objectives developed prior to the research. The variables under study are neither controlled nor manipulated, and no artificial setting is created for this study. The unit of analysis for this study is customers as respondents. A structured questionnaire was used.

Table 2: Research Design

| Outlay | Descriptions |
|-----------------------|---|
| Research outlay | Analyzing the factors those have an impact to segment the customers in fashion houses market. |
| Research Methods | Quantitative through data and questionnaire, Interview, Group discussion |
| Data Used | Primary and Secondary |
| Scaling Techniques | Likert 5 scale (1= Strongly Disagree, 2=Disagree, 3=Neutral, 4= Agree, 5=Strongly agree) |
| Analytical tools used | KMO-Bartlett's test, Development of hypothesis, scree plots, rotation matrix, Correlation Matrix, Reproduced Correlations |
| Sample size | 200 |

7. CURRENT SCENARIO OF FASHION HOUSES AND IMPACTS IN THE MARKET ECONOMY OF BANGLADESH

Bangladesh citizens are increasingly becoming fashion oriented. The impacts of Globalization, changes in taste and preferences are the main reason for people becoming fashionable. Fulfilling the demand for large fashion community, a huge number of fashion houses or boutique houses are launched during the last couple of years. Furthermore, new fashion houses are not only creating an economic value chain rather it also focus on opening a new avenue for employment opportunities for Bangladesh people locally. Many people become designers as a profession because they can personally open their fashion houses in Bangladesh. Hence, the investment is also comparatively less. Although most fashion houses are based in Dhaka City, some districts such as Rajshahi, Chittagong, Comilla, and Narayungonj also opened hubs and district outlets. Designers are continuously coming out with new and latest design for the customer.

Religious festivals of different communities are considered to be peak time for selling and buying a large scale of fashionable goods in Bangladesh. Production, sourcing and logistics efforts also increased as to fulfil the demand. Apart from that, national days, national occasions and celebrations also added extra mileage in selling and buying fashionable clothes. The Bangladesh boutique and fashion houses gained around 20% of their annual sales during *Pahela Baishak* (The 1st day of Bangla new year) while 50% during the *Eidul Fitre* (The Financial

Express, 2017). Furthermore, foreign branded of fashionable goods are also available in Bangladesh. Those brands have their own outlet as well as franchise to control their own. Hence, Bangladesh people have to travel to neighbours country as to purchase the fashionable goods.

Bangladesh is considered as the hub of quality fashionable goods in South Asia. As a result, a good number of fashionable items garments, clothing are export in a different region every year. Thus, exports have help accelerate extra height to boost up the country economy.

7.1 List of top fashion houses in Bangladesh

In Bangladesh, there are more than hundreds small and large boutique or fashion houses and the number is increasing every year. Considering the market potentials, some fashion houses are deemed top in the industry. A list of top fashion houses relevance to the study is shown in Table 3.

Table 3: List of fashion houses

| SL | Name of Fashion house & info | Fashionable & boutique products |
|----|--|---|
| 1 | Aarong Website: http://www.aarong.com/ | Saree, salwar kamiz, scarf, kurta, fotua, panjabi, shirt, kids wear, footwear, bag, handicraft, nokshi katha, ceramic, jewellery etc. |
| 2 | Artisan Website: http://theartisanclothing.com/ | shirt, t-shirt, trouser, pent, tops, check shirt, formal shirt, three-quarter |
| 3 | Cats Eye Website: https://www.catseye.com.bd/ | Men's and women's clothes (shirts, pants, panjabi, jeans, salwar kameez etc), shoes and others fashion accessories. |
| 4 | Richman Website: http://www.richmanbd.com | Shirt, t-shirt, polo shirt, pant, formal pant, casual pant, denim pant, blazer, accessories etc. |
| 5 | Yellow http://www.yellowclothing.net | Men's, women's, children's apparel and accessories |
| 6 | Ecstasy Website: http://ecstasybd.com | Men's jeans, shirt, t-shirt, casual shirt, casual pant, women's tops, salwar kamiz, fotua, kids wear, footwear, bag, handicraft, perfume, jewellery and other accessories |
| 7 | Rang Website: www.rang-bd.com | Saree, salwar kamiz, fotua, t-shirt, panjabi, kurta, handicraft etc. |
| 8 | Kay Kraft Website: http://kaykraft.com | For women's (saree, salwar kamiz, scarf, tops, fotua). For men's (short panjabi, long panjabi, exclusive panjabi, shirt), kids wear, accessories etc |
| 9 | Dorjibari Website: http://www.dorjibaribd.com/ | Shirt, pant, saree, salwar kamiz, scarf, kurta, fotua, panjabi, shirt, kids wear, foot wear, bag, handicraft, accessories etc. |

| | | |
|----|--|---|
| 10 | Anjan's Website: www.anjans.com | Saree, salwar kamiz, kurti, fotua, panjabi, shirt, kid's wear, handicraft, hometex, Etc. |
| 11 | Bibiana Website: www.bibianaoutlet.com | Salwar kamiz, ladies fotua, saree, panjabi, gents fotua, shirt, shawl, dopatta, sherwani, sandal, jacket, household accessories, jewelery, children, salwar kamiz, liungi etc |
| 12 | Lubnan Website: http://lubnanbd.com | Panjabi, sherwani, kurti, nagra, pagri |
| 13 | Trendz http://trendzbd.com/ | Salwar kamiz, casual shirt, panjabi, ladies kurti, ladies knit tops, ladies blouse, mens polo shirt, |
| 14 | Vasavi Website: http://www.vasavifashions.com.bd/ | Sherwani, saree, jewellery and other accessories |
| 15 | Menzklub Website: http://menzklub.com.bd/ | Different types of shirts (full, half, box), Panjabi (short, long, foreign), coat, jacket, formal pant, jeans pant, full sweater half sweater, kids, tie, other accessories |

8. RESEARCH FINDINGS AND ANALYSIS

There are large numbers of variables, most of which are correlated and which must be reduced in manageable level. Factor analysis is a statistical tool that is used for data reduction and summarization. By conducting the factor analysis, researchers have to follow 7 steps in order to group customers (Malhotra and Dash 2010).

8.1 Survey Stage

Step 1: Formulate the problem.

In order to determine the underlying benefits that consumers seek from the purchase of fashion house products, a sample of 200 respondents was interviewed. The respondents were asked to indicate their degree of agreement with the following factors using a 5-point scale (1=strongly disagree, 5= strongly agree.)

- V1: Convenient location
- V2: Brand Image
- V3: Price
- V4: Product quality
- V5: Friendly employees
- V6: Credit facilities
- V7: Credit cards

- V8: Hassel free environment
- V9: Convenience parking
- V10: Customized products
- V11: Return facilities
- V12: Modern & style
- V13: Online shopping
- V14: Well decoration

Step 2: Develop the hypothesis.

- H₀: Variables are uncorrelated.
- H₁: Variables are correlated.

Step 3: Decision on the hypothesis.

According to Bartlett's test of sphericity, chi- square statistic is 7319.68 with 91 degree of freedom where the significance level is 0.00 which is less than 0.05. Therefore, the null hypothesis is rejected which indicate that the variables are correlated.

The KMO test was used to measure the appropriateness of factor analysis. The KMO statistics is .850 which is larger than 0.50. Hence, the factor analysis may be considered as an appropriate technique for the data analysis.

Table 4: KMO and Bartlett's Test

| | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.850 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 7319.686 |
| | df | 91 |
| | Sig. | 0.000 |

8.2 Analysis Stage

Step 4: Determine the number of factors.

There are many ways to determine the number of factors including prior determination, Eigenvalue, scree plot, variance and etc.

8.3 Determination based on Eigenvalue

Factors with Eigenvalue more than 1.0 will be selected as factors (Malhotra and Dash 2010). There are two factors including (factor 1: which is 8.935 and factor 2: which is 3.902) based on eigenvalue.

8.4 Determination based on Scree plot

The shape of the plot in Figure 3 is used to identify the number of factors. Based on the Figure 3, the Eigenvalue greater than 1 is considered as factors. The scree plot shows that there is two factors.

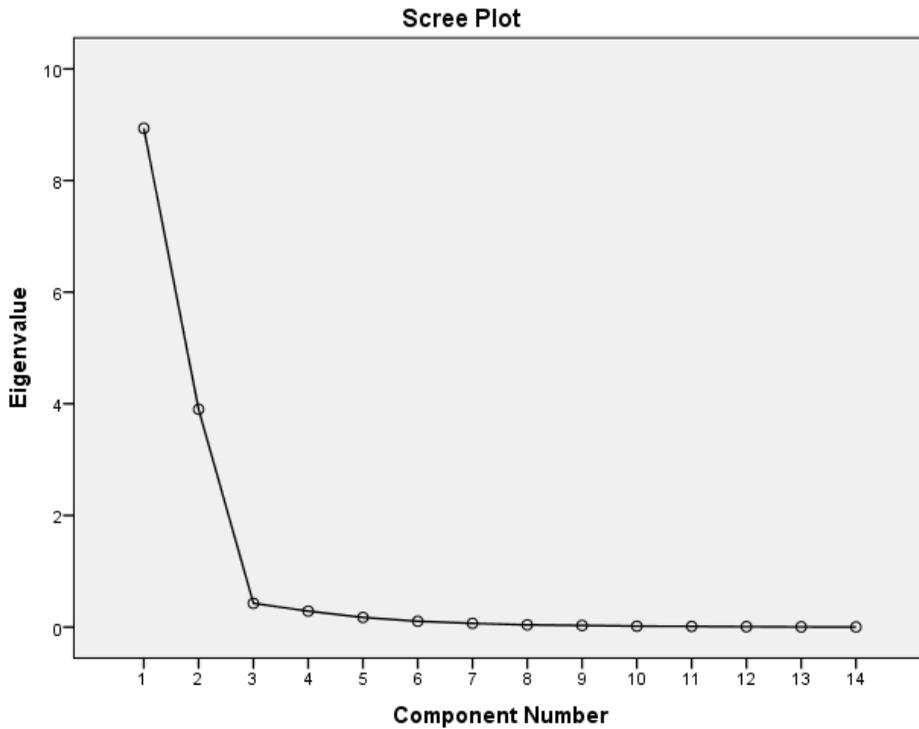


Figure 3: Scree plot.

Step 5: Explain the rotated factors.

The component matrix in Table 5 shows that Factor 1 has relationship with V1: Convenient location, V2: Brand Image, V3: Price, V5: Friendly Employees, V6: Credit facilities, V8: Hassel free environment, V9: Convenience parking, V10: Customized Clothes, V11: Return facilities, V13: Online shopping, and V14: Well decoration

The component matrix in Table 5 also shows that Factor 2 has relationship with V1: Convenient location, V2: Brand Image, V3: Price, V4: Product quality, V7: Credit cards, V8: Hassel free environment, V11: Return facilities, V12: Modern & style, V13: Online shopping, and V14: Well decoration

Table 5: Component Matrix.

| Component Matrix^a | | |
|--|-----------|------|
| | Component | |
| | 1 | 2 |
| Convenient Location | -.834 | .522 |
| Brand Image | -.808 | .557 |
| Price | .832 | .515 |
| Quality Clothes | -.767 | .513 |
| Friendly Employees | .820 | .505 |
| Credit Facilities | -.803 | .547 |
| Credit Cards | -.751 | .542 |
| Hassel Free Environment | .821 | .519 |
| Convenience of Parking | .828 | .478 |
| Customized Clothes | -.803 | .517 |
| Returns Facilities | .841 | .535 |
| Modern Style | -.688 | .583 |
| Online Shopping Support | .780 | .523 |
| Well Decoration | .792 | .527 |
| Extraction Method: Principal Component Analysis. | | |
| a. 2 components extracted. | | |

After rotating the matrix, the rotated component matrix is shown in Table 6:

Table 6: Rotated Component Matrix.

| Rotated Component Matrix | | |
|---------------------------------|-----------|-------|
| | Component | |
| | 1 | 2 |
| Convenient Location | -.243 | .953 |
| Brand Image | -.200 | .961 |
| Price | .958 | -.202 |
| Quality Clothes | -.200 | .901 |
| Friendly Employees | .942 | -.201 |
| Credit Facilities | -.203 | .950 |
| Credit Cards | -.169 | .911 |
| Hassel Free Environment | .952 | -.192 |
| Convenience of Parking | .929 | -.226 |
| Customized Clothes | -.224 | .929 |
| Returns Facilities | .978 | -.194 |
| Modern Style | -.095 | .897 |

| | | |
|---|------|-------|
| Online Shopping Support | .926 | -.161 |
| Well Decoration | .937 | -.165 |
| Extraction Method: Principal Component Analysis. | | |
| Rotation Method: Varimax with Kaiser Normalization. | | |
| a. Rotation converged in 3 iterations. | | |

The Rotated Component Matrix in Table 7(a), Factor 1 has a strong relationship only with the variables V3: Price, V5: Friendly employees, V8: Hassel free environment, V9: Convenience parking, V11: Return facilities, V13: Online shopping, and V14: Well decoration.

The Rotated Component Matrix in Table 7(b) shows that Factor 2 has a strong relationship only with the variables V1: Convenient location, V2: Brand Image, V4: Quality Clothes, V6: Credit facilities, V7: Credit cards, V10: Customized Clothes, and V12: Modern & style.

Table 7: (a) High loading before rotation and (b) High loading after rotation

| (a) | | | (b) | | |
|-----------|----------|----------|-----------|----------|----------|
| Variables | Factor 1 | Factor 2 | Variables | Factor 1 | Factor 2 |
| V1 | ✓ | ✓ | V1 | | ✓ |
| V2 | ✓ | ✓ | V2 | | ✓ |
| V3 | ✓ | ✓ | V3 | ✓ | |
| V4 | | ✓ | V4 | | ✓ |
| V5 | ✓ | | V5 | ✓ | |
| V6 | ✓ | | V6 | | ✓ |
| V7 | | ✓ | V7 | | ✓ |
| V8 | ✓ | ✓ | V8 | ✓ | |
| V9 | ✓ | | V9 | ✓ | |
| V10 | ✓ | | V10 | | ✓ |
| V11 | ✓ | ✓ | V11 | ✓ | |
| V12 | | ✓ | V12 | | ✓ |
| V13 | | ✓ | V13 | ✓ | |
| V14 | ✓ | ✓ | V14 | ✓ | |

8.5 Profiling Stage

Step 6: Interpret the factors.

According to Rotated Component Matrix, Factor 1 has high coefficient with V3: (Price) which is .958 that is strongly related, V5: (Friendly employees) which is .942 that is so strong, V8: (Hassel free environment) which is .952 that is highly strong, V9: (Convenience parking) which is .929 that is also highly strong, V11: (Return facilities) which is .978 that is very much strong, V13: (Online shopping)

which is .926 that is also very much strong, and V14: (Well decoration) which is .937 that is highly correlated.

As Factor 1 consists of Price, Friendly employees, Hassel free environment, Convenience parking, Return facilities, Online shopping, Well decoration, so these variables can be labelled as “Low Fashionable Customer” who focuses on price.

According to Rotated Component Matrix, Factor 2 has high coefficient with V1: (Convenient location) which is .953 that is highly strong, V2: (Brand Image) which is .961 that is very much strong, V4: (Product quality) which is .901 that is also strong, V6: (Credit facilities) which is .950 that is very much strong, V7: (Credit cards) which is .911 that is highly strong, V10: (Customized Clothes) which is .929 that is also highly strong, and V12: (Modern & style) which is .897 that is strong enough.

As for Factor 2 consists of convenient location, Brand Image, Product quality, Credit Facilities, Credit cards, Customized clothes, Modern & style clothes, so these variables can be named as “High Fashionable Customer” who focuses on quality which is one segment of the fashion house.

Step 7: Determine Model Fit

Table 8

| | CL | BI | P | QC | FE | CF | CC | HFE | CP | CC | RF | MS | OS | WD |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Convenient_Location | .968* | .964 | -.426 | .907 | -.421 | .956 | .909 | -.415 | -.441 | .940 | -.423 | .878 | -.378 | -.386 |
| Brand_Image | .964 | .963* | -.386 | .905 | -.382 | .954 | .908 | -.375 | -.403 | .937 | -.382 | .881 | -.339 | -.346 |
| Price | -.426 | -.386 | .958* | -.374 | .943 | -.387 | -.346 | .951 | .936 | -.402 | .976 | -.273 | .919 | .931 |
| Quality_Clothes | .907 | .905 | -.374 | .851* | -.370 | .897 | .854 | -.364 | -.390 | .881 | -.370 | .827 | -.350 | -.337 |
| Friendly_Employees | -.421 | -.382 | .943 | -.370 | .928* | -.383 | -.342 | .936 | .921 | -.398 | .960 | -.271 | .904 | .916 |
| Credit_Facilities | .956 | .954 | -.387 | .897 | -.383 | .945* | .900 | -.376 | -.404 | .928 | -.383 | .872 | -.341 | -.348 |
| Credit_Cards | .909 | .908 | -.346 | .854 | -.342 | .900 | .858* | -.336 | -.362 | .883 | -.341 | .833 | -.302 | -.309 |
| Hassel_Free_Envmnt | -.415 | -.375 | .951 | -.364 | .936 | -.376 | -.336 | .944* | .928 | -.392 | .968 | -.263 | .912 | .924 |
| Convenience_Parking | -.441 | -.403 | .936 | -.390 | .921 | -.404 | -.362 | .928 | .915* | -.418 | .953 | -.291 | .896 | .908 |
| Customized_Clothes | .940 | .937 | -.402 | .881 | -.398 | .928 | .883 | -.392 | -.418 | .913* | -.399 | .854 | -.356 | -.363 |
| Returns_Facilities | -.423 | -.382 | .976 | -.370 | .960 | -.383 | -.341 | .968 | .953 | -.399 | .994* | -.267 | .936 | .948 |
| Modern_Style | .878 | .881 | -.273 | .827 | -.271 | .872 | .833 | -.263 | -.291 | .854 | -.267 | .814* | -.232 | -.238 |
| Online_Shopping_Support | -.378 | -.339 | .919 | -.330 | .904 | -.341 | -.302 | .912 | .896 | -.356 | .936 | -.232 | .883* | .894 |
| Well_Decoration | -.386 | -.346 | .931 | -.337 | .916 | -.348 | -.309 | .924 | .908 | -.363 | .948 | -.238 | .894 | .905* |
| convenient_location | .009 | .009 | -.020 | .051 | .034 | .021 | -.004 | .032 | -.034 | -.019 | .007 | -.035 | -.056 | -.022 |
| Brand_Image | .009 | -.037 | .051 | .052 | -.006 | -.015 | .038 | -.048 | -.020 | -.002 | -.073 | -.092 | .006 | .006 |
| Price | .009 | -.037 | .051 | .052 | -.006 | -.015 | .038 | -.048 | -.020 | -.002 | -.073 | -.092 | .006 | .006 |
| Quality_Clothes | .015 | -.014 | .034 | .052 | .026 | -.016 | .029 | -.041 | -.021 | .000 | -.039 | -.062 | -.029 | -.029 |
| Friendly_Employees | .018 | .003 | .021 | -.006 | .026 | -.022 | .012 | -.007 | .002 | .006 | -.051 | -.021 | -.030 | -.030 |
| Credit_Facilities | -.022 | -.027 | -.004 | -.015 | -.016 | -.022 | .051 | -.006 | -.084 | -.008 | .031 | -.015 | -.012 | -.012 |
| Credit_Cards | .002 | -.026 | .032 | .038 | .029 | .012 | .051 | -.036 | -.057 | .000 | -.015 | -.059 | -.026 | -.026 |
| Hassel_Free_Environment | .015 | .025 | -.034 | -.048 | -.041 | -.007 | -.006 | -.036 | .021 | -.007 | .000 | .055 | .018 | .018 |
| Convenience_Parking | .004 | .031 | -.019 | -.020 | -.021 | .002 | -.084 | -.057 | .021 | .006 | -.024 | .045 | .034 | .034 |
| Customized_Clothes | .001 | .002 | .007 | -.002 | .000 | .006 | -.008 | .000 | -.007 | .006 | -.005 | .001 | -.006 | -.006 |
| Returns_Facilities | -.049 | -.020 | -.035 | -.073 | -.039 | -.051 | .031 | -.015 | .000 | -.024 | -.005 | .045 | .028 | .028 |
| Modern_Style | -.013 | .045 | -.056 | -.092 | -.062 | -.021 | -.015 | -.059 | .055 | .045 | .001 | .045 | .003 | .003 |
| Online_Shopping_Support | -.022 | -.006 | -.022 | .006 | -.029 | -.030 | -.012 | -.026 | -.018 | .034 | -.006 | .028 | .003 | .003 |
| Well_Decoration | -.022 | -.006 | -.022 | .006 | -.029 | -.030 | -.012 | -.026 | -.018 | .034 | -.006 | .028 | .003 | .003 |

Extraction Method: Principal Component Analysis.

a. Reproduced communalities

b. Residuals are computed between observed and reproduced correlations. There are 12 (13.0%) non-redundant residuals with absolute values greater than 0.05.

(Sources: as per data analysis)

Residuals are used in order to determine the model fit. The factor model provides a good fit to the data when there are lower residuals. In this factor analysis, the difference between observed correlation and reproduced correlation is lower. In

Correlation Matrix, the relationship between convenient location and Brand image is 0.973. In the case of Reproduced Correlation Matrix, relationship between convenient location and Brand image is 0.964. Thus, the residuals are low. From the Correlation Matrix, the Convenient Location has a correlation with the Price at -.416 whereby the relationship between these variables in Reproduced Correlation Matrix is -.426. Thus, there is also a low level of residuals between Correlation Matrix and Reproduced Correlation Matrix among the variables. Finally, the model fit the factor analysis.

9. RECOMMENDATIONS

The study encompasses with a number of recommendation in view to flourish the industry in line with the market economy prospects of Bangladesh. In that efforts, entrepreneurs of fashion houses are suggested to use psychographic variables (Bruwer, Roediger et al., 2017) and behavioural segment variables like benefits-sought (Kotler and Keller, 2012) to segment their customers. In reference to the study Fashion houses, customers can be grouped into two parts including high fashionable customer (HFC) and low fashionable customer (LFC) in order to segment the market. High fashionable customers focus on quality and low fashionable customers focus on price. Marketers need to consider the variables (product quality, brand image, customized clothes, modern & style clothes, credit cards facilities, convenient branch, credit facilities) in order to segment high fashionable customers. In the case of low fashionable customers, marketers need to pay attention to price, friendly employees, hassle free environment, return facilities, online shopping, well decoration, convenience parking for segmenting fashion house products. The segmentation based on HFC and LFC will help marketers as well as entrepreneurs to explore the market and expand the new industry.

10. LIMITATION OF THE STUDY

This study aimed at studying the variables of market segmentation of fashion houses of Bangladesh. In view of that, it has some limitation that can be overcome by future studies. Firstly, this research focused only on segmentation using different variables whereas there is scope for research on targeting and positioning strategy to complete Segmentation-Targeting-Positioning (STP) analysis. There is still an opportunity for further researches on market segmentation. It is expected for further research to utilize the analysis and results of this study for setting targeting and positioning strategies. Secondly, this paper only used factor analysis tool to segment a market, whereby researchers may also use others statistical tools such as cluster analysis and discriminate analysis. Thirdly, fashion houses of Bangladesh are tremendously scattered around different geographic locations. Top fashion houses already opened their business

window in district level. However this study only collects data from Dhaka and Comilla. So, the future study may cover larger population across the country.

11. CONCLUSIONS

Based on the research, it is evident that market segmentation is essential in order to understand customer attitudes toward fashion houses. This study will also benefit the owners, entrepreneurs, investors, trade bodies of fashion houses and especially new entrepreneurs to identify different variables associated with two major segments- high fashionable and low fashionable customer groups. Indeed, this will served as a guide to their selling and marketing strategy. To attract high fashionable customer groups, marketers need to concentrate on brand image, quality, and credit card facilities; customized clothes based on customers' preferences, modern and stylish designed products. There is also a price sensitive low fashionable customer group where marketers can focus on reasonable price, online shopping, friendly employee behaviours, and return facilities as post-purchase service to reduce cognitive dissonance. The new platform of fashion industry looks quite different from 10 years before. Bangladesh has its competitive advantage in fashion house with distinctive style, color, and fashion. There are a number of well-recognized brands continuously delivering high-quality clothes in local markets and also exported internationally. Besides, a good number of educational institutions i.e Institutes, colleges, and universities have been established in Bangladesh as to provide specialize degree, certificate, and training in fashion designing. Training institutions equipped graduates with advertising, design, web, and all forms of technology based skills needed to fulfil the needs-taste of the customer in the rapidly changing cross-border fashion industry. The entrepreneurs also organized through the establishment of associations and forums to bargain and flourish the interest of the industry. As to adapt with the growing numbers and exploration of the industry in Bangladesh, market leadership should be created by infusing the best market segmentation strategy.

11.1 Implications of the Research

The foremost implication of the research is to aid the marketers to identify the leading factors to segment their market based on customer's attitudes. The factors serve as guidance for the marketer to enhance their knowledge and variables that motivate customers and in what extent.

This study indicates that the market strategy can be successful by providing competitive and affordable selling tools to the customer groups. It is a strong tool for winning the changing pattern of the market by attracting larger customers groups.

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11.3 Ethics and Conflict of Interest

This article is an original research paper of the author(s) on fashion industry of Bangladesh. The authors further confirm that, it has not been published, printed and transferred for any proceedings and no unethical issues involved. There is no conflict of interest.

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