

Factors leading to Market Segmentation of fashion house business based on customer behavior: Evidence from Bangladeshi Fashion Industry

Md. Al Amin¹ and Mohammad Shariful Islam²

Abstract:

The key objective of this paper is to find out factors affecting market segmentation of fashion house business in Bangladesh based on customer behavior. 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 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 customers segments a) low fashionable customers b) high fashionable customers. 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 & 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 & stylish clothes. The study is a part of Segmentation-Targeting-Positioning (STP) analysis where KMO and Bartlett's Test has been used to determine the appropriateness of data for factor analysis. The rotation matrix used for extracting the number of leading factors from 14 variables & their relationship and the residuals have used to the model fit. The study concluded with the statement that, fashion product marketers must need relevant and adequate concentration on customer behavior while making product marketing strategy.

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

JEL Code: M31, M39

1. Introduction:

Fashion houses are the key part of the apparel business of Bangladesh. Over the passage of time, this business strongly emerged and influences every corner of modern consumers in locally and

¹ Lecturer, Department of Business Administration, School of Business, Bangladesh Army International University of Science & Technology, Comilla, Bangladesh. Email: alaminmkt62jnu@gmail.com, Mobile: +8801831510332

² Assistant Professor, Department of Business Administration, School of Business, Bangladesh Army International University of Science & Technology, Comilla, Bangladesh.

globally. Every year a good numbers of fashion houses are infusing into Bangladesh the 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 of economic growth and prosperity. As a result, this expanding trend creating local demand and also exporting 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 mix, and also the meeting point of sudden chaos and quiet. In Bangladesh, it's also a tradition which is a transition between old-new and generations 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 also explored other cities, districts, towns across the country. Designers and fashion houses have begun to influence and promote the industry because of a huge potential demand in cross countries also.

As such the study get its high importance to explore the fashion industry particularly customer behavior. 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 & owners of fashion houses to find out bases to segment their customers' groups. In this study, the research team has emphasized on customer behavior 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 making a group of customer called high fashionable customers (HFC) and low fashionable customers (LFC). In our study it reveals the top list of fashion houses in Bangladesh as market leaders. To the best of our knowledge, it is the first study conducted on fashion houses market segmentation factors leading in Bangladesh.

This study designed in a process 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 10. Limitations of the study.

2. Statement of the problem:

Before entering this entire perspective of fashion house market, firstly owners or the marketers requires analyzing market segmentation. It is because of different designs, colors, styles, customer's choices, trends, attitudes, and tradition. In Bangladesh, a good number of small and medium enterprises (SME) business started on boutiques houses, fashion accessories. Because of being very infant and 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 behavior in context to Bangladesh the understanding of emerging a new industry, market planning, and other areas of importance's is not well understood to the stakeholder. Being an emerging industry this must also necessitates the leadership and management development (Islam, Mohammad Shariful, 2016) in line with the setting business vision and goals. If they cannot segment their customer groups in proper way, it will be strong hindrances to make 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 & positioning(Dibb and Simkin 1991) which is shown in a chart.

Segmentation <i>Take market survey for indentifying segmenting variables Analysis segmenting variables with logic Create the emerging segment profile</i>	Targeting <i>Decide which market to enter? And how many segments should be targeted? Decide on targeting strategy.</i>	Positioning <i>Understand consumer perceptions. Create a brand image in consumer psychology Design appropriate marketing mix</i>
---	--	--

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 this sense of (Swink 1999), Firms consciously launch new products or modify existing products to adapt with different market segments. Apple Inc. marketed different series of iPhone over the period of time based on customer's choices. Every year in Bangladesh launches new clothes 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 behavioral (Occasions, benefits, usage rate). Throughout this paper, the focus is given on particular variables those are associated with fashion houses business market. This article has also depicted to identify 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 has been categorized into following specific objectives:

3.1 Specific Objectives

- To identify the bases & 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 & 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). The 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 with 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 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 of 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 this sense of (Hajar 2014), two approaches to segment a market based on customers nature: segmenting business market & segmenting consumers market. 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) & behavioral 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 sense of (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 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, a high concern for fashion house marketers is not only the demographic variables to segmenting their market because in fashion house psychographic variables and behavioral 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, among them they emphasized on only psychographic factors focusing on AIO (Activities, Interest, & Opinion). (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, be large enough to enter, be unique reachable via marketing intermediaries, be 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 leaded to market segmentation on fashion industry. It relates the customer behavior through specifying their specific drivers as well as motivators of selecting the fashionable products and accessories

5. Discussion on Important concepts:

5.1 Customers:

It 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.

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 by his through deciding 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 are usually sold fashionable clothes that include Saree, Salwar Kamiz, Scarf, Kurti, Fotua, Panjabi, Kids Wear, Foot wear, Bag, Handicraft, Nokshi Katha, shirt, t-shirt, trouser, pent, check shirt, formal shirt, three quarter, Men's & 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, Salwar Kamiz, Fotua, Foot wear, Bag, Handicraft, 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:

Market segmentation consists of so many stages. Three stages are involved in identifying market segments (Kotler and Armstrong 2013).



- a. Survey stage:** Marketers conduct a market survey of customers 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 which is collected in the first stage. Citing the words of (Yabs 2014), 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:** the Last stage describes the segments in terms of distinguishing customer attitudes, demographic, geographic and psychographic variables. And 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:

The 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 questionnaire has 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 are 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 for the result and outcomes.

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 and marketing division, salesman. The information was acquired by making a physical survey and with the customers, officials of the fashion house, stores. Some questionnaire also sends 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.

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

Duration has collected in a period of three months starting from December 2016 to April 2017. In survey process among the buyers of different shopping malls focus group discussion also conducted.

6.3 Sample plan and Characteristics

The target population of this research is the customers of fashion house, stores outlets and specific shopping malls, distribution centers. 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 finish and collect data. In view to gathering strategic and behavioral aspects of fashion houses, relevant data also collected from the offices of 15 fashion houses.

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

<u>Characteristics</u>	
1. Age	Total
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.

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:

The People of Bangladesh are becoming fashion oriented very faster. It is ever highest compared to any other previous years. The impacts of Globalization, changes in taste and preferences are the main reason for 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 focusing and opening a new avenue for employment opportunities for so many Bangladesh people insides. Many people become designers as a profession who personally open their fashion houses in Bangladesh. Hence, the investment is also comparatively less. Though most fashion houses are based in Dhaka city but some district by name: Rajshahi, Chittagong, Comilla, Narayungonj has also opened the hub and district outlets. All the fashion houses in Bangladesh, designers are continuously trying to give a new design for the customer.

Religious festivals of different communities are considered to be peak time for a selling and buying a large scale of fashionable goods in Bangladesh. To do that, production, sourcing and logistics efforts also wentg up to fulfill the demand of this big number of customers. Apart from that, few national days, national occasions and celebrations also added extra mileage in selling and buying fashionable clothes. The Bangladesh boutique and fashion houses again around 20 percent 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, a good number of foreign branded of fashionable goods also selling-buying inside Bangladesh. Those brands have their own outlet as well as franchise to control their own. Hence, the people of Bangladesh traveling to some neighbors country for purchasing fashionable goods.

Bangladesh is considered as the hub of quality fashionable goods in South Asia. As a result, every year a good number of fashionable items garments, clothing are export in a different region. Doing these exports has accelerating 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 house or fashion house. Amongst, the number is also increasing every year. Considering to the market potentials some fashion houses is deemed top in the industry. A list of fashion houses is shown in relevance to the study.

SL	Name of Fashion house & info	Fashionable & boutique products
1	Aarong Website: http://www.aarong.com/	Saree, Salwar Kamiz, Scarf, Kurti, Fotua, Panjabi, Shirt, Kids Wear, Foot wear, 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 & 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 & 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, Foot wear, Bag, Handicraft, perfume, Jewellery and other accessories etc
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, Kurti, 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	SalwarKamiz, Ladies Fotua, Saree, Panjabi, Gents Fotua, Shirt, Shawl, Dopatta, Sherwani, Sandal, Jacket, Household Accessories, Jewellery, Children, Salwar Kamiz, Lungi etc
12	Lubnan Website: http://lubnanbd.com	Panjabi, Sherwani, Kurti, nagra, pagri
13	Trendz http://trendzbd.com/	SalwarKamiz, casual shirt, Panjabi, ladies kurti, ladies knit tops, ladies blouse, mens polo shirt,
14	Vasavi Website: http://www.vasavifashions.com.bd/	Sherwani, Saree, , Jewellery etc. Jewellery and other accessories, Kurti, t-shirt,
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 & Analysis

There may be a large number 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. To conduct a factor analysis, researchers may follow 7 steps in order to group customers (Malhotra and Dash 2010).

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

H_0 : Variables are uncorrelated.
 H_1 : Variables are correlated.

Step 3: Decision on the hypothesis.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.850
Bartlett's Test of Sphericity	Approx. Chi-Square	7319.686
	df	91
	Sig.	.000

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 .05. So, the null hypothesis is rejected that means the variables are correlated.

Along with the KMO test is used to measure the appropriateness of factor analysis. Here the KMO statistics is .850 which is larger than .50. So the factor analysis may be considered as an appropriate technique for analyzing the data.

Analysis stage

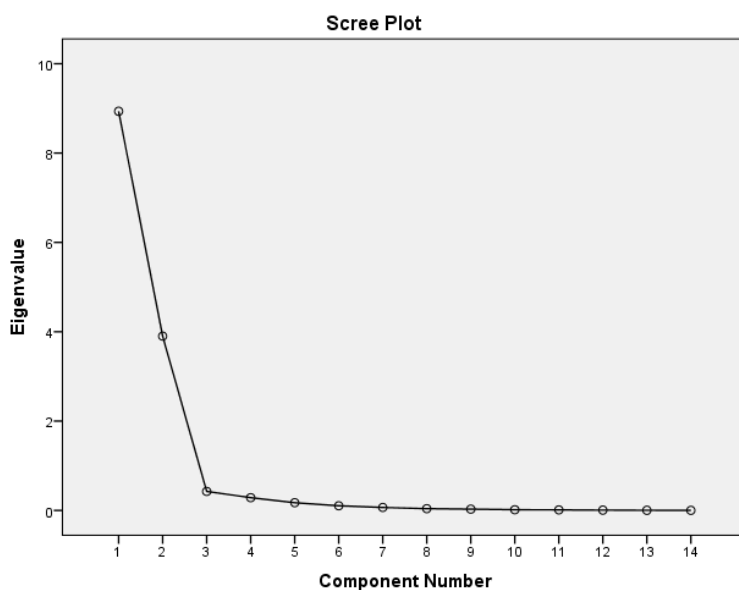
Step 4: Determine the number of factors

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

Determination based on Eigenvalue:

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

Determination based on Scree plot:



The shape of the plot is used to identify the number of factors. The shape above the Eigenvalue 1.0 is considered as factors. The above scree plot also shows two factors.

Step 5: Explain the rotated factors

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.		

- From the component matrix shows that Factor 1 has somehow 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, V14: Well decoration
- From the component matrix shows that Factor 2 has somehow 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, V14: Well decoration

Now need to consider rotating the 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.		

- From the Rotated Component Matrix, 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, V14: Well decoration.
- The Rotated Component Matrix 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, V12: Modern & style.

Fig: (a) High loading before rotation

(b) High loading after rotation

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	✓	

❖ 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, 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 labeled 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, 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

		CL	BI	P	QC	FE	CF	CC	HF E	CP	CC	RF	MS	OS	WD
	convenient_location	.968 _a	.964	-.426	.907	-.421	.956	.909	-.415	.441	.940	-.423	.878	-.378	-.386
Reproduce d Correlatio n	Brand_Image	.964	.963 _a	-.386	.905	-.382	.954	.908	-.375	.403	.937	-.382	.881	-.339	-.346
	Price	-.426	-.386 _a	.958	-.374	.943	-.387	-.346	.951	.936	-.402	.976	-.273	.919	.931
	Quality_Clothes	.907	.905	-.374	.851 _a	-.370	.897	.854	-.364	-.390	.881	-.370	.827	-.330	-.337

	Friendly_Employees	-.421	-.382	.943	-.370	.928 ^a	-.383	-.342	.936	.921	-.398	.960	-.271	.904	.916
	Credit_Facilities	.956	.954	-.387	.897	-.383	.945 ^a	.900	-.376	-.404	.928	-.383	.872	-.341	-.348
	Credit_Cards	.909	.908	-.346	.854	-.342	.900	.858 ^a	-.336	-.362	.883	-.341	.833	-.302	-.309
	Hassel_Free_Envmnt	-.415	-.375	.951	-.364	.936	-.376	-.336	.944 ^a	.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 ^a	-.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
Residual ^a	convenient_location		.009	.009	.009	.015	.018	-.022	.002	.015	.004	.001	-.049	.013	-.022
	Brand_Image	.009		-.020	.037	.014	.003	-.027	.026	.031	.002	-.020	-.045	-.006	
	Price	.009	-.020		.051	.034	.021	-.004	.032	-.034	.019	.007	-.035	.056	.022
	Quality_Clothes	.009	-.037	.051		.052	-.006	.015	.038	-.048	.020	.002	.073	.092	.006
	Friendly_Employees	.015	-.014	.034	.052		.026	-.016	.029	-.041	.021	.000	.039	.062	.029
	Credit_Facilities	.018	.003	.021	-.006	.026		.022	.012	-.007	.002	.006	.051	.021	.030
	Credit_Cards	-.022	.027	.004	.015	.016	.022		.051	-.006	.084	.008	.031	.015	.012
	Hassel_Free_Environment	.002	-.026	.032	.038	.029	.012	.051		.036	.057	.000	.015	.059	.026
	Convenience_Parking	.015	.025	-.034	.048	.041	-.007	-.006	.036		.021	-.007	.000	.055	.018
	Customized_Clothes	.004	.031	-.019	.020	.021	-.002	-.084	.057	.021		.006	-.024	.045	.034
	Returns_Facilities	.001	.002	.007	-.002	.000	.006	-.008	.000	-.007	.006		.005	.001	.006
	Modern_Style	-.049	.020	.035	.073	.039	.051	.031	-.015	.000	-.024	.005		.045	.028
	Online_Shopping_Support	-.013	.045	-.056	.092	.062	.021	.015	.059	.055	.045	.001	.045		.003
	Well_Decoration	.022	-.006	.022	.006	.029	.030	.012	.026	.018	.034	-.006	.028	.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. If there are lower residuals, the factor model provides a good fit to the data. In this factor analysis, the paper shows that the difference between observed correlation and reproduced correlation is lower. In Correlation Matrix, the relationship between convenient location & Brand image is 0.973. And in the case of Reproduced Correlation Matrix relationship between convenient location & Brand image is 0.964. So here the residuals are low. And is also observed that in Correlation Matrix, the Convenient Location has a correlation with the Price at -.416 where the relationship between these variables in Reproduced Correlation Matrix is -.426. Here is also a low level of residuals between In Correlation Matrix & Reproduced Correlation Matrix among variables. Finally, it is seen that the model is fit for 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 behavioral 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) & 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, Hassel free environment, Return facilities, online shopping, Well decoration, Convenience parking for segmenting fashion house products. Doing these two segmentation based on HFC and LFC, marketers as well as entrepreneurs can explore the market and grow the new industry.

10 .Limitation of the study:

This study has aimed at studying the variables of market segmentation of fashion houses of Bangladesh. In view of that, it has some limitation that might overcome by future relevant studies. **Firstly**, This research has focused only 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, but researchers may also some others statistical tools such cluster analysis & discriminate analysis. **Thirdly**, fashion houses of Bangladesh growing tremendously scattering different geographic locations. Top fashion houses already opened their business window in district level. But the study only collects data from Dhaka and Comilla. So, the Future study may be covered in a large universe across the country.

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 & low fashionable customer groups. Indeed, this will guide 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 behaviors, return facilities as post-purchase service to reduce cognitive dissonance. Fashion industry tremendously exploring day by day in Bangladesh. 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 exporting internationally. Besides, a good number of educational institutions i.e Institutes, college, Universities, has established in Bangladesh to provide specialize degree, certificate, training on fashion designing. Training institutions are exploring graduates, professionals with the advertising, design, web, and all forms of technology based skills needed to fulfill the needs-taste of the customer in the rapidly changing cross-border fashion industry. The entrepreneurs also organized through forming association and forums to bargain and flourish the interest of the industry. So, to be adaptive with the growing numbers and exploration of the industry in Bangladesh, there should have the aim of creating market leadership infusing the best market segmentation strategy.

Implications of the research:

The foremost implication of the research is to aid the marketers to identify the factors leading to segment their market focusing customer's attitudes. It is a guidance for the marketer to enhance their know how & which variables motivate customers and in what extent.

This study will be an indication to win the market strategy through providing the competitive and affordable selling tools to the customer groups. It is a strong tool for winning the changing pattern of the market through attracting larger customers groups.

Funding Information: The author has no support or funding to report.

Ethics & 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.

References:

- 1) Asiedu, E. (2016). "A Study of Use and Impact of Market Segmentation Practices on Bank Performance. With Special Reference to Commercial Banks in Colombia." J. Bus. Finance. Affairs **5**(162): 2167-0234.1000162.
http://s3.amazonaws.com/academia.edu.documents/43071595/Market_Segmentation_Practices_on_Bank_Performance.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1499261051&Signature=pL1eEO3cHe8nXy6BAYqwbFTQsRE%3D&response-content-

disposition=inline%3B%20filename%3DA_Study_of_Use_and_Impact_of_Market_Segm.pdf. Last Accessed: June 20, 2017

- 2) Bruwer, J., et al. (2017). "Domain-specific market segmentation: a wine-related lifestyle (WRL) approach." *Asia Pacific Journal of Marketing and Logistics* **29**(1).
- 3) https://www.researchgate.net/profile/Frikkie_Herbst/publication/312304144_Domain-specific_market_segmentation_a_wine-related_lifestyle_WRL_approach/links/588355c392851c21ff445cd8/Domain-specific-market-segmentation-a-wine-related-lifestyle-WRL-approach.pdf. Last Accessed: May 12, 2017
- 4) Dibb, S. and L. Simkin (1991). "Targeting, segments and positioning." *International Journal of Retail & Distribution Management* **19**(3).
- 5) http://s3.amazonaws.com/academia.edu.documents/32127039/Targeting_segments_and_positioning.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1499261328&Signature=119MyqTy%2B0Mos4gbFB1htS0ZsfE%3D&response-content-disposition=inline%3B%20filename%3DINTERNATIONAL_JOURNAL_OF_RETAIL_and_DIST.pdf. Last Accessed: May 18, 2017
- 6) Dibb, S., et al. (2002). "Marketing knowledge and the value of segmentation." *Marketing Intelligence & Planning* **20**(2): 113-119.
- 7) https://www.researchgate.net/profile/Philip_Stern2/publication/42789453_Marketing_knowledge_and_the_value_of_segmentation/links/0912f514860e071541000000.pdf. Last Accessed: June 08, 2017
- 8) Hajar, I. (2014). "Segmentation, Targeting, Positioning, and Strategy of Radio Company in Kendari, Southeast Sulawesi." *International Journal of Humanities and Social Science Invention*.
- 9) [http://www.ijhssi.org/papers/v3\(10\)/Version-2/G03102047054.pdf](http://www.ijhssi.org/papers/v3(10)/Version-2/G03102047054.pdf). Last Accessed: March 05, 2017
- 10) Islam, Mohammad Shariful (2016), *Creating Opportunities to Developing Leadership in Private Sector Enterprises of Bangladesh - A Study in Airlines/Shipping/Freight Forwarding Industry* (2016). *European Journal of Business and Management*, ISSN 2222-2839, Vol.8, No.35, 2016. Available at SSRN: <https://ssrn.com/abstract=2958065>
- 11) Jaman, M. (2012). "Critical Analysis of Segmentation Strategy For Potential Product Launch-Mapping The Customers." *International Journal of Scientific and Technology Research* **1**(11): 62-65.
- 12) <http://www.ijstr.org/final-print/dec2012/Critical-Analysis-Of-Segmentation-Strategy-For-Potential-Product-Launch---Mapping-The-Customers.pdf>. Last Accessed: March 28, 2017
- 13) Kotler, P. and G. Armstrong (2013). *Principles of marketing* 15th global edition, Pearson.
- 14) Kotler, P. and K. L. Keller (2012). *"Marketing Management, 2012."* Harlow, Essex, England: Pearson Education.
- 15) Lancaster, G. and P. Reynolds (2002). *"Marketing made simple."* Butterworth Heinemann, Jordan Hill, New York: USA. Accessed from <http://books.google.com>, retrieved on July 8: 2008.
- 16) Lynn, M. (2011). *"Segmenting and Targeting Your Market: Strategies and Limitations."*
- 17) <http://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1238&context=articles>. Last Accessed: May 11, 2017
- 18) Malhotra, N. K. and S. Dash (2010). *Marketing research: An applied orientation*, 5/e, Pearson Education India.
- 19) Onaolapo, A., et al. (2011). "Marketing segmentation practices and performance of Nigerian commercial banks." *European Journal of Economics, Finance and Administrative Sciences* **29**: 33-40.

- 20) <http://www.dyane.net/linked/5.1%20Marketing%20Segmentation%20Practices.pdf>. Last Accessed: June 22, 2017
- 21) Sugih, I. L. and S. Soekarno (2015). "Lesson Learned from Indonesian Biggest Fashion Retailer Company to Encourage the Development of Small Fashion Business." *Procedia-Social and Behavioral Sciences* **169**: 240-248.
- 22) http://ac.els-cdn.com/S1877042815003444/1-s2.0-S1877042815003444-main.pdf?_tid=5b513b3a-617f-11e7-8326-00000aabb0f27&acdnat=1499258713_17d798bd21ac527bf5592c52dc81b7. Last Accessed: June 16, 2017
- 23) Swink, M. (1999). "Threats to new product manufacturability and the effects of development team integration processes." *Journal of Operations Management* **17**(6): 691-709. [https://doi.org/10.1016/S0272-6963\(99\)00027-3](https://doi.org/10.1016/S0272-6963(99)00027-3) Last Accessed: June 16, 2017
- 24) van Veen, W. M. O. and T. W. Verhallen (1986). "Vacation market segmentation a domain-specific value approach." *Annals of Tourism Research* **13**(1): 37-58.
[https://doi.org/10.1016/0160-7383\(86\)90056-3](https://doi.org/10.1016/0160-7383(86)90056-3) Last Accessed: June 13, 2017
- 25) Yabs, J. K. (2014). "Market Segmentation Strategies Used as Competitive Advantage Tool: A Case of Chloride Exide Kenya Limited." *Journal of Economics and Sustainable Development* **5**(26): P42-48.
- 26) <http://www.iiste.org/Journals/index.php/JEDS/article/download/17539/17899>. Last Accessed: May 19, 2017