Primark exec says some of its customers will spend less as its prices rise

By Sandra Halliday - May 31, 2022

Primark’s finance chief has said that some of the budget-focused chain’s customers will cut back on spending with the business due to it being forced to raise prices in the face of surging costs.

John Bason said in a BBC interview that he regrets the company having to lift its prices and that it’s still committed to “affordability for everyone”.

He said that there are “some consumers who would normally be spending more and probably would come into Primark, and I think there would be those that have very, very constrained budgets and probably would shop less with us as a result of this”.

A number of fashion retail chains have openly said that they’ll be raising prices (including Next and Superdry), but Primark has committed to maintaining price levels for its spring and summer offer. It will only start charging higher prices from the autumn season and these will be "selective".

And so far, — ahead of those price rises — it seems that Primark isn't seeing a “major impact” from the cost if living crisis.

In fact, he insisted that overall footfall and like-for-like sales in the UK at least have been "on a strongly improving trend this year" as the company continues to recover from the pandemic.

The business isn't quite back where it was pre-pandemic but he said it's seeing a "big pick-up in sales" relating to renewed activities such as travelling, the return to the office and socialising.

However, Bason said price rises are unavoidable. He explained that “Russia's invasion of Ukraine has really changed the economic environment and inflation in particular” but that the company will be maintaining its price levels.
changed the economic environment and inflation in particular” but that the company will be maintaining its price gap compared to other retailers.

He also thinks that people predicting the demise of physical shopping are wide of the mark given the revival of in-person shopping since lockdowns ended.

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