

## **CHAPTER II**

### **COMPANY PROFILE**

#### **2.1. History of H&M**

##### **2.1.1. History of H&M Development**

The origins of H&M's development began in 1947. Swedish entrepreneur Erling Persson opened a women's clothing store in Västerås, Sweden, inspired by his trip to New York City. The store was named Hennes, which comes from the Swedish word meaning "Her"; soon, Hennes became quite famous.

In 1968 Hennes acquired the Stockholm-based hunting apparel and fishing equipment retailer, and after much deliberation, the name was changed to Hennes & Mauritz. The stores start offering men's and children's clothing, covering fashion needs for the entire family. In 1969 The expansion is rapid Hennes & Mauritz (H&M) begins to spread 42 stores

In the 1980s, H&M prepared the foundations for its upcoming global expansion, followed by new store openings, including the first H&M stores in Germany and the Netherlands. Long before the term "e-commerce" was born, H&M fashion sales began marketing its products by moving to customers' homes by acquiring Rowells, a mail-order company in Sweden. In 1982, the company gained a second CEO when Erling Persson ventured down to create room for his child, Stefan Persson.

The expansion of online sales continued, initially to European countries. In 2007, H&M entered the Far East, opening the first stores in Shanghai and Hong

Kong SAR. It was Continued in 2009 to worship in the home styling design by launching H&M HOME. That same year, Erling Persson's grandson Karl-Johan Persson took over as CEO instead of his grandfather.

After going through a lot in 2019, H&M became the world's first major fashion brand to provide customers with detailed product-level information on materials and a transparent supply chain. Moreover, H&M Group also increased its stake in Sell, an e-commerce platform for second-hand goods. H&M Group is now the majority owner. In 2020 After over 20 years as board chair, Stefan Persson handed over to the third generation, and Karl-Johan Persson was elected chair. Helena Helmersson became the new CEO.

Developments in 2022 H&M Group introduced updated climate targets to reduce absolute greenhouse gas emissions across the value chain by 56% by 2030 and 90% by 2040, and by the same year, reach net zero. Moreover, The new H&M sports brand, H&M Move, was launched worldwide. In 2024, H&M introduced Daniel Erv r, previously CEO of the H&M brand, as President and CEO of H&M Group, replacing Helena Helmersson.

The following is a brief history of H&M's development journey, which has been continued by Helena Helmersson, who will provide innovations to meet the needs of worldwide loyal H&M customers.

### **2.1.2. The development of H&M in Indonesia**

The development of H&M in the world is progressing rapidly, and H&M has begun to spread throughout the country from offline stores to online stores. Indonesia is one of the countries that is the target market of H&M.

H&M's successor, Stefan Persson, expanded into the Indonesian market. H&M Indonesia first arrived in 2013 with its first store in Gandari City, Jakarta. On the first day of the Swedish retailer's store opening, more than 1,500 fashion enthusiasts queued up to get the special prices. It was fortunate because the customer with the first order managed to get an H&M gift card of 1 million rupiah; for customers up to the 20th get an H&M gift card of 250 thousand, and for orders up to 250, they get an H&M gift card of 200 thousand.

H&M continues to develop its outlets in various cities such as Bandung, Medan, Bali, Surabaya and Makassar. Until now, H&M store locations have been present in 14 provinces spread across the islands of Java, Bali, Kalimantan, Sumatra and Sulawesi.

H&M in Indonesia is well known as a fashion brand that sells products to consumers at relatively affordable prices. The brand offers clothing for men, women, and children, as well as complementary accessories to support the fashion needs of its customers.

By offering a reasonably competitive price, they still maintain their quality and follow the latest fashion trends and innovations. The price of H&M products in Indonesia was quite affordable compared to their competitors in the fashion industry, such as Uniqlo, ZARA, Forever 21, and many more.

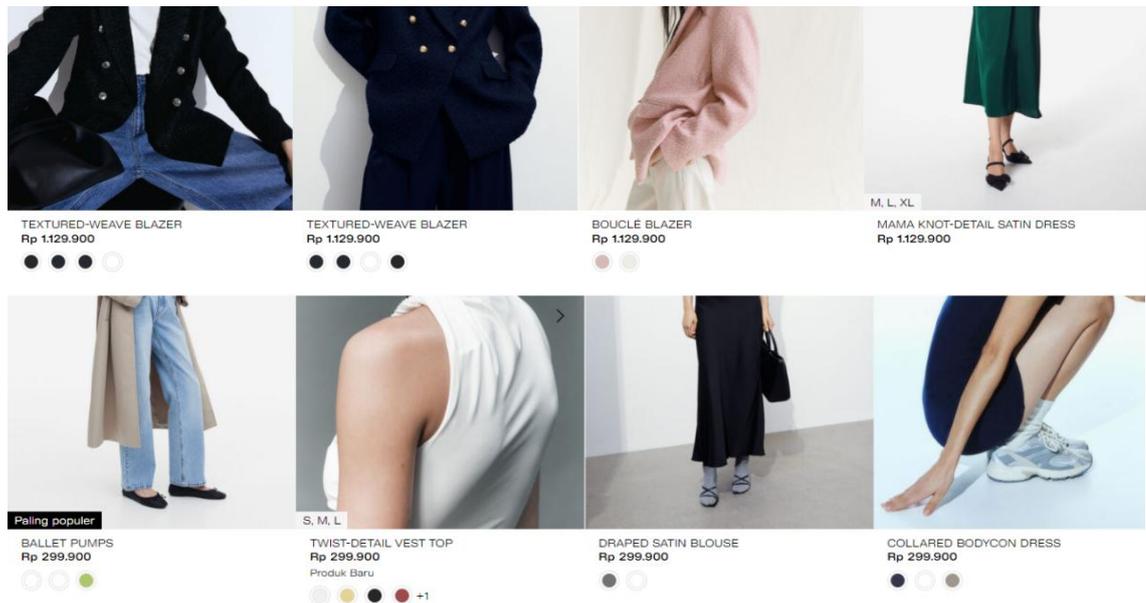
H&M also conducts discount and promotion strategies to attract consumers. H&M often provides discounts on specific products or clothing collections at certain times, such as the fall or holiday season. H&M generally provides discounts on products that have passed their season to replace them with

the newest season collection. These discounts can be found in offline or online stores.

### **2.1.3. H&M Product Price**

H&M products can be considered relatively expensive, especially compared to other fast fashion brands offering trendy clothes quickly. Although H&M is known for its relatively affordable prices, some product lines have a higher price tag due to quality materials, unique designs, and premium fashion items. from data taken by the H&M Official online store. In general, the prices of products at H&M vary as follows:

1. Blazer: IDR 1,000,000 - IDR 2,000,000
2. Work pants (trousers): IDR 500,000 - IDR 1,200,000
3. Formal dress: IDR 700,000 - IDR 1,500,000
4. Basic t-shirt: IDR 150,000 - IDR 300,000
5. Basic dress : IDR 500,000 - IDR 800,000
6. Jacket: IDR 500,000 - IDR 1,000,000
7. Jeans: IDR 450,000 - IDR 800,000
8. Accessories and bags: IDR 100,000 - IDR 500,000
9. Full suit: Can reach up to IDR 3,000,000 or more.



**Figure 2.1 H&M Product Price**

Source: <https://id.hm.com/>

This higher price is usually due to the quality of the material, the more luxurious design details, and the garment's durability, making it more suitable for formal wear. Products such as jackets and jeans are usually sold at a higher price than t-shirts or accessories. This reflects the variety of materials and quality and specific collections that may have more exclusive designs. A combination of brand reputation and sustainability demands also affect the price of products.

#### 2.1.4. H&M Company Vision and Mission

H&M has a Vision and Mission that has been designed to achieve more directed company goals and as a reference for the company in making step-by-step changes in determining development. Vision and mission have different but interrelated roles in shaping a company's identity and development strategy. The vision and mission of H&M are as follows:

##### 1. Vision

Leading Change Towards Fashion and a positive climate while being a fair and equal company.

## 2. Mission

Responsible for leading change towards a more sustainable fashion and design industry.

### 2.1.5. H&M Company Logo



**Figure 2.2 H&M Logo**

Source: <https://id.hm.com/>

At the beginning of his business journey, Erling Persson started with the brand name Hennes, located in Sweden. "Hennes comes from the Swedish language, which means "Her." As the name suggests, the store was initially opened only to sell clothes and fashion needs for women.

However, Persson forged ahead and developed his brand. He decided to buy a functioning clothing store, a Hunter clothing store. The shop owner didn't want to lose his business, so he offered Persson funds for further growth and became the company's first shareholder. That is how Hennes acquired Mauritz, the surname of the Hunter shop owner. These two letters are now the new H&M logo.

### 2.1.6. H&M Location

A business location is the centre of business activities, whether technical, administrative, or managerial. Location can affect various aspects of the business, such as visibility, accessibility, and attractiveness for customers and employees. Therefore, Determining the location of the company will determine its long-term development. H&M has opened approximately 46 offline stores in Indonesia; here are the locations of H&M stores in Semarang.

Name	: H&M
Location	: DP Mall, Pemuda street No. 150 Semarang Central Java - Indonesia
Telephone Number	: (024) 3547744
Email	: info@dpmallsemarang.com

### 2.2. Characteristics of the Respondents

In this study, it was necessary to find 100 respondents from different backgrounds. The Percentage of the characteristics of the respondents was aimed at making the background of the respondents who were the sample in this study known. The characteristics of respondents are grouped according to age, gender, occupation, domicile, marital status, monthly income and frequency of product purchases. This study obtained approximately 100 respondents, including people aged 17-50, domiciled in Semarang, and who had bought or used H&M Fashion products at DP Mall Semarang.

The data obtained is needed as supporting data in the research and is intended to determine the background of making purchasing decisions on H&M

products at DP Mall Semarang. This research questionnaire was distributed to respondents who visited the H&M offline store at DP Mall Semarang via Google Form. To make it easier, the questionnaire was distributed via a link and QR code to the respondents. The results obtained through the questionnaire will be described descriptively using a frequency table.

### 2.2.1. Characteristics of Respondents Based on Age

Respondents who have filled out this questionnaire are at least 17 years old and a maximum of 50 years old. Based on 100 respondents, the following are the results of collecting respondents based on age.

**Table 2.1 Characteristic of Respondent Based On Age**

<b>Age Range</b>	<b>Frequency</b>	<b>Percentage(%)</b>
17 - 22 Years Of Age	20	20 %
23 - 28 Years Of Age	35	35 %
29 - 34 Years Of Age	11	11 %
35 - 40 Years Of Age	18	18 %
41 - 46 Years Of Age	10	10 %
46 - 50 Years Of Age	6	6 %
<b>Total</b>	100	100%

Sources : Primary Data, 2024

From the table above, it can be concluded that the distribution of H&M consumer respondents at D.P. Mall in terms of age shows a fairly even distribution in the age range of 17 to 50. Based on the data obtained, the largest group of respondents is in the age range of 23 to 28 years, followed by the promising age group of 17 to 22 years. Meanwhile, the group of respondents with the least number is in the age range of 46 to 50 years. It can be concluded that

most respondents are aged 17-28 years and can be categorized as adults so that they can answer the questionnaire responsibly, consciously, and voluntarily.

### 2.2.2. Characteristics of Respondents Based on Gender

Respondent data collected according to their gender intends to determine the ratio of the number of women and men in this study. The following is a table presenting respondent data based on their gender.

**Table 2.2 Characteristic of Respondent Based On Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage(%)</b>
Male	27	27 %
Female	73	73 %
<b>Total</b>	100	100%

Sources : Primary Data, 2024

Based on Table 2.2, it can be found that the most respondents are women, which are 73 respondents. The remaining male respondents were 27. There are quite a few differences that can be seen. Women dominate H&M consumers at DP Mall Semarang. This tendency may be influenced by women's propensity to shop and the diversity of the types of products from H&M DP Mall Semarang that are more varied in the women's section.

### 2.2.3. Characteristic of Respondent Based on Employment

Based on the results of 100 respondents, the following are the results of questionnaire collection based on the respondent's employment status.

**Table 2.3 Characteristic of Respondent Based on Employment**

<b>Employment</b>	<b>Frequency</b>	<b>Percentage(%)</b>
Student/College Student	25	25 %
PNS/TNI/Polri	7	7 %
Entrepreneur	28	28 %
House wife	2	2 %
Workers	38	38 %
<b>Total</b>	<b>100</b>	<b>100%</b>

Sources : Primary Data, 2024

The occupation in question is the main job or activity being carried out by the respondent. Table 2.3 shows that 38 respondents work as employees, 28 others are Entrepreneur, and 25 are Student/College Student. So, it can be concluded that respondents who work as employees dominate users and buyers of H&M DP Mall Semarang products in this study.

#### **2.2.4. Characteristic of Respondent Based on Residence Domicile**

One of the criteria for filling out the questionnaires in this study is domiciled in the city of Semarang. In order to distribute questionnaires to the people of Semarang, the questionnaires were distributed evenly in each sub-district. The following data details the distribution of respondents based on domicile per sub-district in the city of Semarang:

**Table 2.4 Characteristic of Respondent Based on Residence Domicile**

<b>Residence Domicile</b>	<b>Frequency</b>	<b>Percentage(%)</b>
Banyumanik	6	6%
Candisari	6	6%
Gajah Mungkur	6	6%

<b>Residence Domicile</b>	<b>Frequency</b>	<b>Percentage(%)</b>
Genuk	6	6%
Gunung Pati	6	6%
Mijen	6	6%
Ngaliyan	6	6%
Pedurungan	6	6%
West Semarang	7	7%
South Semarang	7	7%
Central Semarang	7	7%
North Semarang	7	7%
Gayamsari	6	6%
East Semarang	6	6%
Tembalang	6	6%
Tugu	6	6%
<b>Total</b>	<b>100</b>	<b>100%</b>

Sources : Primary Data, 2024

Table 2.4 shows that the respondents came from the city of Semarang and spread to all sub-districts in the city of Semarang. The average sub-district had 6 respondents, but on the other hand, each of the 7 respondents resided in West Semarang, South Semarang, Central Semarang, and North Semarang. It is classified as more respondents than respondents from other sub-districts. The location of DP Mall Semarang is right on Pemuda Street, Central Semarang. So, people who live around the Central Semarang sub-district have easier access to visit and shop at the H&M DP Mall Semarang store.

### 2.2.5. Characteristic of Respondent Based on Marriage Status

Based on the results of 100 respondents, the following are the results of questionnaire collection based on the respondent's marital status.

**Table 2.5 Characteristic of Respondent Based on Marital Status**

Marital Status	Frequency	Percentage(%)
Single	76	76 %
Married	24	24 %
<b>Total</b>	<b>100</b>	<b>100%</b>

Sources : Primary Data, 2024

Based on table 2.5, 76 respondents are single, and 24 are married. Thus, it can be concluded that the majority of respondents in this study are still unmarried.

### 2.2.6. Characteristic of Respondent Based on Monthly Allowance

The monthly allowance is one of the factors that may influence customers' decisions to purchase products; below are the details of the monthly income of respondents H&M DP mall Semarang consumers:

**Table 2.6 Characteristic of Respondent Based on Monthly Allowance**

Employment	Frequency	Percentage(%)
≤ Rp. 1.500.000	21	21 %
> Rp. 1.500.000 - Rp. 3.000.000	12	12 %
> Rp. 3.000.000 - Rp. 4.500.000	26	26 %
Rp. > 4.500.000 - Rp. 6.000.000	21	21 %
Rp. > Rp. 6.000.000	20	20 %
<b>Total</b>	<b>100</b>	<b>100%</b>

Sources : Primary Data, 2024

namely 26 respondents. Meanwhile, the number of respondents with a monthly income of > Rp. 1,500,000 - Rp. 3,000,000 is the lowest, namely only 12 people. Variations in respondents' monthly income were all filled in, indicating an even distribution of questionnaires. In addition, the even distribution illustrates that all classes of the economic segment of the city of Semarang can reach the price vulnerability of H&M products.

### 2.2.7. Characteristic Of Respondent Based On Frequency Of Purchase

#### Decision On H&M Dp Mall Semarang

The following data is collected from respondents according to the purchase frequency of H&M products in DP Mall Semarang in the last 6 months.

The frequency of purchase or use of products by respondents is as follows:

**Table 2.7 Characteristic of Respondent Based on Purchase Frequency**

<b>Employment</b>	<b>Frequency</b>	<b>Percentage(%)</b>
1 - 3 times	49	49 %
4 - 6 times	28	28 %
7 - 10 times	20	20 %
>10 times	3	3 %
<b>Total</b>	100	100%

Sources : Primary Data 2024

Table 2.7 shows that the highest frequency of respondents in this study buying H&M products at DP Mall Semarang is 1-3 times, which gets a percentage of 49% of the total respondents' results, but not a few respondents also bought H&M products at DP Mall Semarang 4-6 times in the last 6 months, namely 28 respondents.

