



Mr Price Group Limited

HOW DID IT ALL BEGIN?



Laurie Chiappini & Stewart Cohen
Our Founders

A key early decision was to open group owned Mr Price's Factory Shops, and the group then acquired the rights and trademark to the Mr Price brand. The first group owned store was opened in 1987 in an old Baumanns biscuit warehouse in Brickhill Road in Durban. Over the course of the next few years, the trading operations of the franchisees were acquired by the group, which had become known as Specialty Stores, and by the end of 1990 there was a total of 19 Mr Price's Factory Shops. In 1991, when Specialty Stores was under the threat of takeover by another major retail group, Stewart and Laurie managed to acquire control of the group from the BoE and thwart the takeover bid. At around that time, Alastair McArthur, our current CEO, was appointed managing director of the Mr Price chain and he was joined by Shane van Niekerk and Steve

Ellis in the 28 store chain. His first marketing decision was to focus the business on casualwear products like jeans and T-shirts. This led to a change in the branding position from a factory shop to a more fashionable business, still at low prices and the slogan of the business became "Mr Price - Factory Fresh, Nothing Added", to highlight that the brand offered fresh fashion at good value with no added frills. At the same time, the presentation in the stores changed from hanging to the flat-packing of products, augmenting the concept of a "rack, pack and stack business". Since funds were low, friends were used as models for the photo shoots and the headless advert campaigns were a new concept at the time. This, together with the down-to-earth language like "You're once, twice, three times a winner" (instead of the traditional "buy two get one free") gave a different edge to the advertising which was very well received. By this stage the group was expanding rapidly and in 1994 a record-breaking 12 stores were opened in two days. The next step was to grow the young, fun, sociable value brand. While driving past the old Kings Park Rugby Stadium one evening, Alastair was struck with the thought that the stadium was filled with potential customers and fans and this led the group to get involved in sports marketing. In searching for a symbol that represented youthfulness and sportiness coupled with a bit of irreverence, the brand took a giant leap forward when in 1994, the Mr Price red cap was born. The late 1990's and early 2000's saw the brand repositioned again as "Mr Price Weekend Material," following on from the jeans and T-shirt focus established back in 1991. However, with global trends increasing the focus on workwear, the

branding position was changed once more in 2005 to “Mr Price Everyday” and the product offering was broadened to include the working wardrobe. The marketing slogan that accompanied this was “Something New Everyday”, which reinforced the concept that Mr Price offered continuously fresh fashion.

“Where ordinary people do extraordinary things.”
- Stewart Cohen

In September 2006, a new generation store was opened which supported the new positioning and dramatically improved product presentation, with a cutting edge new look aiming to significantly enhance our customers’ shopping experience. This store concept is now being rolled out across the country.



Mr Price Group Limited

By 1998, the store base of the Mr Price chain was rapidly growing and the number of stores had reached 221 with a turnover of R802 million. As a result of having invested disproportionately into the personality of Mr Price, as opposed to the attribute aspect, the brand was able to expand from a clothing concept first to homewares and then to a sports concept, with the focus remaining on a low-cost, high-volume, low-price, value brand. The first Mr Price Home store was opened in 1998 and by 2001, the majority of sales in the group were under the Mr Price brand. The name of the group was thus changed from Specialty Stores to Mr Price Group Limited. In 2002, Stuart Bird became managing director of

the Mr Price chain. In 2006, Mr Price Sport was opened and in that same year, the first Mr Price franchise store was opened in Lusaka, Zambia. To date Mr Price Sport has opened 31 stores in South Africa and 17 franchise stores have been opened in Africa and the Middle East. In addition to the three Mr Price chains, the group today includes the Miladys and Sheet Street chains, with The Hub and Galaxy chains having been sold in 2005. With group turnover approaching R10 billion and the 1 000th store soon to be opened, the Mr Price story is a remarkable one, particularly when considering that headline earnings per share has grown at a compound annual rate of 23% since the first Mr Price store was opened in 1986.



Stuart Bird
CEO

Source: www.mrprice.com [Downloaded: 8 October 2015]

CEO OF MR PRICE LIMITED

Mr Price Group Ltd has appointed Stuart Bird as deputy chief executive and said he would take over at the helm of the company in time.

The company said in a statement that Bird, who has managed the group's core Mr Price apparel chain for the past 7 years, would initially focus on group trading and would later take over corporate functions from CEO Alastair McArthur.

It provided no timetable for the change. Shane van Niekerk has been appointed chief operations officer and Steve Ellis was named chief information officer. Mark Blair remains chief financial officer.

[Source: http://www.moneyweb.co.za](http://www.moneyweb.co.za) [Downloaded: 8 October 2015]

BACKGROUND OF STUART BIRD – CEO

Bird serves as Chief Executive Officer, Executive Director of Mr Price Group Ltd. Stuart qualified in both BAgri. Management and as a CA(SA). He joined the Group in 1993 and has accumulated in excess of 20 year's retail experience to date. His first position with the Group, then known as Specialty Stores, was as Financial Director of the Hub division and he was then appointed Managing Director of the Hub in 1998. In 2000 he moved across to the Mr Price Apparel division, where he served as Managing Director until 2009. In March 2009 he was appointed Deputy CEO, and in August 2010 CEO of the Group.

[Source: http://www.reuters.com](http://www.reuters.com) [Downloaded: 8 October 2015]



DREAM, PURPOSE AND BELIEFS

“OUR DREAM”

To become a top performing International Retailer

“OUR PURPOSE”

To add value to our customers lives and worth to our partners lives.

“OUR BELIEFS”

PASSION - Passion is our engine. It is the positive attitude and enthusiasm of all our associates who approach each day bright-eyed, smiling and projecting a positive image – believing work is fun.

VALUE - Value is the heart of our business and we strive to add value in everything we do. It is more than just product, it is the way we service the business, each other and our customers. Value is about doing more than what is expected or required.

PARTNERSHIP - Partnership means all associates become shareholders in the company. Partnership is about sharing ownership and success of the company with all our associates and fostering solid and long term partnerships with our suppliers.

These **three key beliefs** on which our company has been built, are the foundation stones of our business and will never change. They are the guidelines for all our partners.

[Source: www.mrprice.com](http://www.mrprice.com) [Downloaded: 8 October 2015]

SUSTAINABILITY

The companies most significant environmental impacts occur within the supply chain, during the process of production and transportation, as well as during the customer washing and drying of the apparel and textile products. To this end, in order to fully understand the climate change risk and impact on raw materials used in the production of the Group's products, detailed and specific research appropriate to the needs of the industry is required. It is expected that the participation in the National Sustainable Textile and Apparel Cluster will produce life cycle assessments that will assist the South African textile industry to make informed decisions in this regard.

The Group is committed to reducing its impact on the environment and targets have been set to reduce energy consumption and waste. Consumption figures are reported in the Key Performance Indicators extract of the Annual Integrated Report 2014.

[Source: www.mrprice.com](http://www.mrprice.com) [Downloaded: 11 October 2015]

SOCIAL RESPONSIBILITY

Early Childhood to benefit as Mr. Price and UNICEF launch "Kids are Priceless" partnership



Durban, 22 April 2008 – Mr. Price Group, [RedCap Foundation](http://www.redcapfoundation.org) and UNICEF announced their partnership intended to benefit young people from low-income communities in South

Africa at a press conference at Parkhill Secondary School in Durban.

Under the campaign theme 'Kids are Priceless', the primary aim of this collaboration, is to raise funds to support development initiatives of UNICEF and the RedCap Foundation, a non-profit organisation established by the Mr. Price Group.

Welcoming the new cooperation between the organisations, Macharia Kamau, UNICEF Country Representative said, "This partnership will help turn the tide of challenges facing South African children in particular within the important yet under funded area of early childhood development to help ensure that our future citizens get the best start in life."

According to Shane Van Niekerk, Mr. Price Group MD, various initiatives will be launched by the company to help reach a target of ZAR 2 million, the figure set for this financial year.



All funds raised will be channelled to both UNICEF and RedCap Foundation with specific focus on education and early childhood development. Fundraising opportunities to be explored include the introduction of an employee fundraising program and various customer engagement initiatives in Mr. Price stores which will directly benefit the "Kids are Priceless" campaign.

Gavin Rajah, a UNICEF Goodwill Ambassador emphasised the importance of schools as “a haven away from home, where children can find solace from any domestic stresses. He added that the partnership between the Mr Price Group and UNICEF is an illustration of a South African organization showing its true support for children by of South Africa, helping our own.

The campaign launch featured a demonstration of a Fun Wall by learners, as well as a tour of the well-equipped computer centre, where students showed off their computer literacy skills. A video of the Group’s corporate social responsibility initiatives in education, sports and information technology group was also shown.

[Source: www.unicef.org](http://www.unicef.org) [Downloaded: 11 October 2015]

MR PRICE LIMITED

Mr Price Group Limited is engaged in the business of retail distribution through 962 Southern Africa stores and 28 franchised stores in Africa. The retail chains focus on clothing, footwear, sportswear, sporting goods, accessories and homewares. The Company operates in two segments: apparel, which consists of Mr Price Apparel and Mr Price Sport and Miladys, and home divisions, which consists of Mr Price Home and Sheet Street. The apparel segment includes retails clothing, sportswear, footwear, sporting equipment and accessories. The home segment includes retails homewares. The central services segment provides services to trading segments, including information technology, internal audit, human resources, real estate and finance. Its products offerings include clothing, footwear, accessories, underwear,

maternity wear, sporting apparel, equipment, women's clothing, intimate wear, cosmetics, home textiles, homewares, furniture, kids merchandise, bedroom, living room and bathroom ware.

MR PRICE FOUNDATION **SCHOOLS**

Schools in SA, particularly those in less privileged communities, face a range of very real obstacles such as shortage of resources and skilled educators and lack of good management and parental involvement.

The impact these problems are having on learners can be seen in some alarmingly poor results. A recent report shows that over 20% of schools are not meeting minimum educational performance standards. (source: www.jet.org.za) The MRP Foundation Schools programme is a direct response to these challenges and aims to improve learner performance by helping to create sustainable transformation through capacity building in selected schools and districts.



The aim of the programme

Is to create sustained improvement in the overall performance of learners at selected primary schools, instead of only focusing on particular subjects. The need for this sort of holistic intervention has been highlighted through the MRP Foundation's years of

experience in working with schools. The project focuses on helping schools nurture learner performance by improving functionality and building capacity in the selected schools and districts. School management teams identify the school's needs themselves and become the catalysts for bringing about the necessary changes in their own environment. Through building the capacity of school leadership, educators and district officials, they are empowered to bring about and maintain the changes taking place in their schools. In this way no culture of dependency is formed and the project becomes sustainable and of benefit to many more children who will attend these schools in the future. The ultimate vision is to create a culture of excellence, particularly amongst the children, in the communities in which these programmes are implemented.



The MRP Foundation Schools pilot project was to transform a cluster of 5 KwaDukuza primary schools – Aldinvile, Zilungisele, St Christopher, Kearsney and Nyakana - into holistic facilities.

MRP Foundation partnered with The Unlimited Child, and together with MRP Home equipped 28 pre-primary schools in the area that feed these schools.



This education programme is implemented in partnership with KwaZulu-Natal Department of Education and JET Education Services. It incorporates the JET whole school improvement model and encourages participation in school sport, arts and cultural activities, environmental initiatives and leadership capacity building programmes.

[Source: www.mrpfoundation.org](http://www.mrpfoundation.org) [Downloaded: 11 October 2015]

MR PRICE FOUNDATION **YOUNG HEROES**

This project is focused on improving the health of the youth in South Africa. The Young Heroes Project is making a difference in the lives of primary and high school children from low-income communities by giving them an opportunity that many take for granted - to develop a healthy lifestyle and passion for regular exercise from an early age.



Through the project future sporting talent is nurtured and identified. This is of vital importance because:

- Physical exercise is an essential part of childhood development, helping to build confidence and co-ordination, develop mental, physical and social wellbeing and prevent disease.
- Many children at schools in low-income communities don't get to experience these benefits due to lack of sporting equipment, trained coaches and sporting facilities.
- Research shows that children in South Africa are spending more time glued to technology and less involved in physical play.
- Obesity and heart disease are on the increase in children.

The MRP Foundation launched the Young Heroes Project in 2004, and has already benefited over 251260 learners, between the ages of 5 and 19, from selected schools.



The programme has been rolled out in over 282 schools to date, and the methodologies applied have achieved an excellent reputation. This has been the catalyst for our partnership with the Department of Basic Education (DBE). We assist the DBE in creating centres of excellence that serve as benchmarks for the implementation of Physical Education, extra mural sport and sports leagues amongst primary and high schools. To ensure that the Young Heroes Programme is sustainable, the project works through transferring skills to

educators. Each school receives coaching and mentoring over a 3 year period. The facilitator also trains and mentors educators in age appropriate exercises and in monitoring the development of the learners. Selected educators also attend formal development courses in Physical Education and Sports Codes.



The MRP Foundation donates all equipment necessary for physical education in the selected schools.

[Source: www.mrpfoundation.org](http://www.mrpfoundation.org) [Downloaded: 11 October 2015]

IS MR PRICE SHARES?

Since its listing on the JSE 25 years ago, the Mr Price Group has given its shareholders plenty to smile about. Over that period, both dividends declared and the group's share price have risen at compound annual growth rates of more than 25%.

And it seems that the growth story isn't over. Since the beginning of 2009, Mr Price's share price has ballooned from around R25 per share to its current levels of over R90 per share. This is a more than 350% increase in a little over three years.

This remarkable performance has been driven by an innovative and astute management team and a product offering that appeals to a wide spectrum of consumers. This has resulted in the group consistently delivering exceptional returns on assets and results that are ahead of market expectations.

“Mr Price understands its market very well and does an admirable job of keeping its fashion offering relevant,” says 36ONE equity analyst Daniel Isaacs. “This is reflected in the group’s excellent stock turn numbers and gross margin.”

The group’s brands include Mr Price Home, Mr Price Sport, Milady’s and Sheet Street. It boasts around 950 outlets, most of which are in South Africa, but it also has a presence in ten other African countries, including Zambia, Kenya, Mozambique and Mauritius.

DIVIDENDS

For the 2011 financial year, Mr Price paid a total dividend (interim plus final dividend) of 252 cents per share. This is more than double the 116 cents per share distributed in 2008, and a significant increase from the 133 cents per share paid in 2009 and 173 cents per share in 2010. Since its listing, the group has never decreased a dividend payout year-on-year.

The interim dividend for the six months to September 2011 was 93.6 cents per share. The group’s dividend yield is around 3.0%.

IS MR PRICE A GOOD INVESTMENT?

From its earliest days, Mr Price has been a cash-driven retailer. Over 80% of its sales are in cash, ensuring cash flows that are the envy of many of its competitors and a debt-free balance sheet.

The group has also developed a young, attractive image and a strong brand. It has leveraged this brand exceptionally well through Mr Price Home and Mr Price Sport, both of

which established themselves quickly in competitive markets.

Much of this success has achieved this by appealing to consumers across all income segments by offering high-fashion goods at reasonable prices. This has also led to high customer loyalty and therefore consistent sales growth.

The group has also been a beneficiary of the high levels of indebtedness amongst South African consumers. Those feeling the economic pinch but still wanting to look fashionable have gravitated to the perceived value Mr Price offers.

WHAT RISKS DOES MR PRICE FACE?

Although the group has done exceptionally well in recent years despite the burden on local consumers, there are indications that consumer spending may drop off even further over the next 12 to 24 months. All retailers will be aware of the threat of inflation, higher interest rates, rising fuel prices and lower public sector wage growth.

“As with all the apparel retailers, the primary risk Mr Price faces is consumers’ spending ability,” notes 36ONE’s Isaacs. “Most of the pressure is being felt in the middle income segment, but since Mr Price is more exposed to the lower income segment and has far more sales on cash than any of its peers, it is less at risk.”

Furthermore, some analysts suggest that the rampant rise in unsecured lending is also not sustainable. Large lenders such as African Bank and Capitec have been increasing both

the size and the term of loans, effectively creating greater buying power for lower income earners. However, there are concerns about how long this can continue.

As Mr Price imports most of its stock, it is also more heavily influenced by fluctuations in the exchange rate than its competitors. A weaker rand will impact on the group's margins as it has to pay more for its inventory.

CAN MR PRICE EXPAND?

Mr Price still sees opportunity for expansion in South African and is continuing to open new stores in under-served locations. It will also be revamping older stores and growing space at outlets that enjoy high trading densities, while closing those are persistently unprofitable.

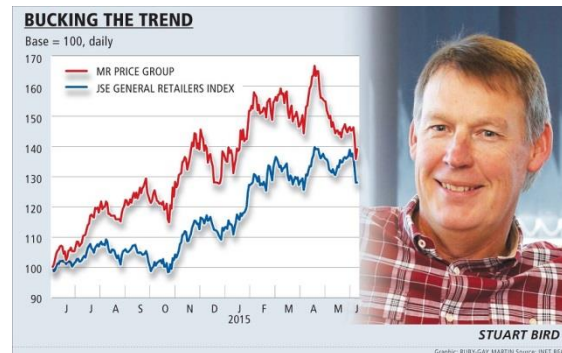
The group's business model also makes it a likely contender for success in the rest of Africa. Mr Price already has franchises in fast-growing markets such as Mozambique, Ghana and Kenya, but believes that there is greater opportunity in corporate-owned stores and will be preferring this approach going forward.

It sees the rest of the continent as a key long term growth prospect, and is particularly interested in opportunities in Nigeria. That country recently lifted a ban on clothing imports, opening up a massive and under-served fashion market. The group's first store in the country opened in Lagos in March this year.

"While there may be some teething issues in Nigeria, management should be able to successfully handle any challenges and turn

this into a lucrative market in the medium term," Isaacs believes.

[Source: www.moneyweb.co.za](http://www.moneyweb.co.za) [Downloaded: 11 October 2015]



MR PRICE DECLINES ON 'POOR FASHION

CALLS'

Sep 01 2015 15:51

Janice Kew

[Source: www.new24.co.za](http://www.new24.co.za) [Downloaded: 11 October 2015]



Johannesburg - Mr Price Group shares fell the most in almost three years after the clothing and household-goods retailer said low levels of consumer confidence, "some poor fashion calls" and a relatively late winter curbed sales.

The stock dropped as much as 10%, the biggest intraday decline since September 2012, and traded 8.7% lower at R217.88 as of 14:52 on the JSE.

The shares are 7.5% lower this year, valuing the company at R58bn.

South African consumer confidence dropped to a 14-year low in the second quarter of this year as unemployment of 25%, power cuts

and rising fuel prices put pressure on shoppers.

Total sales rose 9% in the 21 weeks through August 22, with same-store sales advancing 4.6%, the Durban-based company said in a statement on Tuesday.

Revenue gained 16% in the comparable period a year ago. "Disappointing sales growth for April and May" hurt overall performance, Mr Price said.

"Opportunities in the current trading period were lost in the mens' and ladies' junior businesses," the retailer said. "Despite this, good growth was achieved in most other parts of the business."

MR PRICE TO OPEN STORES IN AUSTRALIA THIS YEAR

[Source: www.new24.co.za](http://www.new24.co.za) [Downloaded: 11 October 2015]



Johannesburg - Mr Price [JSE:MPC] plans to open stores in Australia by the end of this year, the firm said on Tuesday.

"Our plans there will commence with Mr Price opening test stores this year in time for peak festive season trade," Mr Price CEO Stuart Bird said in a statement.

Mr Price is "actively seeking new markets", and will open its first test store in Australia in the second half of the new financial year, it said.

South African competitor Woolworths [JSE:WHL] expanded into the southern hemisphere country last year with the \$2bn purchase of David Jones.

Cash transactions boost profits

Mr Price Group said its focus on cash transactions helped lift profit 23% as the company avoided potentially costly non-payments of debt.

Net income rose to R2.29bn in the year through March 28 and cash sales advanced by 15%, beating credit sales growth of 7.5%, it said in a statement on Tuesday. Mr Price raised the full-year dividend by 20% to R5.80 a share.

South African retailers have been struggling as consumer spending slides amid unemployment of more than 25% and economic growth that's been held back by electricity shortages.

"We are very satisfied with the results achieved in an environment in which the economy and consumers are struggling," Bird said.

Cash sales made up almost 82% of Mr Price's total revenue, the company said.

The stock rose 1.72% to R233.95 in late afternoon trade on the JSE. The company has slid 0.4% this year, the worst performer and only decliner on the 10-member FTSE/JSE Africa General Retailers Index.

MR PRICE POISED TO OUTPERFORM

Mr Price continues to churn out fantastic numbers in a pressured consumer environment. Its trendy and budget-conscious offerings seem to have won the hearts of many South African shoppers who continue flocking to its stores.

Central to Mr Price's growth story are the value offerings which enable it to capture market share from customer trade-downs during market downturns while positioning it to maintain or even grow in a market upswing. And unlike its peers who sell mainly on credit, its sales are largely for cash, insulating the company from the cyclical nature of the credit market. With many consumers still heavily indebted and struggling to repay credit retailers, Mr Price is poised to continue outperforming its peers.

Headline earnings jumped 20% to 919.7c/share (2014:765c) in the year to end-March, giving it an impressive average compounded growth rate of 27% a year since 2010. We are confident that the group will continue producing such above-average returns despite a murky retail environment outlook. However, even after factoring in largely optimistic forecasts, our discounted cash-flow model shows that the group's share price is fully valued. Based on our valuations we therefore maintain our hold decision on its stock.



Retail sales for the year of R17.3bn were 13.5% higher than the comparable period of R15bn. The growth was achieved from price inflation of 4.3%, 5.5% growth in unit sales and 3.4% from changes in the product mix. Total group revenue grew 13.9% to R18.1bn (2014: R15.9bn) while operating profit increased 21.3%, resulting in a higher operating margin of 18% (2014: 15.96%). A final dividend of 369c/share (2014: 314c) was declared.

We expect retail trading conditions to remain challenging. Consumers, particularly in the lower-income groups, are being financially stretched by rising costs of living, moderating wage increases and the possibility of higher debt costs, forcing them to postpone or avoid spending where possible.

The Reserve Bank's Monetary Policy Committee's decision on interest rates when it meets in July will also have a significant effect on disposable incomes. While there was an uptick in consumer disposable incomes over the past few months due to lower inflation and fuel prices, an interest rate hike will ratchet up the pressure on consumers. Unemployment, labour relations and Eskom's load shedding are the other persistent threats to growth in consumer spending.

Notwithstanding these challenges, we believe Mr Price is capable of maintaining the current growth momentum. Its fashion-value formula, which has so far shown resilience, should continue driving growth. We expect it to continue benefiting from trade-downs by the middle- and upper-income groups. Its international operations, which account for

close to a tenth of group sales, should also support earnings growth.

The group still has room to open more stores in its existing markets. Management is planning to spend R3.5bn on capital projects over the next five years which is likely to help sustain the group's growth strategy. These ambitions are supported by a highly cash-generative business model which saw the company close the year with R2.8bn in cash, outstripping its interest-bearing debt.

While we remain bullish on Mr Price's prospects, we think the market has correctly priced its shares. After a strong run over the past few years it is now commanding a demanding forward price earnings ratio of 28. At this level we feel there isn't much upside left in the stock. We therefore maintain a hold recommendation.

Mr Price Group [JSE : MPC]	2015A	2016E	2017E	2018E
Revenue(R'm)	18,099.0	20,632.9	23,727.8	26,100.6
EBITDA (R'm)	3,256.8	3,958.8	4,665.2	5,353.2
PBT (R'm)	3,163.0	3,858.9	4,553.5	5,236.5
Attributable income (R'm)	2,293.9	2,797.5	3,301.0	3,796.2
Headline earnings per share (cents)	919.7	1,050.9	1,240.0	1,426.0
PER(times)	28.2	23.0	19.5	16.9

Bull Factors

- Budget-conscious offerings targeting customers mainly in the mid- to upper-income segments
- Less exposed to bad debts due to cash model and management's cautious approach to credit
- High cash-generating business model enables group to fund growth initiatives without gearing

Bear factors

- Slowdown in consumer spending
- Increasing competition, including presence of international retailers

- With most of its products being imported, its is exposed to currency volatility

Source: www.moneyweb.co.za [Downloaded: 9 October 2015]

SWOT ANALYSIS – MR PRICE LTD

STRENGTHS

- Affordable trendy fashion with different fashion lines
- Wide demographic
- Well know and established brand name
- Offers home wear and sportswear
- Offers local designers a chance to collaborate with them
- Known for its basics and convenience
- Social responsibility: School Sports team sponsorships and REDCap Foundation
- Offer Sales regularly and mark down on seasonal items
- Mr Price Blog - In The Loop
- Strong advertising
- On par with international trends and caters for local trends

WEAKNESSES

- Poor quality (materials) – loss of faith from consumer
- Associated with being cheap and cluttered
- Untidy stores
- Poor assistance
- Importing from China (size problems)

OPPORTUNITIES

- Manufacture locally and improve on quality
- Store rebranding and refreshing, less clutter

- Improve service in store - staff benefits and up to date training
- Open an Online store (offering debit card use)
- Improve men's summer clothing range and underwear
- Expand into foreign markets • More in store surveys and promotions

THREATS

- Competition – ZARA, Woolworths, Ackermans, Cotton On
- Economic factors – fuel, labor costs,
- Copying too directly (legal implication)
- Perception- cheap and cheerful
- Changes in consumer taste
- Problems with online store – customer disappointment
- Misleading advertising – poor quality

MR PRICE – PESTLE

- **Demographic:**
Multiracial, both genders, ranging from toddlers, teens young adults and adults, middle class earning income.
- **Economical:**
Listing on the JSE, share price drops, could also affect credit. Importing price hikes
- **Social/Cultural:**
Trends changing too quickly, fads and copies and trends that are not suitable for their demographic. Competition
- **Technological:**
Not all customers having access to internet, cost of maintaining online store
- **Legal:**
Laws and sanctions on importing. Using peoples designs and photo's

legal implications from designers / advertising license's

MR PRICE - SUCCESS

- 1885** The first John Orrs store opens
- 1934** The first Hub store opens
- 1952** John Orrs is listed on the JSE
- 1967** Acquisition of two Miladys stores
- 1986** Laurie Chiappini and Stewart Cohen, together with BOE, acquire a major shareholding in John Orr Holdings
- 1987** The first Mr Price store opens
- 1991** Laurie Chiappini and Stewart Cohen acquire control of the Group from BOE
- 1993** Launch of the Mr Price Group Share Partnership Initiative
- 1996** Acquisition of Galaxy & Co. and Sheet Street
- 1997** Alastair McArthur is appointed as CEO
- 1998** Mr Price Home launched
- 2000** Mr Price opens stores in Botswana and Namibia
- 2001** Specialty Stores becomes MR Price Group
- 2005** Over 100 million units are sold across the group
- 2006** Sale of the Hub and Galaxy divisions
- 2007** Launch of Mr Price Sport stores and Mr Price Franchising
- 2008** Miladys wins the Orange Index award for excellence in customer service
- 2008** Mr Price Apparel is voted the most loved and most frequented retail apparel brand
- 2008** This year Mr Price Home is voted the most loved and most frequented homeware retailer
- 2011** Retail sales exceed R10 billion and profit attributable to shareholders exceeds R1 billion
- 2011** The group celebrates the 25th anniversary of change in control, recording a CAGR share of 25.3% and headline earnings per share of 23.5% over this period
- 2012** First Corporate owned Mr Price store opens in Lagos, Nigeria
- 2013** Mr Price launches its online store
- 2014** Mr Price online goes global and also becomes the first international online store to launch in Nigeria.
- 2015** Launch of Mrpmobile