NAGINDAS KHANDWALA COLLEGE OF COMMERCE, ARTS & MANAGEMENT STUDIES MALAD WEST.

MUMBAI-400064

A PROJECT REPORT ON

"TO STUDY THE MARKETING STRATEGY AND BRANDING OF ZARA"

SUBMITTED BY

DEWANI SHAH

ROLL NO: 5080

T.Y.B.M.S. SEMESTER – VI

SUBMITTED TO

UNIVERSITY OF MUMBAI

PROJECT GUIDE

DR. MONA MEHTA

ACADEMIC YEAR- 2020-2021

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EXECUTIVE SUMMARY

Zara is an international fashion retailer that has achieved tremendous acclaim as one of the pioneers of the high-street fashion industry, consistently developing new items for the market at a faster pace than its rivals, thanks to its solid supply chain. Despite this, the company continues to face challenges in terms of market demand and costs; as a result, a thorough strategic review is needed to examine the industry's wider forces and identify ways in which the company can leverage its own strengths and opportunities to create an even stronger role within the high street fashion industry. By concentrating on what it does best, namely using an effective supply chain, the company would be able to beat its rivals to market and deliver new products on a regular basis, giving it a strategic edge in the high-street brand war that is raging.

The aim of this report is to conduct a strategic analysis of Zara focused on the company's current role. Zara has grown to become one of the world's largest and most well-known fashion brands. The business began in Spain in 1963 and has since grown to over 2000 locations around the world.

In order to understand how Zara has managed to maintain such a strong position in the market, it is important to first understand the external world in which the business operates. This knowledge, along with the internal narratives, can then be used to develop the organization's future business strategy. The PESTEL study, which considers political, economic, social, technical, environmental, and legal influences, as well as Porter's Five Powers, will be used to accomplish this. (Carter, 1999).

Zara has a unique place in the fashion industry, having developed itself as a brand that produces cutting-edge fashion ahead of its competitors and at a low cost. Despite this, it is vital that the company understands the external forces influencing the industry and uses its own internal strengths to retain a competitive edge, helping it to maintain its position as one of the market's leading brands.. The supply chain's strengths should be highlighted because they allow the business to bring goods to market at a rapid pace. Furthermore, the

company is under cost pressure, forcing the design team to become more effective while producing prototypes that can be converted into garments at the lowest possible cost, while upholding ethical standards.

Simply put, it is argued that Zara should continue to do what it is doing now, but do it better, with a stronger focus on ethical behaviour, satisfying consumer expectations for fresh and creative fashion while maintaining low costs across the board.

Simply put, it is argued that Zara needs to continue to do what it is doing, currently; however, it needs to do it better, with greater emphasis being placed on
across every aspect of its business, ethical conduct, meeting consumer demands for new and creative fashion while maintaining low costs.

CERTIFICATE

This is to certify that **Ms.Dhwani Shah** has worked and duly completed her Project Work for the degree of Bachelor of Management Studies under the Faculty of Commerce in the subject of **Dr. Mona Mehta** and her/his project is entitled,

"TO STUDY THE MARKETING STRATEGY AND BRANDING OF ZARA" under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is her/ his own work and facts reported by her/his personal findings and investigations

Dr.Mona Mehta

N.K. S.N.K. COLLEGE OF COMM. ARTS & MGMT. STUDIES & SCIENCE MALAD MUMBAI 400064

PRINCIPAL
NAGINDAS KHANDWALA COLLEGE OF COMMERCE
ARTS & MANAGEMENT STUDIES AND SHANTABEN
NAGINDAS KHANDWALA COLLEGE OF SCIENCE
(AUTONOMUS)
MALAD (W), MUMBAI - 400 064

DECLARATION

I, the undersigned, Ms.**DHWANI SHAH**, a BMS student of NAGINDAS KHANDWALA COLLEGE OF COMMERCE, ARTS & MANAGEMENT STUDIES MALAD WEST, T.Y.B.M.S. SEMESTER – VI hereby declare that the work embodied in this project work titled "**To study the marketing strategy and branding of Zara**", forms my own contribution to the research work carried out under the guidance of **Dr. MONA MEHTA** is a result of my own research work and has not been previously submitted to any other University for any other Degree to this or any other University. Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibiiography. I, hereby further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Dhwani Shah

Certified by

Dr.Mona Mehta

1/3/21

ACKNOWLEDGEMENT

To list who all have helped me is difficult because they are so numerous and the depth is so enormous. Many hands have toiled to ensure that this project is successful. It required continuous motivation, support, guidance from so many people and without them this was not possible. I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me the chance to do this project. I am most indebted to my project guide **Dr.Mona Mehta** forgiving me valuable inputs and guidance whenever required.

I would like to thank my **Principal Dr.Mrs.Ancy Jose**, BMS co-ordinator **Prof. Gargi Dubey**, management and staff of the college for their kind cooperation and support required for completion of this project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

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CHAPTER 1

INTRODUCTION TO MARKETING STRATEGY

The marketing strategy is a strategic plan designed specifically to achieve the organization's marketing objectives. It lays out a strategy for achieving these marketing goals. It is the foundation of a marketing strategy. It is the product of extensive market research. A marketing strategy enables a company to focus its limited resources on the most promising opportunities in order to maximise revenue..

A marketing strategy is designed by:

Choosing the target market: When we say target market, we mean the group of people to which the company wishes to sell its goods. Not all business segments are profitable for a company. There are market segments that guarantee fast income, and there are market segments that may have great potential but have high entry barriers. The company must make a deliberate decision. A thorough marketing analysis of the buyer's characteristics and specific needs in the target market must be conducted.

Gathering the marketing mix: When we talk about marketing mix, we're talking about how a company plans to sell its goods. The company must combine the four Ps of marketing in the most effective way possible. The marketing blend must be gathered as part of the marketing task. Various decisions must be taken, including:

- In a given case, what is the best combination of the four Ps?
- Which of the available distribution channels should be used?
- In the target market, what kind of growth approach should be used?
- What does the pricing structure look like?

IMPORTANCE OF MARKETING STRATEGY

- An organization's marketing strategy gives it an advantage over its rivals.
- Strategy assists in the production of goods and services with the greatest profit potential.
- Marketing strategy aids in the exploration of areas impacted by corporate growth and, as a result, aids in the creation of an organisational plan to meet consumer needs.
- It aids in determining the appropriate price for an organization's products and services based on market research data.
- Successful departmental collaboration is ensured by strategy.
- It enables a company to make the best use of its resources in order to deliver a sales message to its target market.
  A marketing strategy aids in the pre-determination of the advertising budget, as well as the creation of a formula for determining the extent of the campaign, i.e., the revenue produced by the advertising plan.

VARIOUS MARKETING STRATEGY

1. Paid advertising

This includes a variety of marketing strategies. Traditional methods such as television commercials and print media ads are included. In addition, internet marketing is a well-known marketing strategy. It involves techniques such as pay-per-click (PPC) and paid ads.

2. Cause marketing

Cause marketing connects a company's services and goods to a social cause or problem. Cause-related marketing is another term for it.

3. Relationship marketing

This form of marketing is primarily concerned with acquiring new customers. Increasing customer satisfaction and strengthening existing customer relationships.

4. Undercover marketing

This type of marketing strategy focuses on marketing the product while customers remain unaware of the marketing strategy. It is also known as stealth marketing.

5. Word of mouth

It is entirely dependent on the impact you make on others. It is the most effective form of marketing campaign in the past. In the business world, it is important to be understood. Customers are more likely to promote you if you provide them with high-quality services.

6. Internet marketing

Cloud marketing is another name for it. The bulk of the time, it occurs over the internet. All marketing materials are published on the internet and promoted through different channels using a variety of methods.

7. Transactional marketing

Sales is one of the most daunting roles to do. Even for the largest retailers, selling is difficult, particularly when volume targets are high. Selling, on the other hand, isn't as complicated as it once was thanks to new marketing tactics. Customers are enticed to purchase with shopping coupons, discounts, and large events in transactional marketing. It increases the likelihood of sales and encourages the target audience to purchase the items being marketed.

8. Diversity marketing

It caters to a wide variety of consumers by customising and incorporating various marketing strategies. It covers various aspects such as cultural, values, attitudes, and viewpoints, as well as other particular requirements.

INTRODUCTION TO RETAILING

In recent years, India's liberalised financial and political climate has triggered a flood of new entrants into the country's rapidly growing retail industry. Without a doubt, India's retail industry is experiencing drastic changes. The fundamental drivers of change are rising per capita income, rising GDP, and consumer finance availability, all of which are irreversible. Retailing, in its broadest sense, refers to the purchase and sale of products and services to end users for their own use, and includes anything from bread to cars and clothing to airline tickets.

After agriculture, retail is the second largest sector in India that employs a large number of people. However, retailing in India is at a fork in the road. On the one hand, retail sales continue to rise year after year, though conventional Indian retailers (Kirana stores) face various challenges.

Experts believe that retail expansion in India will be stronger than GDP growth in the next five to seven years, driven by changing lifestyles and strong income growth, which will be supported by favourable demographic patterns and the extent to which organised retailers succeed in reaching potential consumers at the bottom of the income scale. Market demand would be boosted by the use of plastic money and the quick availability of consumer credit.

Branded products are now preferred by the vast majority of India's young population. With the proliferation of satellite television and other forms of visual media, urban lifestyle patterns have also extended to rural areas.

As a result, 85 percent of the retail boom that was previously limited to metro areas has begun to spread to smaller cities and towns. Retailers are already paying close attention to Tier-II cities, and other smaller towns and even villages are expected to follow suit in the coming years. This is a positive development, and the contribution of these tier-II cities to overall organised retailing revenue is projected to rise to 20-25 percent in the next few years. The fact that retailing is possibly the primary form of disguised unemployment/underemployment in the country is one of the main reasons for the proliferation of retail and its fractured existence in the country.Many millions of Indians are essentially pushed into the services sector due to the already overcrowded agriculture sector and declining manufacturing sector, as well as the challenging existence and comparatively low salaries of workers in both.

MEANING AND DEFINITION OF RETAILING

Let us first try to understand what retail is in order to better understand the importance of retail format in an economy and its significance. And how does it vary from the wholesale industry? Retailing is the act of selling limited amounts of goods directly to customers from a fixed location (a retail store). These customers may be individuals or companies. A retailer buys products or merchandise in bulk from suppliers and then sells them in limited amounts through retail stores or shops in the world of trade and commerce.

The term "retail" comes from the French word "retailer," which means "to cut" or "to break down." A supplier buys in bulk from a middleman or manufacturer, splits the bulk into small quantities, and sells or markets them in small quantities to meet consumer demands.

Residential districts, colony avenues, community centres, and new shopping arcades/malls are all potential locations for shops. In reality, any company that sells products to end users, whether it's a manufacturer, wholesaler, or retailer, is in the retail industry.

It ignores the manner in which the merchandise is sold. Retail style, on the other hand, is a combination of product selection, pricing, advertisement, and how products are presented. The suitability of a retail format for a retailer is determined by the retailer's budget, merchandise, and the needs of the community. A successful format improves foot traffic and offers a forum for retailers to thrive and build a brand in the market.

CHARACTERISTIC OF RETAILING

(i) It allows for direct communication with customers/end users.

(ii) In comparison to exporting/manufacturing, the sale amount is relatively large in terms of quantity but lower in terms of monetary value.

(iii) Customer support is key to the success of a retail store.

(iv) Sales deals are only available at this time.

(v) Retail outlets outnumber all other types of businesses in almost every country.

(vi) In the retail sector, place and layout are important.

CONCEPT AND DEFINITION OF RETAIL MARKETING

The implementation of marketing functions in the sale of products to consumers is known as retail marketing. Organized retail encompasses marketing practises such as grading, packaging, promotion, and promotions, as well as showcasing a range of products at a fair price with incentives such as discounts and credit. Retail marketing provides consumers with the ease and comfort of shopping in a location or medium that is convenient to them. Retail and marketing are two distinct concepts; while retail involves selling a limited quantity of goods to a specific group of individuals, marketing entails a variety of functions such as transportation, banking, insurance, warehousing, and promotion. The main goal is to get the products to the people in a timely manner so that they can be satisfied..

Goods are designed for sale and satisfaction, which is made possible by the marketing system. The new retail business of selling products or services to customers is more than just a sale; it is a marketing operation that adds value. People are given the option of choosing goods that they want or dream about. It is presented in a stylish and comfortable manner. In the case of products, one can get a feel for retail marketing by visiting modern shopping malls such as Walmart, Big-Bazar, More, and Reliance Fresh, or by visiting a new generation bank such as ICICI or HDFC. The way items are displayed, the

atmosphere and decoration within the store, the price show, and the facilities inside are all indicators of how goods are sold in organised retail.

DEFINITION TO RETAIL MARKETING

According to WIKIPEDIA, retail marketing is characterised as "the selling of products or merchandise in small or individual lots from a fixed location such as a department store, boutique, KIOSK, or by post for direct consumption by purchase." The goods or services are distributed for final consumption in convenient lots through various types of organisations.

INTRODUCTION TO ZARA

Zara is a fast fashion retailer based in Arteixo, Galicia, that sells clothing and accessories (Spain). Armani Ortega and Rosala Mera formed the company in 1975. It is the flagship brand of the Inditex group, the largest apparel retailer in the world.Massimo Ditto, Pull&Bear, Bershka, Stradivarius, Oysho, Zara House, and Uterqüe are among the labels owned by the fashion company. Zara oversees up to 20 clothing lines a year as of 2017. In 1975, Amancio Ortega founded the first Zara store in A Coronas, Galicia, Spain. Ortega called the store Zorba after the classic film Zorba the Greek, but after learning that there was a bar with the same name two blocks away, they changed the sign to "Zara." The extra "a" is thought to have come from an extra collection of letters created for the business. The first store offered low-cost knockoffs of traditional, higher-end clothing styles. Ortega extended his company in Spain. Ortega altered the design, production, and distribution processes in the 1980s to shorten lead times and react more quickly to emerging trends, which he dubbed "instant fashions." The use of information technology and the use of groups of designers rather than individuals were among the changes. The company began its international expansion in Porto, Portugal, in 1988. It first arrived in the United States in 1989, followed by France in 1990. Zara spread into Mexico (1992), Greece, Belgium, and Sweden during the 1990s (1993). Zara first opened stores in Japan and Singapore in 2002, Russia and Malaysia in 2003, China, Morocco, Estonia, Hungary, and Romania in 2004, the Philippines, Costa Rica, and Indonesia in 2005, South Korea in 2008, India in 2010, and South Africa and Australia in 2011. (2011). About 6,500 Zara stores can be found in 88 countries.Zara usually chooses the world's best-located and

most luxurious real estate locations for its flagship stores. Zara opened its online store in September 2010. The website was first launched in Spain, the United Kingdom, Portugal, Italy, Germany, and France. Zara Online expanded its operation to five more countries in November of that year: Austria, Ireland, the Netherlands, Belgium, and Luxembourg. In 2011, the United States, Russia, and Canada opened online stores, followed by Mexico, Romania, and South Korea in 2014, and India on October 4, 2017.

ZARA IN INDIA

In 2009, INDITEX, a Spanish retailer, and Trent Limited, a Tata group company, agreed to form a joint venture to open Zara stores in India. Given the Indian regulations for foreign retailers doing business in India, it could have been the best way to get started. The partnership expected to open its first stores in New Delhi, Mumbai, and other major Indian cities in 2010, with INDITEX holding a 51 percent stake.

There are currently many ZARA stores in India, in the cities of Delhi, Mumbai, Bangalore, and Pune.
Zara is a popular choice among Indian shoppers due to its trendy designs. The day it opened a store in South Delhi, it had the country's largest single-day sale by a foreign retailer.

In India, the brand sells its goods in the 1500-2300 price range, which is considered a premium segment given India's economic status.
India appears to be one of the potential markets, with ZARA revenues forecasting a 12 percent contribution from Asian outlets. The world's largest clothing retailer, INDITEX, which owns Zara, has reported a 10% increase in earnings, aided by growth in Asia and online sales, which enhances the opportunity for ZARA in India.

THE ZARA BRAND STORE

Zara began as a family company in 1975 in downtown Galicia, in northern Spain, by Amancio Ortega and Rosala Mera. Its first store featured low-cost knockoffs of well-known, higher-end clothing and fashion. Zara was given to Amancio Ortega because

his preferred name. Zorba, was already taken. Zara's approach to fashion and business model gained popularity with the Spanish market over the next eight years. As a result, nine new stores have opened in Spain's major cities.

Inditex was formed in 1985 as a holding company, setting the groundwork for a distribution chain capable of responding rapidly to evolving consumer trends. Ortega coined the word "instant fashion" to describe a revolutionary design, production, and delivery method that could shorten lead times and adapt to new trends more quickly. This was fuelled by substantial investments in information technology and the use of groups rather than individual designers for the vital "creation" part.

Zara began rapidly expanding into global markets in the following decade, including Portugal, New York, Paris, Mexico, Greece, Belgium, Sweden, Malta, Cyprus, Norway, and Israel. Zara stores can now be found in almost every developing world. Zara currently has 2,266 stores in 96 nations, strategically positioned in major cities. It's no wonder that Zara, which began as a small shop in Spain, has grown to become the world's largest fast fashion retailer and Inditex's flagship brand. According to Forbes magazine, Amancio Ortega, the company's founder, is the world's sixth richest individual.

Inditex is now the world's largest fashion company, employing over 170,000 people across 7,400 stores in 202 countries, including 49 online markets. Inditex's revenue in 2018 was USD 29.4 billion. The Inditex portfolio also includes the following fashion labels: Zara Home was founded in 2003 and sells home goods and decor products. There are 596 stores in operation.

Pull & Bear is a casual, laid-back clothing and accessory brand for young people that was created in 1991. There are 975 stores in the business.

Massimo Dutti was founded in 1995 and sells high-end clothing and accessories to cosmopolitan men and women. It owns and operates 760 stores.

Bershka was founded in 1998 and combines urban trends and contemporary fashion for young women and men. It owns and operates 1,111 stores.

Stradivarius: In 1999, Stradivarius acquired a line of casual and feminine apparel for young women. It owns and operates 1,011 stores.

Oysho was founded in 2001 and specialises in lingerie, casual outerwear, lounge wear, and exclusive accessories. There are 677 stores in operation.

Uterqüe was created in 2008 and offers high-quality fashion accessories at reasonable prices. There are 90 stores in operation.

Apart from fashion brands, Amancio Ortega has founded Pontegadea Inversiones, a global real estate investment fund that manages corporate offices in nine countries, including the United States (Seattle), the United Kingdom (London), France (Paris), Canada, Italy, and South Korea. Large corporations such as Facebook, Amazon, and Apple, as well as prestigious luxury and retail brands, are housed in these corporate properties.

THE ZARA BRAND STRATEGY

Zara was ranked 25th on Interbank's list of the world's best global brands in 2018. Its core values can be summed up in four words: beauty, transparency, functionality, and long-term sustainability.

Zara's popularity has been largely attributed to its ability to keep up with constantly evolving fashion trends and incorporate them into its collections with minimal delay. Zara recognised a major market void that few apparel companies had successfully tackled from the outset. This was done in order to keep up with the latest fashion trends while also providing clothing ranges that are both high quality and affordable. Every day, the brand keeps a close eye on how fashion changes and evolves around the world. It produces new concepts based on the latest models and patterns and gets them into stores in a week or two.Most other fashion brands, by contrast, will take up to six months to introduce new designs and collections to the market.

Zara was able to outperform its rivals due to its strategic ability to launch new collections focused on emerging trends in a timely manner. It quickly became a popular brand, especially among those who want to keep up with the latest fashion trends. Amancio Ortega, the company's founder, is well-known for his views on clothing as a perishable product. People should choose to use and wear clothes for a brief period of time before

discarding them, just as they would yoghurt, bread, or fish, rather than storing them in cupboards, according to him.

The brand is often described in the media as producing "freshly baked clothes" that only last a month or two. Zara focuses on three areas in order to successfully "bake" the new fashions:

Shorter lead times (and more trendy clothes): Zara will ensure that its shops have the clothes that consumers want at the time (for example, specific spring/summer or autumn/winter lines, a recent trend that is catching on, the sudden success of an item worn by a celebrity/socialite/actor/actress, the latest collection of a top designer, and so on). While many retailers attempt to predict what consumers will purchase months in advance, Zara follows its customers and gives them exactly what they want at any given time.

Lower amounts (due to scarcity): Zara limits its exposure to any single product by decreasing the amount produced for that style. This also creates artificial scarcity. The theory that applies to all fashion products (and particularly luxury) is that the less available an item is, the more desirable it becomes. Another advantage of making smaller quantities is that if a style fails to gain momentum and sells poorly, there isn't a large amount to dispose of. Zara only has two time-limited deals a year, rather than constant markdowns, and only a small percentage of the merchandise is discounted., In contrast to its rivals, it has cut its costs in half, which is a remarkable achievement.

More designs: Rather than making more of each type, Zara creates 12,000 new styles each year. And if a style sells out fast, new models are on the way to fill the void. This means more options for consumers and a better chance of getting it right.

Zara's designs are only allowed to last on the store floor for three to four weeks. This practise encourages customers to return to the shop because if they were only a week late, all of the clothes in a specific style or theme will be gone and replaced with a new trend. Customers are enticed to visit its stores more often as the lines and trends carried by its stores are continually refreshed.

The core components of Zara's winning strategy in the fashion retailing industry are outlined in the following pages.

Customer co-creation: The customer is Zara's chief designer.

Zara's unwavering commitment to the consumer is at the heart of the brand's popularity and current heights. There was an interesting storey on how Zara co-creates its goods with the help of its consumers. Miko went into a Zara shop in Tokyo in 2015 and asked for a pink scarf. but the store did not have any pink scarves. Michelle in Toronto. Elaine in San Francisco. and Giselle in Frankfurt all walked into Zara stores and asked for pink scarves almost at the same time. They all left the shops without scarves. as did several other Zara Fans around the world over the next few days in various Zara Stores..

More than 2.000 Zara stores around the world began selling pink scarves seven days later. To be precise. 500.000 pink scarves were sent out. They were gone in three days. How did such a flurry of pink scarves appear so quickly?

Customer insights are the holy grail of modern business. and the more information businesses have about their clients. the more innovative and competitive they can be. However. having the right ideas at the right time and having reliable access to them can be difficult. The use of Radio Frequency Identification Technology (RFID) in Zara stores is one of the keys to its success. The brand employs cutting-edge technology to track the location of garments in real time and make the most in-demand items available to customers as quickly as possible. It also helps to minimise inventory costs. gives designers more flexibility in introducing new projects. and allows online orders to be fulfilled with stock from stores closest to the delivery venue. decreasing delivery costs.

Zara's success is also due to the fact that the company trains and empowers its store employees and managers to be especially sensitive to customer needs and desires, as well as how customers manifest them on the shop floor. Zara equips its sales associates and store managers to be at the forefront of customer research. listening intently and taking notes on customer feedback. ideas for cuts. fabrics. or a new line, and keenly observing new styles that consumers are wearing that have the potential to be transformed into unique Zara styles. Traditional daily sales reports. on the other hand, are unable to provide such a dynamic. up-to-date image of the market. Zara's empire is based on two fundamental principles: "give consumers what they want" and "get it to them faster than anyone else."

Zara's product offerings reflect unique customer needs and desires in terms of physical, and cultural differences thanks to its competitive customer research capabilities. Smaller sizes are available in Japan, special women's clothing is available in Arab countries, and clothing of various seasonality is available in South America. The regular interactions between Zara's local store managers and its creative team help to promote these differences in product offerings across countries.

In the world of fashion, a trend begins small but quickly grows. Zara workers are taught to listen, watch, and pay attention to even the tiniest seismographic signals from their clients, which can signal the start of a new trend. Zara understands that the faster it responds, the more likely it is to supply the right fashion merchandise at the right time across its global retail chain. Zara has set up sophisticated technology-driven systems that allow information to flow quickly from stores back to the company's headquarters in Arteixo, Spain, allowing decision makers to act quickly and effectively in response to a growing trend. Its design teams go to university campuses, nightclubs, and other locations on a regular basis to see what young fashion leaders are wearing.

Within 48 hours, items are shipped to supermarkets.

Zara can keep control of areas like dyeing and processing, and have fabric-processing capacity available on demand to provide the right fabrics for new styles based on customer preferences, thanks to this vertical integration. It also reduces the effect of demand fluctuations by eliminating the need for warehouses. Zara produces over 450 million items each year and introduces around 12,000 new designs, so the supply chain's productivity is vital to ensuring that this continuous refreshment of store-level collections runs smoothly and efficiently.

Here are some of the features of Zara's supply chain that demonstrate why it is so successful:

Customer insight collection frequency: Trend data is fed into a database at head office on a daily basis, which is used by designers to generate new lines and alter existing ones.

Standardization of product information: Product information in Zara warehouses is standardised with common definitions, allowing for fast and precise design preparation with clear manufacturing instructions.

Product information and inventory management: Zara can design a garment with available stock of necessary raw materials by efficiently managing thousands of fabric, trim, and design requirements, as well as their physical inventory.

Procurement strategy: Approximately two-thirds of fabrics are undyed and bought before designs are finalised in order to save money by aggregating demand.

Manufacturing approach

Zara employs a "make and buy" strategy, in which it manufactures the most trendy and risky items (which require testing and piloting) in Spain and outsources the production of more standard designs with more predictable demand to Morocco, Turkey, and Asia to save money. A dozen company-owned factories in Spain (Galicia), northern Portugal, and Turkey produce the more trendy and riskier items (which account for roughly half of its merchandise). Basic T-shirts, for example, are outsourced to low-cost vendors, primarily in Asia, because they have a longer shelf life and more predictable demand patterns. Zara manages to keep costs low even when manufacturing in Europe by outsourcing assembly workshops and exploiting the informal economy of mothers and grandmothers.

Distribution management: Zara's cutting-edge distribution centre runs with no human interference. More than 60.000 items of clothing are sorted and distributed per hour using optical reading devices.

Zara can also modify existing items in as little as two weeks, in addition to these supply chain efficiencies. Shortening the product life cycle increases the likelihood of meeting customer needs. If a design does not sell well within a week, it is taken out of stores, orders are cancelled, and a new design is sought. Zara keeps a close eye on changes in customer fashion preferences. It has a number of simple designs that are carried over from year to year, but some in-vogue, high fashion, inspired by current trends items can only be found on the shelves for four weeks or less, encouraging Zara fans to return. In Spain, the average high-street store expects customers to visit three times per year, while Zara expects customers to visit 17 times per year.

Zara's confidence in its ability to stay on top of changing consumer needs and preferences, as well as assisting them in shaping their thoughts, opinions, and fashion taste, is evidenced by these expectations for such a high frequency of repeat visits.

HISTORY OF ZARA

Amancio Ortega Gaona, a Galician native, started his own housecoat manufacturing business in 1963 after working as a clerk at a ladies' clothing retailer. In 1975, he opened the first Zara store in La Corua; by 1989, Spain had 82 Zara stores, and Ortega began expanding internationally with Zara stores in Portugal, Paris, and New York. Inditex, Zara's parent company, acquired four other brands: Pull & Bear, Massimo Dutti, Bershka, and Stradivarius1, and launched Oysho, an intimate clothing and swimwear line, in 2001. Selected financial data can be found in Exhibit 1. Zara, Pull & Bear, Bershka, and Oysho were created as generic names suitable for "export," and by fiscal 2000, Inditex had sold over half of its products outside of Spain. During the years 2000-2001, Inditex attracted a lot of positive press and analyst attention, which praised the company's success and attributed it to Zara's unique integrated business model. 2 Zara's success has led to Daniel R. Piette, Chairman and CEO of LV Capital, describing the company as "possibly the most creative and destructive retailer in the world." Inditex became the world's third largest clothing retailer after its initial public offering of stock in May 2001. Ortega's stake in Inditex was worth billions, but he remained a notoriously private man, still living near La Corua and actively involved in the company's management. Zara sold clothes for women (approximately 58 percent of sales), men (approximately 22 percent), and children (approximately 22 percent) (about 20 percent). Inditex outlined Zara as follows in its offering document:"Zara is a high-fashion concept that sells clothing, footwear, and accessories to women, men, and children ranging in age from newborns to adults. Zara stores offer a convincing combination of fashion, quality, and price in beautiful stores in prime locations on major commercial streets and upscale shopping malls. Our in-house design and production skills allow us to offer new designs twice a week throughout the year at our Zara stores." Inditex operated over 1200 stores in over 35 countries around the world at the end of 2001, under six fascias, and analysts predicted that Inditex stores would easily surpass 2000 in the next five years. Zara's vertically integrated model relied heavily on local Spanish sourcing for a significant portion of clothing production. However, Castellano had anticipated Zara moving more production offshore, most likely to Asia, to take advantage of lower labour costs. Inditex had to figure out how much of a shift was required to support Zara's expansion and satisfy possible price pressures, as well as how much of a shift could be made without jeopardising Zara's success.

ZARA INTERNATIONAL TIMELINE

The company was founded in 1963 in A Corua, Spain's northwestern region.

The very first Zara boutique opens its doors.

In the year 1975.

Zara is expanding across Spain.

The year was 1983.

Inditex is formally established.

In the year 1985.

Zara expands her horizons in Portugal.

The year 1988

Zara travels across the Atlantic to New York City.

In 1989.

Zara is bringing its fashion, and France is bringing its cuisine.

the year 1990

Mexico's first Zara shop

The year 1992

Zara, the first, is a Greek woman.

The year 1993

Zara will be visiting Belgium and Sweden.

The year 1994

Zara is based in Malta.

the year 1995

We've decided to enter the Cypriot market.

Zara expanded to Norway and Israel in 1996.

the year 1997

Zara has reached the 2,000-store mark.

We created our Environmental Strategic Plan in 2004.

In 2006 Zara expanded its China coverage with Stradivarius, Bershka, and Pull&Bear.

Zara got online in 2009, and the 5,000th boutique opens in Rome.

In 2010, there were 6,000 stores; in 2012, there were 7,000 stores; and in 2015, there were 7,000 stores.

From 2012 to 2015,

ZARA MISSION AND VISION

ZARA MISSION STATEMENT ANALYSIS

"Give customers what they want." While many fashion brands that can be found at Milan or Paris fashion weeks tend to produce and launch their own way each year, allowing consumers to adapt to their will, Zara's approach has been different. Shops all over the world pay close attention to what their clients want and respond quickly, which brings us to the second point in the mission statement, "and deliver it to them before anyone else."The Spanish brand has been dubbed the "Founding Father of Fast Fashion" because of the second part of its mission statement. It's not impossible that if a large number of people ask for a specific type of clothing and model from a Zara store, or if there's a particular trend among their young customers (for example, camo pants), all Zara stores in town will carry that style of clothing within a month. This is achieved by reducing the length of the supply chain. Rather than working with production sites closer to the final retail point (i.e., in Morocco for Spain, rather than China like Ralph Lauren), Zara works with production sites closer to the final retail point (i.e., in Morocco for Spain, rather than China like Ralph Lauren) to better serve their clients.

ZARA VISION STATEMENT ANALYSIS

"Through Zara's business model, we aim to contribute to the sustainable development of society and the environment with which we interact," says Zara's vision statement.

When it comes to Zara's vision statement, it's clear that the company is focused not only on building a successful and sustainable business, but also on caring for all of the people and the environment involved.

Over the last few decades, many of the most well-known clothing brands have come under fire for mistreating their employees in third-world countries, as well as for the fact that constantly making and selling new clothes is unsustainable in terms of resource re-use and emissions.

That is why, with numerous campaigns, companies like Zara want to make a strong statement about their commitment to being as sustainable as possible.

DISTRIBUTION AND MANUFACTURING STRUCTURE OF ZARA

Zara, according to reports, takes just one week to produce a new product and get it to stores, compared to the industry average of six months, and releases around 12,000 new designs each year. Zara has a zero-advertising policy, preferring instead to spend a percentage of revenue in opening new stores.

Zara opened its first factory in 1980 in La Corua (a city known for its textile industry), and in 1990 upgraded to reverse milk-run production and distribution facilities. The just-in-time (JIT) system, developed by Toyota Motor Corporation, was the name given to this method. It allowed the company to develop a business model that allows for self-containment of materials, manufacturing, product completion, and distribution to stores all over the world in just a few days.

The majority of Zara's products are made in nearby countries such as Spain, Portugal, Turkey, and Morocco. While some of its rivals outsource all of their production to Asia, Zara produces half of its products in a dozen company-owned factories in Spain, Portugal, and Turkey, primarily in Galicia and northern Portugal. Long-lasting clothing, such as basic T-shirts, is outsourced to low-cost vendors, mostly in Asia.

In four to five weeks, the company can design a new product and have finished products in its stores; in two weeks, it can alter existing items. Shortening the product life cycle increases the likelihood of meeting customer needs. If a design does not sell well within a week, it is taken out of stores, orders are cancelled, and a new design is sought. Zara keeps track of its clients' fashion trends. Zara has a number of simple designs that are carried over from year to year, but some fashion forward designs only last four weeks or less, which allows Zara fans to return. In Spain, the average high-street store expects shoppers to visit three times per year.

Zara is changing its focus to online as a result of rising competitive pressures from the online shopping market, and will open fewer but bigger stores in the future.

Non-toxic clothing Edit

Greenpeace and Zara began talking in 2011 about banning toxics from clothing production. In November 2012, Greenpeace released the report "Hazardous threads: the

great fashion stitch-up" as part of its Debtor Campaign, which identifies businesses that use toxic substances in their manufacturing processes. Zara committed to eliminating all releases of hazardous chemicals in its entire supply chain and products by 2020, just nine days after the report was released.Zara became the world's largest retailer to raise awareness for the Detox Campaign, and moved to a completely toxic-free manufacturing process.

Exploitation and child labour Edit

BBC News reported in 2016 that they discovered evidence of child labour and exploitation in factories in Turkey. Zara responded that in June 2016, there were some problems in a single factory, and instead of immediately resolving them, they were given a six-month window to do so.

ZARA COMPETITIVE ADVANTAGE

ZARA has established itself as a well-known fast fashion brand with a strong presence in international markets. It is Inditex's flagship brand, and it generates the majority of the company's revenue. ZARA's popularity stems from a number of factors, the most notable of which is its emphasis on quality and style, as well as its cost-effective pricing strategy. ZARA, on the other hand, is far from finished.It is equally focused on customer service and offering a special and best-in-class shopping experience to its customers, who are primarily next-generation shoppers, both male and female. Inditex's strategic supply chain management has also contributed to ZARA's success. Its supply chain and production system are effective and designed to produce results faster, in addition to being agile. The in-store experience is another appealing aspect of ZARA's business model. These stores are intended to provide consumers with a fantastic in-store shopping experience and the highest level of satisfaction. Apart from well-trained employees, ZARA has prioritised the use of cutting-edge technology to increase customer engagement and provide a unique experience that maximises satisfaction. In the fashion industry, ZARA has gained an advantage over its competitors. However, none of this would have been possible without

a significant marketing investment. All of these factors suggest that ZARA has a significant advantage. This discussion post will go over the various sources of its competitive advantage in detail.

Pricing Strategy:

Fashion has become a fiercely competitive industry. A vast number of companies are vying for the biggest piece of the same pie. The size of the pie isn't increasing in lockstep with the level of competition. Despite the fact that the fashion industry now has a large number of players, the majority of them rely on marketing and customer targeting strategies to drive sales. The middle class makes up the majority of consumers. Consumers in the next generation of the middle class are price conscious. They want trendy goods that are also reasonably priced. However, few brands have succeeded in finding the perfect balance of quality, style, and price. Herein lies ZARA's strongest strength. It sells high-quality goods. So, ZARA is great news for the average middle-class customer who wants to buy a few but can't due to financial constraints. If high-end fashion can be made affordable with the right methods while avoiding brand dilution or being perceived as cheap, you will achieve a competitive advantage. ZARA has nailed the price challenge and given its middle-class customers more reasons to be excited than most brands. You won't have to compromise on price, and you'll be able to buy more with your current budget. This is a significant advantage that has resulted in a wider customer base and increased loyalty.

Quality products :-

ZARA has a good handle on product pricing and sells them at a reasonable price. It has become very popular among middle-class customers as a result of this. It has not, however, lost sight of quality when controlling prices. It continues to provide high-quality goods. The brand's lower prices and great styles do not imply that the fabric quality is compromised. The fabrics used in the goods are of adequate quality. However, since fashion trends change so quickly, they are only meant to be worn for a few seasons. Consumers, on the other hand, have nothing to complain about. They are receiving a higher return on their investment than they are paying for. Apart from the lower prices of ZARA goods, the high quality is another factor that helps attract and retain customers in large numbers. The fact that ZARA's popularity and sales have risen rapidly in

international markets is one of the most important factors. ZARA has become a formidable competitor to the top-selling higher-end fashion brands thanks to its superior quality.

International expansion:

ZARA's global reach is also a source of competitive advantage. While the number of ZARA stores has increased rapidly in recent years, so has the company's online presence. Its e-commerce presence was extended into several new Asian markets last year, including India and Malaysia. ZARA now has a major presence in China, with a large number of stores. Its physical and online stores have combined to help it maintain an impressive global presence and reach a large number of customers around the world. The total number of ZARA stores in the world has surpassed 2200. It also operates e-commerce websites in 48 different countries. Furthermore, ZARA stores are located in high-traffic areas around the world, attracting a higher volume of customers. In terms of strategy, location is especially important for retail businesses, whether they are in the fashion, food, or grocery industries. Having a prime location gives you a distinct advantage in terms of attracting the right customers. It also makes it simple to market your brand and products. Consider being in a location where your clients only come once in a while. This will not assist you in determining the appropriate level of exposure. Furthermore, having a store in a prominent location allows you to stay in front of customers at locations they frequent on a regular basis. You won't have to distribute pamphlets in the streets to announce new arrivals in that case..

Fast Fashion model:

ZARA's fast fashion model is also a significant source of competitive advantage. At ZARA, fashion cycles come and go. Inside ZARA stores, styles are updated more regularly and more quickly. ZARA's fast fashion model allows it to replenish its stores on a regular basis. This has a number of advantages, all of which keep customers engaged and encourage them to visit ZARA stores more regularly. Trends change quickly, and consumers are always looking for the most up-to-date styles available. Furthermore, ZARA does not overstock its stores, and demand for its products remains high because a style that is available today may not be available in a few weeks. This helps to maintain high demand for ZARA goods.Inditex has a very good supply chain and production

process synchronisation. A well-managed supply chain aids in the production process, and a large team of creative designers keeps the ZARA stores fresh with new ideas.

Customer service:

Customer service is another important focus area for ZARA, as it aids in the retention of greater numbers of customers. While most brands spend a lot of money on marketing and customer retention, ZARA does most of its marketing through its stores and websites. Those stores are not only beautifully designed to provide a superior experience, but the company staff is also well equipped to provide the best customer service to the ZARA customers. Apart from that, Zara is investing in emerging technologies to make shopping at the store a truly memorable experience. These shops are created to represent current fashion, fun, music, and technology trends. Making customer service a priority was crucial for ZARA for another reason. It does not invest in marketing and instead relies on physical and online stores, as well as publicity, to promote itself. As a result, by focusing on customer service, the brand's relationship with its customers has been strengthened.

CHALLENGES FACED BY ZARA

Marketing:

Zara has pursued a unique marketing approach from the start, refusing to advertise in traditional media. In this age of communication and technology, there aren't many companies that don't market themselves. If a company is doing well without marketing, that does not mean that it has reached its full market potential and that there are no more possibilities for growth. If a company is not doing well, it will improve its performance by launching a marketing campaign and gaining market share.
However, in the last two years, Zara has changed its approach slightly and begun a campaign to keep in touch with its customers via a social networking website.

Political issues:

India's democratic system, according to Fareed Rafiq Zakaria, a well-known Indian

American journalist. has all the characteristics of "illiberal democracy." As a result. the political system is volatile. and any positive or negative effect on the economy on a day-to-day basis is taken into account. The economy of major cities is influenced by major political and local political powers.

Due to its primary source of business in Europe. foreign investor Zara has been very sensitive to its liberal policies. and it is currently dealing with the government's illiberal labour policies. In addition. the fourth pillar of the political system. the media. plays an important role in shaking up the economy by igniting political problems.

Product:

As a result. Zara is hesitant to invest more in the Indian textile industry. which is rising at a rate of 9% per year. Because Zara is based in Europe. it has 3 to 4 primary colours that its designers use the majority of the time. However. the readymade cloth industry in India uses a wide range of colours. particularly bright colours. Zara fashion designs lack a lot of or small embroidery work on both female and male clothing. For parties. Indian consumers prefer bright colours.

Social issues:

Cultural differences between India and Europe have a huge effect on sales in India because India's designs are more influenced by Europe. According to statistics. the Indian textile market is worth 490000 million rupees. with just 30000 million rupees going to European-based apparels. Zara's limited-edition designs have earned it a reputation as a global fashion brand. Zara has two stores in India's metro cities of New Delhi and Mumbai, but their cultures are vastly different. In New Delhi, customers prefer Indian costumes to foreign designs, but in Mumbai. the opposite is true. Zara supermarkets also carry traditional textile designs for special occasions.

Weather:

Because of the five extreme seasons (summer. Monsoon/rainy. winter, spring, and autumn) in a year. India's weather is completely different from that of Europe. The winter is brief and mild in comparison to Europe. and the summer (April, May, and June) is hotter than Europe. Seasonal change necessitates quick fashion changes in response to local weather.

Legal issues:

For foreign companies to start business in India, there are certain legal requirements, the most important of which is that you must form a local partner in India. Zara began its operations with the help of Tata, a local Indian business conglomerate. Marks & Spencer, Accessories, Debenhams, and Guess are among the brands that have franchised their stores in India.

Another issue in India is the enforcement of copyright legislation. It is a fact that when Zara introduces a new design in the Indian market, it will be pirated within a few days, and you will be able to find the same design at much lower prices in local stores.

Economical issues:

Although the Indian economy is growing at a rapid pace, the unequal distribution of wealth means that it has little impact on the lives of ordinary people. As a result, the entire population of India should not be considered a Zara target market.

On the other hand, the high tax rates imposed on foreign enterprises result in higher product prices. In other markets, such as Singapore, Dubai, and some European markets, Mango, Guess, Esprit, and French Connection prices are comparable to Zara's. Singapore and Dubai have lower prices than India, which is surprising given that Indian duties can add 30-40% to retail prices, while these countries' duties are much lower. Inditex may be taking a long-term view of the Indian market and relying on strategic pricing, according to Devangshu Dutta, managing director of Third Eyesight, a retail consultancy based in the capital.

SWOT ANALYSIS OF ZARA

Zara is one of the stores that teaches advertisers how to keep customers coming back. It is the flagship brand of the Inditex group, which consists of more than eight brands and subsidiaries. Zara is the brand that generates the most revenue for Inditex out of all of them.

Zara is known for its fresh designs and for rotating them so that customers still see new ones when they visit the store. As a result, Zara has spent almost no money on ads to date, despite the fact that the brand is one of the most influential retail brands in the world. If there were any top ten candidates for that price, I'd take them all.

Strengths in the SWOT analysis of Zara

One of Zara's first and most important advantages is its ability to create unique designs. It has a slew of designers on staff who are intimately familiar with the Zara brand and the psyche of Zara customers. The dresses are classy, high-quality, and beautifully finished. They are available in a wide range of styles, including party wear, office wear, children's wear, men's and women's wear, casuals, and more. Zara's clothing includes accessories as well.

Strong presence – Zara has continued to grow its global presence. It had 2100 stores worldwide at the end of 2015, with an annual sales average of $15.9 billion. It has now grown even more in 2016. Zara must continue to expand its presence in retail if it is to thrive, and it is encouraging to see that the brand is doing so.

Brand value – Forbes ranks the brand as number 53 in its brand ranking, with a staggering 10.7 billion dollar valuation. Zara's outstanding brand equity can be attributed to a number of factors. In recent years, the brand has gotten a boost from its performance over the years and the consistent quality it has delivered. Aside from that, the brand has avoided scandals and attempted to remain modest even when confronted with them. Consumers have repeatedly expressed their love for the brand as a result of its healthy culture.

Excellent supply chain – Zara is known for getting its designs from conception to store in two weeks, while other rivals take at least six weeks or more, making Zara the trendiest

store with the most up-to-date fashion. Zara designs about 450 million items per year on average. This naturally encourages customers to return to the store to see the most recent designs.

Zara has a reputation for launching thousands of new designs every year all over the world. As a result, a customer who may go to other stores two or three times a year to see what's new in fashion may have to go to Zara every month to see what's new. Because of their strong design advantage, customers continue to buy Zara's fashion forward apparel in addition to the brand's basics. Zara clothing is worn by some customers throughout their entire wardrobe. Zara's designs are all elegant yet fashionable, and their customers adore them.

Zara rarely advertises its products due to their design advantage and great physical evidence in stores, resulting in lower costs and higher profits. It depends entirely on its fashionable image to attract customers to its stores. This is why Zara has a low cost of operations while maintaining a high profit margin. Rather than investing in advertising, it spends the majority of its earnings and profits on backward integration and supply chain.

Physical evidence of stores – Another strong advantage of Zara is that it has excellent physical evidence of its stores. When you walk into the shop, instead of feeling cramped like you do in other showrooms, you will feel open minded. Customers will enjoy walking around the store picking up and trying on their favourite designs because Zara uses a wide and deep store layout.

Weaknesses in the SWOT analysis of Zara

Zara's collection is all-encompassing; she doesn't specialise in anything and has something for everyone. When a rival focuses on one thing, it is one of the reasons that a customer switches to them. It could be shirts, pants, costumes, party wear, or something else entirely. Zara lacks this immediate focus, but it is suitable for everyday wear or trendy wear.

Lack of advertising – While this may result in a cost advantage, and cost is one of Zara's strengths, the brand's lack of advertising is a weakness because advertising its collection

will double profit and turnover. It is well-known as a fashionable clothing store, and it can easily attract more customers through advertising, resulting in a lot of positive word of mouth for the brand.

Low safety stock – One of Zara's regrets is that fast-moving stocks seldom have a safety buffer behind them. Zara maintains low inventory as a strategy to keep customers coming into the stores to see what's new. However, if a design is a hit with consumers, it will not be able to achieve its full potential because there is no safety stock or buffer for this design.

Opportunities in the SWOT analysis of Zara

Zara would certainly take advantage of the online shopping trend by making its clothing available not only in its own stores but also on other E-commerce sites, resulting in an increase in sales. Supporting some flagship designs – One of the most common characteristics of top brands is that they have certain designs that are the store's flagship designs. This is lacking in Zara, and as a result, certain designs should always be sold from a Zara store, generating high demand for these designs and enhancing the brand's brand identity.

Growing market potential – Zara's brand is becoming more popular wherever it is currently present, resulting in a growing market potential. The demand for status symbols rises as customers' earning potential rises. Consumers want to wear Zara because it is a status symbol in the garment industry. As a result, Zara must take advantage of existing markets' expanding market potential.

Market expansion – New markets will always bring Zara new business, some of it potentially profitable. It must keep a close eye on emerging markets, where spending power is increasing and people can afford to spend on a semi-premium brand like Zara in order to dress better and more stylishly. In developed countries where competition is fierce, such market expansion protects the clothing brand from saturation.

Threats in the SWOT analysis of Zara

Zara needs to ask herself this question about low ads. Will Zara look back and realise that not promoting its distinctive brand proposition from the start was a mistake? Because of the way Zara rotates its designs, it could attract a lot more customers if it advertised the fact that it has the most up-to-date designs. However, if its customer base grows significantly, coming up with new designs and differentiating itself may become increasingly difficult. As a result, the debate over whether Zara should advertise or not will take place in Zara's management room.

Zara isn't the only brand with a reputation for stylish clothing. Vero moda, H&M, and Mango are also well-known for their style. However, when compared to Zara, the other brands are very expensive, whereas Zara offers much better designs at more affordable prices. However, in the semi-premium segment, this competition leads to saturation, which has an indirect impact on margins.

Zara's reach needs to be significantly expanded. Zara only sells its products in its own stores and does not have any shop-in-shops or smaller displays (at least in Asia). This is where the competition gets its massive amounts of data. However, these volumes are lacking in Zara, and the only solution is for Zara to expand its reach. If it does not, rivals will ultimately have an impact on Zara's brand equity due to their sheer penetration power.

A PESTEL Analysis of ZARA

Zara's popularity has risen steadily in recent years. It is one of the most well-known brands in the world of fast fashion, with a reputation for high-quality designs at reasonable prices. Zara's fast fashion cycles are another major selling point. It adds several cycles per year, rather than two or three. The fast-rising fashion label has had a lot of success in recent years and is expanding globally at a rapid pace. It sells online in many countries and continues to expand its online presence and sales in others. Zara's ever-increasing popularity stems from its dedication to customer satisfaction. The end result can be seen. The crowds within Zara stores have continued to grow. The Inditex group's flagship brand is aiming for greatness, and the threat is being felt by all brands,

large and small, across the market. However, this does not imply that Zara has achieved this without exerting any effort or simply by providing a lower-cost luxury.

There are pressures in the international market, and if Zara has had success, that means that its business has been better planned. Zara is also influenced by a number of forces on the international market. Here's a PESTEL analysis to help you figure out what forces could affect a fast fashion brand in today's fast-paced business world. Let's look at these forces in more detail and see how they affect Zara's company. Political, Economic, Social/Sociocultural, Technological, Environmental, and Legal (PESTEL) is an acronym for Political, Economic, Social/Sociocultural, Technological, Environmental, and Legal. These forces are significant, and their impact on businesses is significant. Zara's PESTEL analysis will show how these forces can impact companies both directly and indirectly.

Political:

The financial laws of a country are the most common political factors that influence any company. Every country and its government have different perspectives on business. Not all of them are as welcoming to FDI as others. Local rules in many countries can make entry difficult to impossible. There is no other way to break into such markets except partnering with local brands. China is one such example. Red tape is a significant barrier for foreign brands seeking to reach India and China, two of the most important Asian countries. When a foreign brand attempts to enter or expand in a local market, it faces similar obstacles. The political climate of any country has an impact on the state of its industries. When a country's political climate is safe and quiet, the brands that operate there are happier.

Because politics has an impact on the economy, it also has an impact on the market. Political unrest can also disrupt the supply chain, resulting in a slew of problems for brands. ZARA has overcome this challenge by restricting its supply chain activities to the United States and neighbouring countries. As a result, the threat of political upheaval has been reduced. Businesses are often at risk in countries where political unrest is common. Furthermore, if government policies are not friendly to brands, they may ruin the game. As a result, a friendly political climate is one of the most important requirements for any international brand.

Economic:

The level of economic activity in any country or market has a significant impact on how businesses perform there. In terms of industry, the economy is often a critical factor. ZARA has a great plan that is based on low prices. As a result, even if economic activity declines and people cut costs, they may abandon luxury brands but not brands like Zara, which sell at low prices. The use of a cost-effective pricing approach will help mitigate some of the negative impacts of low economic activity. Recently, the globe has been engulfed in a complex web of low economic activity. The recession had a significant impact on brands, and since then, a stronger dollar has made things even more difficult for them. A higher dollar means less profit from markets outside of the United States. Customers' purchasing power is reduced as a result of lower economic activity, and they begin to cut costs or are obliged to do so. This can have a significant impact on sales. Furthermore, an increase in labour or production costs, as well as the cost of raw materials, would put a strain on companies' finances. Better business and faster growth result from increased economic activity. The importance of economic factors can also be seen in the fact that any news of a drop in economic activity has a significant impact on customer sentiment.

Social/Socio-cultural:

When it comes to business, social factors are crucial. Businesses can't exist in isolation from society. They must work in accordance with social trends while also considering their social responsibilities. A vast number of businesses are investing in social responsibility, not only to gain attention, but because it is always a good idea to invest in society. It is always worthwhile and produces measurable results. Research has shown that society and culture are important for businesses. Brands that neglect to consider the cultural aspects of industry and marketing risk losing customers. This is an area where ZARA has excelled. It never enters a new market without first conducting thorough research. The reason for this is that if you don't do your homework, you run the risk of your brand and products failing to gain popularity. As a result, before launching a new product or investing in new markets, ZARA conducts research into new markets and cultures. It reduces many risks for companies. People's purchasing decisions are influenced by their culture. People usually tend to purchase items that are associated with their culture. Customers from a particular cultural group have a harder time accepting

something that is foreign to them. As a result, Zara conducts research and creates goods that are in keeping with the local culture. It does not believe in experimenting with fashion and instead creates and sells clothing that is appropriate to the local population. So, if its goods are selling like hotcakes all over the place, you know there's a reason for that.

Technology:

Technology is accelerating the pace at which things happen around the world, whether in terms of information, transportation, or other aspects of day-to-day business. There isn't a company that hasn't been impacted by technology, from manufacturing to marketing and supply chain. Data is being used at a never-before-seen level. Without data and analytics, no company can make important decisions anymore. If ZARA is being dubbed the fashion industry's most disruptive new name, it's because the brand has been careful to harness the power of technology to its advantage. Technology has interrupted the market equation like never before in the twenty-first century. In 2014, ZARA partnered with Toyota to implement JIT and Lean facilities in its manufacturing operations. The responsiveness of a company is improved by technology.

It has also allowed ZARA to better organise its supply chain and logistics operations, as well as respond to customer demand more quickly. In the twenty-first century, technological efficiency has become a symbol of effectiveness. Whether it's inventory management or customer service, technology helps businesses relieve stress and expand their reach. In addition, ZARA has introduced an RFID system to track inventory across its value chain. It allows store employees to keep track of inventory in other stores or on the ZARA website, improving customer service. The entire inventory management process at ZARA has improved as a result of this. The use of RFID has sped up inventory counting and streamlined replenishment order operations. For ZARA, this has meant supply chain success.

Environmental:

Sustainability, which began as a fad, has evolved into one of the most pressing issues for businesses around the world. The environmental aspect of business is now more important than ever. ZARA has also made a commitment to long-term sustainability. Inditex, the company's parent, has promised to make all of its stores 100 percent

environmentally friendly by 2020. ZARA stores will use less energy and water as a result of this strategy than traditional supermarkets. These supermarkets will be outfitted with energy-saving and recycling-friendly features. In addition, ZARA is dedicated to eliminating all types of hazardous waste from its supply chain system. This may appear to be a great accomplishment, but investing time and effort in green business has always been worthwhile for brands like ZARA. Not only that, but ZARA and Inditex have also made investments in sustainable clothing, or clothing made from organic materials and using sustainable technology. Inditex refers to these inventions as "green to wear." "Zara's "Join Life" pieces are made from organic cotton, recycled wool, and Tencel, according to Chantal Fernandez of Fashionista. (Tencel, or lyocell, is a fabric made from wood cellulose sourced from certified socially and environmentally responsible forests.)"

Legal:

As the adage goes, law is everywhere, and no company can expect to be immune from it. ZARA places a premium on ethics and sustainability in its operations and supply chain. Businesses are obliged to follow a number of rules. Inditex has put in place programmes to ensure that its employees are paid a living wage. Apart from that, ZARA is working hard to establish an ethical brand image. Legal compliance is a must, and the brand has made significant investments in it across its system, including the supply chain. It ensures that the brand complies with local rules in all markets in which it operates.

This PESTEL analysis demonstrates how these six factors have an impact on businesses. All of these influences, from economic to political, educational, technological, and others, have a significant impact on businesses. ZARA has made many investments in order to effectively manage some of these forces, such as technological, social, and environmental factors. It has also been able to deal with economic pressures thanks to its cost-effective pricing strategy. ZARA is also careful when it comes to judicial authorities. This analysis demonstrates how and why ZARA has achieved such great success by wisely investing in all or most of these areas.

MARKETING MIX ANALYSIS

Zara will need to implement marketing mix strategies in order to accomplish its goals in the market it serves. Zara will be able to achieve its broad marketing strategy by developing strategies that address the different aspects of each element. The following is an analysis of the seven aspects of the marketing mix, as well as recommended strategies for each, for Zara:

PRODUCT

Zara sells its products in five broad categories, each of which has its own product line. Zara is the brand name for all of the company's brands. Zara sells a wide range of products, allowing consumers to choose the product type that best suits their needs. Zara sells products that are highly differentiated, offering consumers a variety of features that rivals do not. As a result, the goods are considered one-of-a-kind. Its products are thought to be of higher quality than those of rivals. As a result, consumers are willing to pay a premium for these. Zara sells products that are known for their classic design while still being functional for consumers.

Recommended Product Strategy for Zara

Zara should provide extra benefits to customers who buy its goods, such as warranties, delivery and credit, after-sales service, and helpline services, among other things. It should launch new products that are in line with current market trends. It should recognise market opportunities and introduce new products that take advantage of those opportunities. It should test newly introduced goods in test markets before releasing them to the general public. It should expand its product portfolio by adding new product lines to meet customer demands.Zara should improve the packaging of its products to make them easier to transport and use. Its packaging must also be visually attractive in order for consumers to be drawn to it.

PRICE

Zara's current pricing strategy for determining the price level is a competitive pricing strategy. This is due to the large number of competitors in the industry, which makes competitor data readily available. It also considers costs when determining prices for a

few products for which information is not available on competitors' websites or which are more expensive to produce. Zara sells its products at a higher price than rivals. This is because it has more characteristics, which the high price compensates for. It also uses product bundle pricing, in which goods are bundled together and sold at a lower price than the sum of their individual prices. For some products, it also employs an optional product pricing strategy, in which it charges a base price and separate prices for the accessories that come with it. For the goods it sells online, it charges a higher price. This is due to the fact that shipping costs are already factored into the product's price. The final product's prices have been set by Zara. Members of the channel, such as retailers and wholesalers, purchase the product at a lower cost and profit from their own margins.

Recommended Price Strategy for Zara

Zara should implement discounts and allowances, in which it reduces prices for a limited time to attract customers and gain market share. It can do so by slashing the price of its goods by a certain percentage. Zara could use psychological pricing, which involves pricing products so that they appear to be cheaper: for example, a product worth $100 could be priced at $99, which people would consider to be a lower price. Zara should use a price penetration strategy to introduce new products, offering a lower price than rivals at first to gain market share. This will ensure that newly introduced goods are used and become more popular than competitors'.

PLACE

Zara has two marketing channels through which it sells its products. The first is through its online website, where it sells directly to customers. The second method is to sell to wholesalers, who then sell to various retailers throughout the country. These are then sold to the company's clients. Zara's products can be found in over 500 stores throughout the country. It employs a comprehensive marketing strategy that entails placing its products in as many stores as possible. This ensures that its goods are readily accessible to customers across the world. Zara sells a lot of stuff online, and its websites get a lot of traffic. Zara has partnered with a number of delivery service providers in order to provide timely deliveries for its online operations. It uses an omni-channel distribution system in which its online and offline stores are linked to provide consumers with easy access to its goods. Zara works with a network of over 500 suppliers to get the raw materials it needs

to make its products. It has established close working relationships with its suppliers, allowing it to collaborate with them on product innovation and the introduction of new and appealing features.

Recommended Place Strategy for Zara

Zara could also open a store on social media, where it will sell its goods as well as post social media updates. As a result, the company would be able to produce more sales. Its online store and social media pages should be linked together to make it easier for users to navigate. Zara should concentrate on making its online website more user-friendly and simple to navigate. Zara should make sure that personal selling is used to sell its goods to big retailers. These big-box stores have grown in popularity in recent years, attracting a large number of customers. Zara's profits will rise as a result of this. Zara should open company-operated retail stores where all of its products are available. Because retailer and wholesaler margins would be eliminated, the company would be able to save money.

PROMOTIONS

Zara promotes its products through a variety of media outlets. It makes use of traditional media, such as television and radio commercials. Because of its large reach and ability to attract a large number of individuals, this is advantageous. It makes use of online and social media ads, which is less expensive and more useful as the internet's use grows. Due to their high monthly usage, it advertises on a variety of social media platforms, with a focus on YouTube, Facebook, and Twitter. On these pages, it has over a hundred thousand likes or customer followers, who are exposed to Zara's regular content uploads.Zara participates in a variety of sales promotions throughout the year by attending trade shows and events. Zara uses a large sales force to engage in personal selling in order to expand its retail presence. Zara determines the promotional budget for the year by calculating a percentage of sales.

Recommended Promotions Strategy for Zara

Zara should recruit social media influencers, such as bloggers or well-known TV/movie stars, and feature them in its commercials. Bloggers will promote Zara by posting content

on their social media pages. Customers' acceptance of a product can be increased by including TV/movie stars in advertisements. Zara should launch an advertising campaign that sends out a cohesive message to customers across all media platforms. Customers' awareness of the brand will be increased as a result of this. Zara can use a variety of digital marketing strategies to increase online traffic to its website. A banner advertisement, SEO, and the creation of a blog are examples of them. Zara should make more important social media posts for its target audience. Customers should be encouraged to take further action by sharing the posts with their friends or leaving feedback in the form of comments. These should include the most recent social media trends, such as hashtags and memes, among others. Zara should begin collecting data on customers and sending them messages via email or SMS, which will lead to customers making repeat purchases.

PEOPLE

Zara has people who work under its sales team and are crucial to the company's marketing efforts. These individuals have been educated not only in persuasion methods, but also in how to treat company customers with respect and consideration for their preferences. Zara has a customer service department with employees. Customers contact these people if there are any problems with the product, and these people walk them through the process of resolving the problems. These individuals have been trained to treat consumers with respect and to do everything possible to settle their problems. Zara has personnel tasked with obtaining raw materials from suppliers.These individuals are critical in preserving or improving the final product's quality. Zara has employees working in retail stores who assist customers on the spot by answering questions and assisting them in selecting the best product for their needs.

Recommended People Strategy for Zara

Zara's sales force, customer service representatives, and purchasing personnel should all receive training because they play a critical role in providing value to customers. Zara should reward its salespeople with bonuses if they achieve their goals, or commissions on

the sales they make. Zara should recruit people who are dedicated to the business and show respect for customers.

PROCESS

Zara has systems in place to ensure that its products are always available in retail stores. These systems allow retailers to be notified when inventory levels are low. Zara continues to supply them with more products while also placing orders for new productions to replenish its stock. Customers will still have access to goods when they need them. Zara uses an online delivery system in which orders are entered into a computer system, and the appropriate product from the inventory is delivered to the delivery service provider based on the orders. Zara is heavily engaged in market research in order to better understand customer needs. It also creates a better understanding of customer needs by collecting feedback at the store, on its helpline, or on its social media pages.

Recommended Process Strategy for Zara

To improve productivity and timely delivery to customers, Zara should use computers to handle all of its processes. Zara should always be on the lookout for new ways to improve its processes in terms of effectiveness and cost. Savings on costs would ultimately lead to lower product prices.

PHYSICAL EVIDENCE

Zara's products are packaged in a distinctive colour scheme that makes them stand out on store shelves. These are placed on company-provided special shelves that have a distinct colour and design. Customers will be able to find such shelves more easily in crowded retail stores as a result of this. Zara has a user-friendly online website that allows consumers to view its products in high-resolution images taken from different angles.

Recommended Physical Evidence Strategy for Zara

Zara should gather input from its customers on its packaging so that it can enhance it. Zara should open its own shops, providing a shopper-friendly environment and atmosphere to encourage consumers to buy its goods.

MARKET ENTRY STRATEGY

"The presence of potential customers is the most important factor for Zara when entering a new market: People who are affected by fashion trends".

ZARA entered the international market through three different routes: own subsidiaries, franchising, and joint ventures.

If Zara is unfamiliar with the market, she prefers to use a joint venture approach to create synergy with local businesses.

Through a joint venture with Trent Ltd, the brand made its debut in India. In India's case, it had less to do with market understanding and more to do with FDI rules. Zara's parent company, INDITEX, owns 51 percent of the joint venture, while Trent Ltd. owns 49 percent, in accordance with India's current foreign direct investment rules, which require foreign single-brand retailers to pass a 49 percent stake to a local partner.

Zara follows an expansion pattern known as "oil stain" within the company after deciding on a market entry strategy for a specific country.

This entails opening one or two 'insignia' stores to establish a brand in a new location, followed by the establishment of smaller shops of various brands to achieve a certain density of outlets that allows for economies of scale and higher profit margins. It means that Zara opens its first few stores in a country to gain a better understanding of the market before expanding into it.

Zara took a similar approach when it opened its first store in New Delhi, and within five weeks, it had opened two more, one in Delhi and the other in Mumbai. The company planned to open stores in Bangalore, Hyderabad, Chennai, and Pune in the near future.

"We see great opportunities for Zara in a country that is becoming increasingly fashion conscious," Noel Tata, managing director of joint venture Trent Ltd, said on the occasion of the joint venture. Zara has demonstrated its ability to rapidly adapt to changing

consumer preferences across geographies. It will more than meet the demand for the latest fashion trends among discerning Indian consumers."

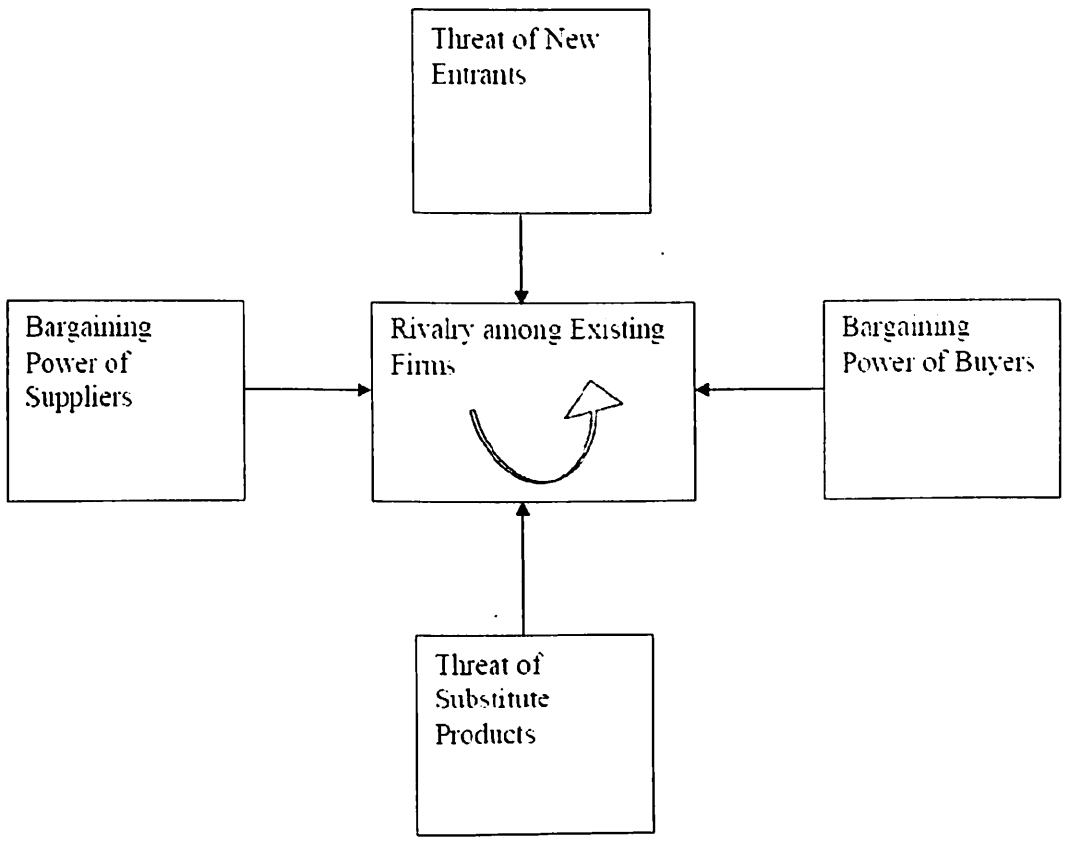
"We consider our entry into the Indian market to be strategically important... INDITEX first deputy chairman and chief executive Pablo Isla shared his thoughts on the group's entry into India. "Our retail offering has been very well received by shoppers in Asian markets, and we have quickly expanded there," he said. "Now India will be one of our top priorities in the region."

MICHAEL PORTER'S 5 FORCES MODEL

In a 1979 article in the Harvard Business Review, Michael E. Porter proposed a model. Porter's Five Forces Model is a strategic management tool that assists in determining an industry's competitive landscape. Each of the five forces listed in the model, as well as their strengths, aid strategic planners in determining an industry's inherent profit potential. The strengths of these forces differ from industry to industry, implying that each industry's profitability and attractiveness are unique.Even though an industry's structure is stable, it will change over time. The following are Porter's five forces:

New entrants' threat, suppliers' bargaining power, buyers' bargaining power, and the threat of substitute products or services Existing Business Rivalry

The Porter Five Forces model can be used to evaluate Zara's industry in terms of its attractiveness based on intrinsic profit potential. Strategic planners may use the data analysed using the model to make strategic decisions for Zara.



Source: Porter (1998b). pp.4

Threat of New Entrants

In the sector in which Zara operates, economies of scale are difficult to achieve. This makes it easier for companies that produce large quantities of goods to gain a cost advantage. It also raises the cost of production for newcomers. As a result, the threat of new entrants becomes a weaker force. Within the industry, product differentiation is robust, with companies selling differentiated goods rather than a standard product. Customers are also looking for products that are unique. Advertising and customer service are also given a lot of attention. Because of all of these considerations, new entrants are a weak force in this industry. Because the industry's capital requirements are high, it's difficult for new entrants to start businesses because large investments are required. Because of the high costs of research and development, capital spending is also high. All of these considerations make the threat of new entrants to this sector a weaker

force. New entrants can easily set up distribution channels and enter the industry because they have easy access to distribution networks.It is simple for any new entrant to get their product on the shelves because there are only a few retail outlets that sell the product type. Because of all of these considerations, the threat of new entrants is a powerful force in this industry. Before a company can begin selling, strict licencing and legal requirements must be met, according to government policies. As a result, new entrants find it difficult to break into the industry, making the threat of new entrants a weak force.

How can Zara deal with the threat of newcomers?

Zara would take advantage of the industry's economies of scale to fend off new entrants by using its cost advantage.

Zara's products can be differentiated from those of newcomers by focusing on innovation. It has the financial means to invest in marketing in order to establish a strong brand identity. This will help it keep customers instead of losing them to new competitors.

Bargaining Power of Suppliers

In the industry in which Zara operates, there are far more vendors than consumers. This means that suppliers have less price control, resulting in a poor bargaining position for vendors. These suppliers' products are fairly standardised, have little differentiation, and have low switching costs. This makes switching suppliers easier for buyers like Zara. As a result, consumers' bargaining power is weakened. Within this industry, the manufacturers do not compete with other products. This means that there are no other options for the product except the ones provided by the vendors. As a result, manufacturers' bargaining power becomes more powerful within the industry. The vendors do not represent a credible threat to Zara's forward integration into the industry. As a result, manufacturers' bargaining power within the industry is weakened. Zara's industry is a significant customer for the company's suppliers. This means that the profits of the industry are inextricably linked to those of the manufacturers. As a result, these vendors must offer competitive pricing. As a result, manufacturers' bargaining power within the industry is weakened.

How can Zara deal with Supplier Bargaining Power?

Zara can obtain low-cost raw materials from its suppliers. Zara will switch suppliers if the prices or goods are not suitable because switching costs are low. Within its supply chain, it will have different suppliers. Zara, for example, may have different suppliers for each of its geographical locations. It will be able to ensure supply chain effectiveness this way. Zara will benefit from establishing close relationships with its suppliers because the industry is a significant customer for its suppliers.

Bargaining Power of Buyers

In the industry in which Zara operates, the number of vendors far outnumbers the number of companies that make the products. This means that consumers have a limited number of firms to choose from and therefore have little price control. As a result, consumers' bargaining power within the industry is weakened. Within the industry, there is a lot of product differentiation, which means that consumers won't be able to find other companies that make the same product. Because switching is difficult, consumers' bargaining power within the industry is weakened.The consumers' income within the industry is low. This implies that shoppers are under pressure to buy at low prices, making them more price sensitive. As a result, consumers' purchasing power is a weaker force in the industry. The consumers care about the quality of the goods, and they make regular purchases. This indicates that industry buyers are less price sensitive. As a result, consumers' bargaining power within the industry is weakened. The buyers are not in any danger of having to integrate backwards. As a result, consumers' bargaining power is weakened within the industry.

How will Zara deal with the Buyers' Bargaining Power?

To attract more customers, Zara will concentrate on innovation and differentiation. Product differentiation and quality are important to consumers in the industry, and by focusing on these, Zara can attract a large number of customers. Zara needs to develop a large customer base because consumers' bargaining power is limited. It would do so by focusing on brand loyalty in its marketing campaigns. Zara should use its economies of scale to create a cost advantage and sell at low prices to the industry's low-income buyers.

It will be able to attract a large number of buyers in this manner.

Threat of Substitute Products or Services

There are very few replacements available for the goods produced in Zara's industry. The few substitutes that are available are also manufactured by low-profit industries. This means that in the sector in which Zara operates, there is no limit to the maximum profit that a company can make. As a result of all of these considerations, the threat of substitute products has become a weaker force in the industry. The few replacements available are of excellent quality, but they are far more expensive. Firms in the industry in which Zara operates, on the other hand, sell at a lower price than replacements while maintaining sufficient quality. As a result, customers are less likely to switch to alternative goods. This indicates that the threat of replacement products in the industry is low.
How can Zara combat the threat of counterfeit goods?

Zara should concentrate on improving the quality of its goods. As a result, consumers would prefer its goods, which offer higher quality at a lower cost, over replacement products that offer higher quality but at a higher cost. Zara will concentrate on making its products stand out. This will ensure that customers perceive the company's products as distinctive, and that they do not easily switch to replacement products that do not offer these benefits. It can provide such unique benefits to its clients by conducting market research to better understand their needs and delivering what they need.

Rivalry Among Existing Firms

Zara has a small number of rivals in the industry she works in. The majority of these are also very large. This means that no move by a company in the industry can go unnoticed. As a result, current firm rivalry becomes a weaker force in the industry. Only a few rivals have a significant market share. This implies that they will compete to achieve a competitive advantage and become market leaders. As a result, existing firm rivalry becomes a stronger force within the industry.

Zara's industry is growing every year and is expected to continue doing so for the next few years. Because they don't have to compete for market share, rivals are less likely to engage in competitive actions when the industry is growing. As a result, current firm

rivalry becomes a weaker force in the industry.

Zara's fixed costs are high due to the industry she works in. As a result, businesses outside the industry are pushed to their limits. This also means that when demand drops, all businesses will lower their prices. As a result, existing firm rivalry becomes a stronger force within the industry.

Zara's brands are highly differentiated within the sector in which it operates. As a result, competing businesses find it difficult to win over each other's customers because each of their products is distinct. As a result, current firm rivalry becomes a weaker force in the industry.

The production of goods within the sector necessitates a significant increase in capacity. As a result, the industry is vulnerable to supply-demand imbalances, which often result in overproduction. Overproduction necessitates price reductions in order for a company's products to sell. As a result, existing firm rivalry becomes a stronger force within the industry. Due to the high capital and asset investment needed to operate, the industry's exit barriers are especially high. Due to government rules and restrictions, the exit barriers are still high. As a result, companies within the industry are hesitant to leave, and they continue to produce despite low profits. As a result, existing firm rivalry becomes a stronger force within the industry.

Firms in the industry have a wide range of strategies, which makes them distinct from one another in terms of strategy. As a result, they collide with each other in terms of strategy. As a result, competition among existing businesses is a powerful force in the industry.

STP ANALYSIS

SEGMENTATION

Product lines are divided into three categories: women's, men's, and children's, with the women's line, which is considered the most powerful, being further divided into three sets of products that differ in price, fashion content, and target age groups.Clothes for people with an attitude and a sense of humour.

TARGET MARKET

Zara's target market is very broad because, unlike traditional retailers, they do not segment their customers by age or lifestyle.

Its target market is a young, educated demographic that enjoys and is aware of fashion. · People all over the world now have more access to fashion information thanks to various communication devices. As a result, fashion has become more internationally standardised, and Zara takes advantage of this by providing the most up-to-date clothing.

As a result, 80-85% of the products offered worldwide by the company are relatively standardised trendy products.

This fashion chain's international strategy is excellent because it used a well-balanced blend of standardisation and customization. Distinctiveness

Product is a perfect blend of high-end fashion clothes at an affordable price.

POSITIONING

The position of a product is important because it reflects the place it holds in the minds of consumers in comparison to competing products: it is the key to the product's success in sales.

A company's marketing tool for gaining a competitive advantage in the market is product positioning. It assists the company in differentiating its product offering from that of its rivals and ensuring that it achieves the target market profile.

In today's hyper-competitive marketplace, where everyone's competing for the same shrinking budget and differentiation is difficult to come by, product positioning strategy is vital.

The customer is drawn to the product because of its intrinsic qualities, either because of its low cost, which gives the customer a price advantage, or because of its differentiation, which introduces special features that consumers value and are willing to pay a premium for.

The fashion business analysis position is typically constructed using matrix value clothing styles that allows for a consistent translation of market positioning decisions while taking into account competition choices.

Clothing styles (classic / traditional, modern, avant garde) are represented on the horizontal axis, while market segmentation based on pricing is represented on the vertical axis (couture designer-diffusion bridge-better).

CHAPTER 2

RESEARCH METHODOLOGY

TITLE OF THE RESEARCH STUDY:

"To study the marketing strategy and branding of Zara"

DURATION OF THE RESEARCH STUDY:

This study was carried out for the duration of 2 month.

SCOPE & COVERAGE OF RESEARCH STUDY:

This research provided an overview of Zara's marketing strategy and branding. Because good quality and better service are two important essential elements for increasing an organization's productivity, a study of Zara's marketing strategy and branding would aid the company's performance. The workers' perceptions of good quality and service were emphasised in the study. Zara marketing strategy should identify areas where it can be improved in order to boost employee performance. This research may also be used to assess employee satisfaction with quality and service measures and make recommendations for how to improve quality and service.

OBJECTIVE OF THE RESEARCH STUDY:

· To study marketing strategies of Zara.

· To understand consumers' reaction towards these marketing strategies.

· To determine the effect of Zara's strategy on competing brands.

RESEARCH DESIGN:

This study's research design, in terms of aims, scope, and coverage, was exploratory as

well as descriptive.

SOURCES OF INFORMATION:

PRIMARY DATA:

The primary data has been obtained from the various people, customers,etc through circulation of the structured non-disguised questionnaire.

SECONDARY DATA:

The secondary data has been obtained from published as well as unpublished literature on the topic and from Books, Journals, News, Research Articles, Thesis, Websites, and Magazines etc.

DATA COLLECTION, ANALYSIS & INTERPRETATION:

The data analysis and interpretation of the collected information and primary DATA has been completed. The main data collected has been pre-coded in order to design a structured and non-disguised questionnaire. The primary DATA was scrutinised, edited, and validated before being submitted in the form of DATAs, charts, graphs, and diagrams, as appropriate.

LIMITATION OF THE PROPOSED RESEARCH STUDY:

· The sample size selected by the researcher is limited.
· The study is applicable to Zara in, Mumbai .Therefore the results cannot be generalized for the whole industry.
· The time factor in collecting the responses as in conducting the research would be a limiting factor.

CHAPTER 3

REVIEW OF LITERATURE

A company's marketing strategy is a critical component of its success. It is just as important to execute an effective marketing strategy as it is to conceptualise and create one. Firms employ scarce resources through marketing capabilities to achieve set goals and targets through marketing strategy implementation. A thorough literature review was conducted in order to demonstrate the importance of marketing strategy and the implementation process. On the subject of marketing strategy, a total of (Number of Studies Depending on References Count, After Employee Deletion) studies have been investigated.Marketing strategy content is divided into two separate but related characteristics, according to the meta-analysis: marketing strategy decisions and marketing strategy decision implementation. The literature also indicates that marketing strategy and marketing mix elements have an impact on organisational performance, highlighting the need for more conceptual and empirical research. The review's uniqueness and value come from the fact that marketing strategy has been examined both in terms of its outcomes and as a process that does not produce satisfactory results without proper implementation.

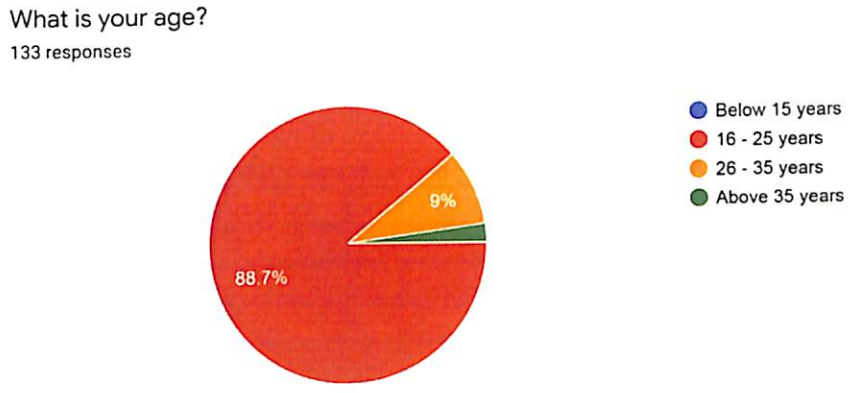
For a few years, ZARA has been one of the most successful fashion brands. It has been steadily expanding its operations around the world. It has also opened supermarkets in India in the last few years. Many factors contribute to ZARA's success. One of them is the company's flexible supply chain (Zhelyazkov). Since then, the global marketplace has demanded a much more agile response from supply chain organisations and partners. Raw material selection must be made ahead of time, and it is the most dangerous aspect of the agile supply chain. The demand for new skills is increasing in the fashion industry, where businesses compete on time. Agility is the only solution that can react quickly to fluctuating demand. Another factor is how it engages and offers a shopping experience for its customers. The "involvement" factor affects the customer's buying behaviour, as well as his or her attitude and behaviour toward the brand during and after the purchase (Yan & Joey, 2011). The price strategy, design strategy, and fast responsiveness of ZARA are all important. It has an impact on consumer purchasing decisions (Yan & Joey, 2011).ZARA's internationalisation has also contributed to the company's success around the world. ZARA has undertaken its internationalisation process with great care, choosing

the appropriate market and implementing the appropriate entry strategy for each international market. It also concentrated on how to market its brand in various global markets (Lopez & Fan, 2009). The Problem is Stated ZARA is unique in that it does not invest in marketing and instead focuses on expanding its store network. The purpose of this paper is to investigate how ZARA is able to sell high-end fashion goods at low prices. Furthermore, how ZARA has been a big success in India, and despite having a slew of rivals, the brand is regarded as the most popular among consumers. According to a recent report (Malviya, 2017), Zara, one of the world's leading clothing brands, first entered the country in 2010 and immediately doubled sales every two years. Zara's performance is currently better than India's biggest jewellery chain, Tanishq, with average sales of Rs.50 crores (Malviya, 2017)

CHAPTER 4

DATA ANALYSIS, INTERPRETATION AND TOOLS

1.What is your age?



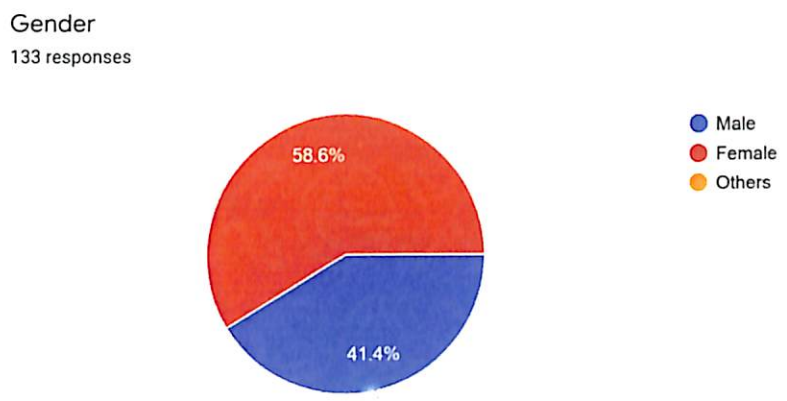
RESULT

CHOICES	%	COUNT
BELOW 15	0	0
16-25	88.7	118
26-35	9	12
ABOVE 35	2.3	3

INTERPRETATION:

Through this survey I know that the age between 16-25 prefer the Zara brand as compared to other age groups.

2.What is your gender?



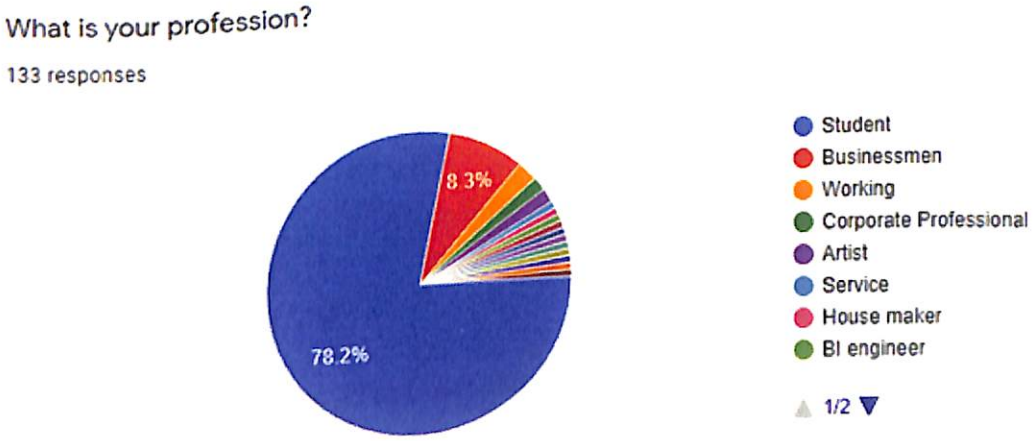
RESULT

CHOICES	%	COUNT
MALE	41.4	55
FEMALE	58.6	78
OTHER	0.00	0

INTERPRETATION:

I came to know that with the help of this survey that Zara brand is more preferred by females as compared to female.58.6% of females prefer Zara brand and 41.4% of male prefer Zara brand.

3.What is your profession?



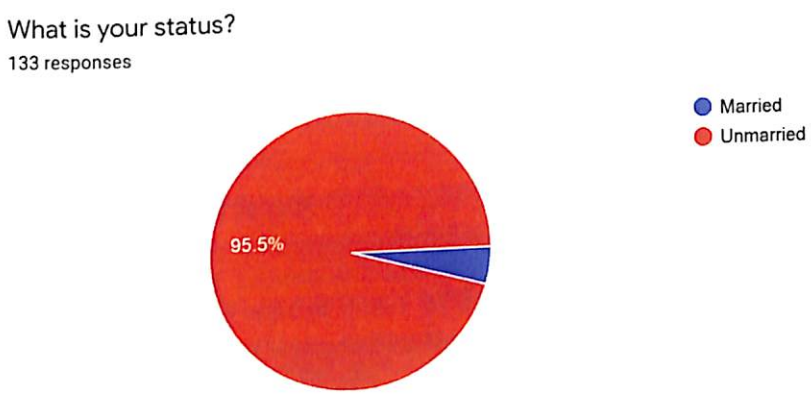
RESULT

CHOICES	%	COUNT
STUDENT	78.2	103
BUSINESSMEN	8.3	11
OTHER	13.7	19

INTERPRETATION:

With the help of this I know that Zara brand is mostly used by students as compared to businessmen or other.13.7% of students using Zara brand .

4.What is your status?



RESULT

CHOICES	%	COUNT
MARRIED	4.5	6
UNMARRIED	95.5	127

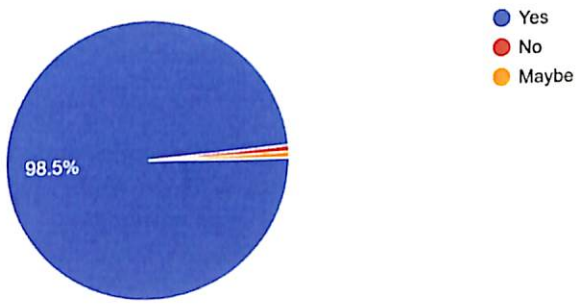
INTERPRETATION:

From the above data we can see that 95.5% of the respondents are unmarried who prefer the Zara brand as compared to married people.

5. Are you aware of the clothing brand of Zara?

Are you aware about cloth brand of Zara?

133 responses



RESULT

CHOICES	%	COUNT
YES	98.5	131
NO	0.8	1
MAYBE	08	1

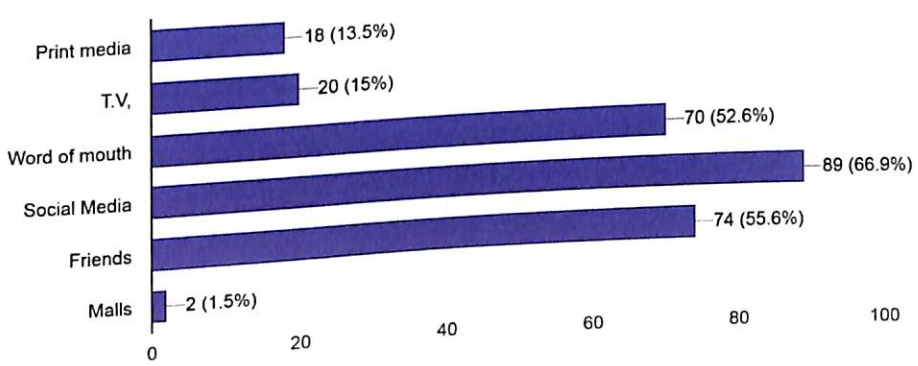
INTERPRETATION:

Through this survey I came to know that 98.5% of people are aware of the Zara brand. Only 0.8% of people are not aware of the Zara brand. There are many reasons because people are not aware of brands like they are preferring other brands or advertising is not reaching to target customers,etc.

6. How do you know the Zara brand?

How do you know the Zara brand?

133 responses



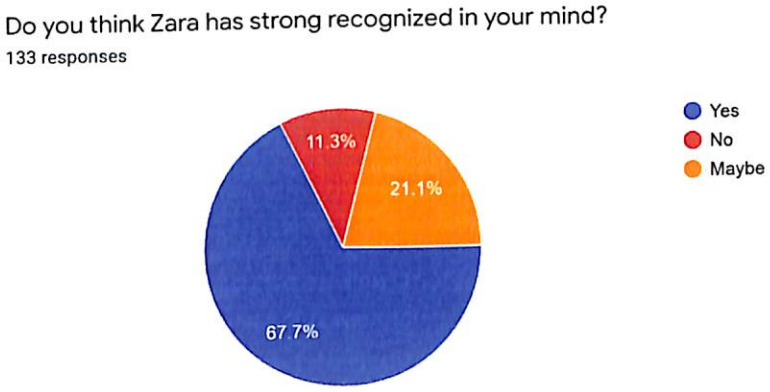
RESULT

CHOICES	%	COUNT
PRINT MEDIA	13.5	18
T.V.	15	20
WORD OF MOUTH	52.6	70
SOCIAL MEDIA	66.9	89
FRIENDS	55.6	74
MALLS	1.5	2

INTERPRETATION:

Through this survey we know that Zara brand is mostly known by Social Media i.e. 66.9%. Through friends 55.6% of the Zara brand is known. 52.6% of the Zara brand is known by word of mouth . 15% of respondents are knowing Zara brand by TV. and also 13.5% through print media Through this respondent I came to know that Zara brand does not do any advertising in malls.

7. Do you think Zara has strong recognition in your mind?



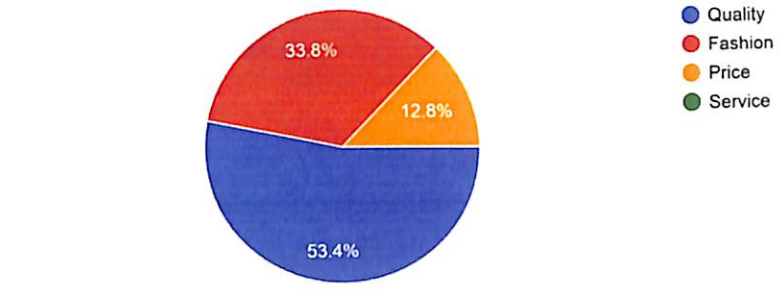
RESULT

CHOICES	%	COUNT
YES	67.7	90
NO	11.3	15
MAYBE	21.2	28

INTERPRETATION:

In this survey, 67.7% of people have strong recognition in their mind. 21.2% of people are dicy and 11.3% do not have strong recognition in their mind.

8.What is your first factor when you make a decision to buy clothing?



RESULT

CHOICES	%	COUNT
QUALITY	53.4	71
FASHION	33.8	45
PRICE	17.8	12
SERVICE	0.00	0

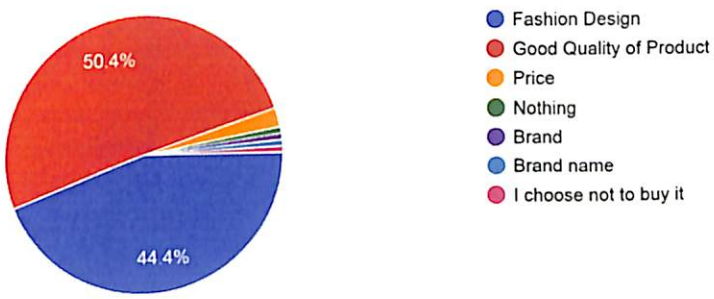
INTERPRETATION:

According to the survey, 53.4% of people are first looking at the quality of the product while making decision.33.8% of people are first looking at fashion while making a decision .17.8% of people are looking at the price of the product while making a decision. 0% of the first looking service of that particular brand. Through this survey we came to know that people are firstly looking at the quality of the product while making a buying decision.

9.Why do you choose to buy Zara brand?

Why do you choose to buy Zara brand?

133 responses



RESULT

CHOICES	%	COUNT
FASHION DESIGN	44.4	59
GOOD QUALITY OF PRODUCT	50.4	67
REASONABLE PRICE	2.3	3
OTHER	2.9	4

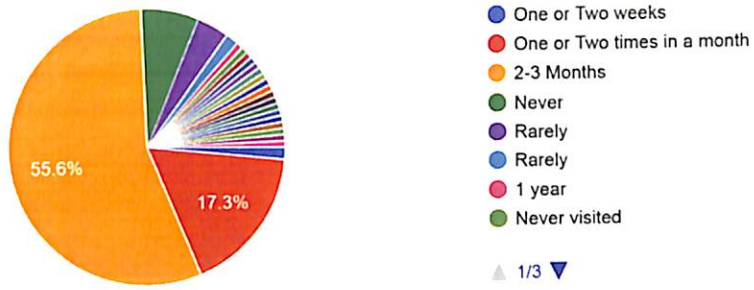
INTERPRETATION:

50.4% of the respondents chose Zara brand because of the good quality of the product. 44.4% of the respondent chose Zara brand because of the fashion design of the product.2.9% of the respondent chose Zara brand because of the other reason of the product. Only 2.3% of the respondents are choosing Zara brand because of their pricing.

10.How long do you visit and shop in the Zara store?

How long do you visit and shop in the Zara store?

133 responses



RESULT

CHOICES	%	COUNT
One or two weeks	1.5	2
One or two times a month	17.3	23
2-3 Months	55.6	74
Rarely	5.3	7
Never	6.8	9

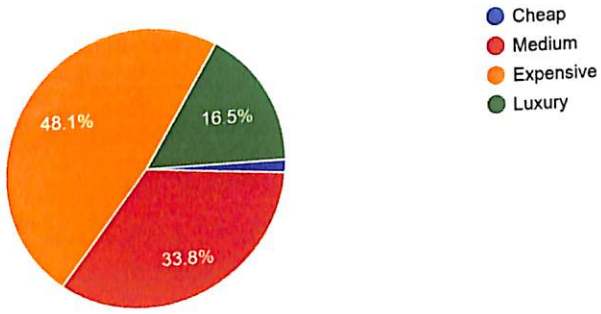
INTERPRETATION:

1.5% of respondents shop over 1-2 weeks whereas 17.3% respondents shop once or twice in a month and 55.6% of the respondents shop in 2-3 months. There were also 5.3% of respondents who rarely shop from ZARA and 6.8% who never shop from Zara.

11. What do you think about Zara's pricing strategy?

What do you think about Zara's pricing strategy?

133 responses



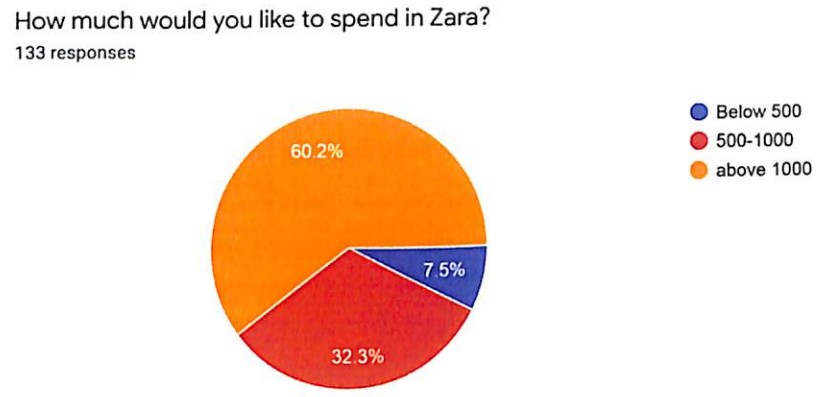
RESULT

CHOICES	%	COUNT
CHEAP	1.2	2
MEDIUM	33.8	45
EXPENSIVE	48.1	64
LUXURY	16.5	22

INTERPRETATION:

48.1% of the respondents think that Zara pricing is very expensive. 33.8% of the respondents think that Zara pricing is medium in range. 16.5% of the respondents think that Zara pricing is luxury. 1.2% of the respondents think that Zara pricing is very cheap as compared to other brands. Zara uses different pricing strategies like discount pricing strategy, skimming pricing strategy, etc.

12. How much would you like to spend in Zara?



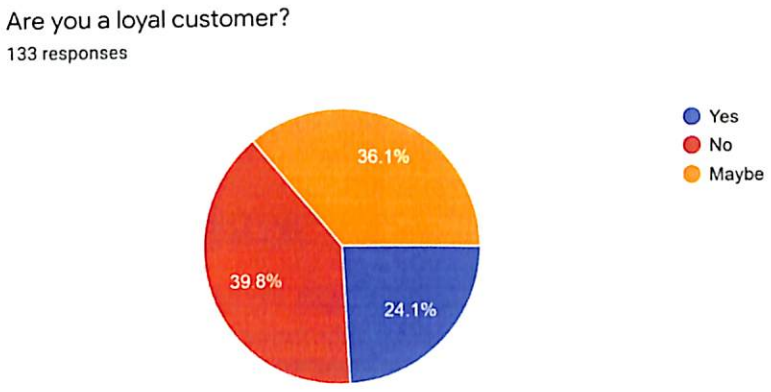
RESULT

CHOICES	%	COUNT
Below 500	7.5	10
500-1000	32.3	43
Above 1000	60.2	80

INTERPRETATION:

7.5% of the respondents would like to spend below 500 on the brand, 32.3% would like to spend between 500-1000 and the rest would go above 1000.

13.Are you a loyal customer?



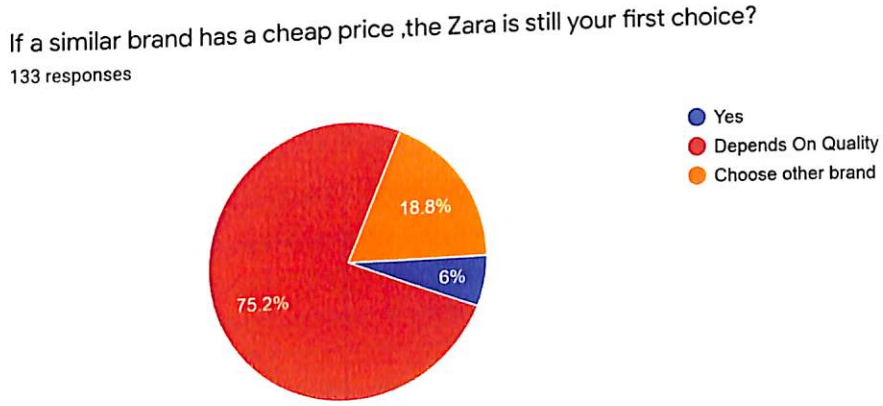
RESULT

CHOICES	%	COUNT
YES	24.1	32
NO	39.8	53
MAYBE	36.1	48

INTERPRETATION:

A very mixed response in this one. 24.1% of respondents said yes, 39.8% said no and 36.1% said maybe.

14.If a similar brand has a cheap price ,the Zara is still your first choice?



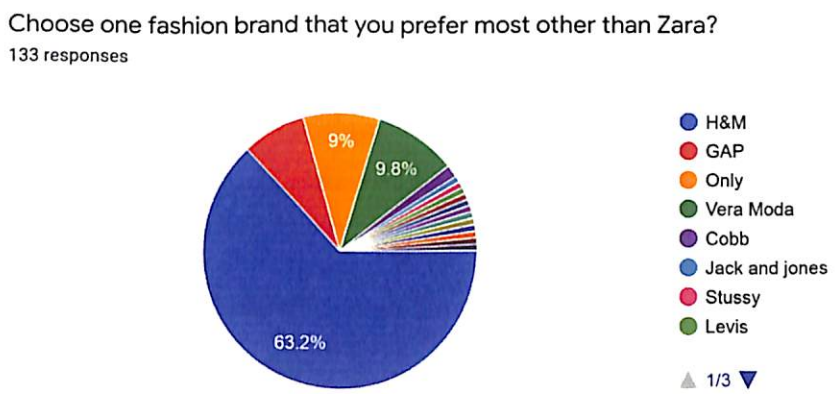
RESULT

CHOICES	%	COUNT
YES	6	8
DEPENDS UPON PRODUCT QUALITY	75.2	100
CHOOSE OTHER BRAND	18.8	25

INTERPRETATION:

75.2% of the respondents depend upon product quality to change brand or not. 18.8% of the respondents can choose another brand based on the price of the product. 6% of the respondents cannot choose another brand. Their first choice will be Zara only. Because they are satisfied with the product and service of the brand Zara.

15.Choose one fashion brand that you prefer most other than Zara?



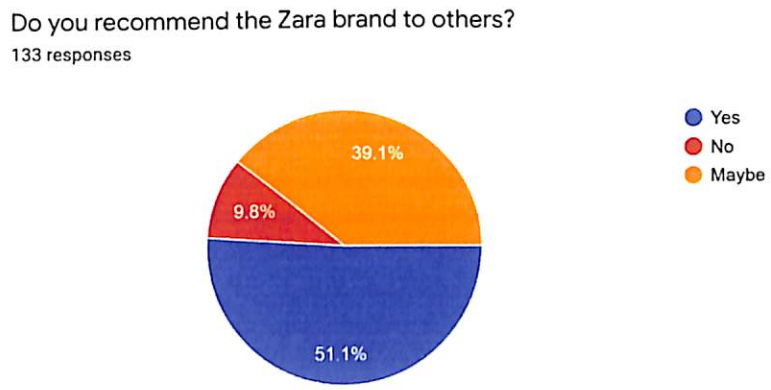
RESULT

CHOICES	%	COUNT
H&M	63.2	84
Only	9	12
GAP	7.5	10
Vera Moda	9.8	13
OTHER	10.5	14

INTERPRETATION:

Again a very mixed response. 63.2% people prefer H&M over zara, 9% ONLY brand, GAP is preferred by 7.5%, 9.8% respondents preferred Vera Moda and the rest other brands

16. Do you recommend the Zara brand to others?



RESULT

CHOICES	%	COUNT
YES	51.1	68
NO	9.8	13
Maybe	39.1	52

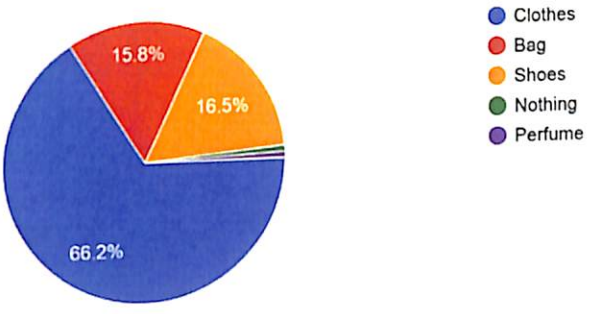
INTERPRETATION:

51.1% of the respondents can recommend Zara brand to others. Only 39.1% of the respondents are not sure whether to recommend or not a 9.8% respondents cannot recommend the brand.

19. What are your preferences from ZARA?

What are other your preferences from ZARA

133 responses



RESULT

CHOICES	%	COUNT
CLOTHES	66.2	88
BAG	15.8	21
SHOES	16.5	22
OTHERS	1.5	2

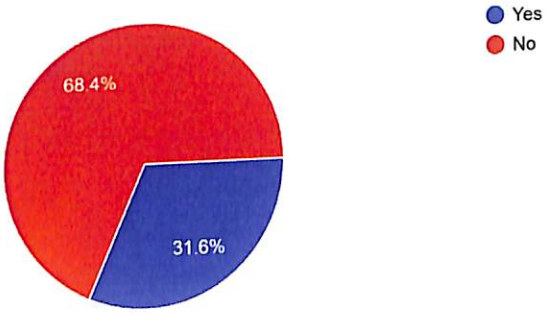
INTERPRETATION:

According to the survey 66.2% of the respondent prefer more clothes of Zara brand. 15.8% of the respondent prefer Bag of Zara brand. 16.5% of the respondent prefer shoes of Zara brand. Only 1.5% of the respondents prefer other products of Zara like perfumes, etc.

20. Have you ever downloaded Zara's Application?

Have you ever downloaded Zara's Application?

133 responses



RESULT

CHOICES	%	COUNT
YES	31.6	42
NO	68.4	91

INTERPRETATION:

68.4% of the respondents have never downloaded the Zara application on their device.
Only 31.6% of the respondents had downloaded the Zara application on their device.
They physically visit the Zara store near their area.

CHAPTER 5

CONCLUSION, FINDING, SUGGESTION

Finally, I discovered that Zara offers a diverse range of street fashion products for the fashion street. With the help of a survey, we discovered that the Zara brand is most popular among those aged 15 to 25. Zara uses various marketing strategies in the market to increase sales, such as online advertising, relationship marketing, word of mouth, and so on. They will solve all of the problems associated with the Zara brand using SWOT analysis. With the help of the poll, I discovered that the Zara brand is well-known among the public, and that young people are more likely to use it than adults. When compared to other brands, the majority of people prefer the Zara brand.Clothing, handbags, shoes, perfumes, and other items are available under the Zara brand. The marketing blend, also known as the 7 P's, is used by Zara brands to introduce products to the market.

FINDINGS

- 98.5% of people are aware of the Zara brand. Only 0.8% of people are not aware of the Zara brand. There are many reasons because people are not aware of brands like they are preferring other brands or advertising is not reaching to target customers,etc.

- Zara brand is mostly known by Social Media i.e. 66.9%. Through friends 55.6% of the Zara brand is known. 52.6% of the Zara brand is known by word of mouth . 15% of respondents are knowing Zara brand by TV. and also 13.5% through print media Through this respondent I came to know that Zara brand does not do any advertising in malls.

- 67.7% of people have strong recognition in their mind. 21.2% of people are dicy and 11.3% do not have strong recognition in their mind.

- 50.4% of the respondents chose Zara brand because of the good quality of the product. 44.4% of the respondent chose Zara brand because of the fashion design of the product.2.9% of the respondent chose Zara brand because of the other reason of the product. Only 2.3% of the respondents are choosing Zara brand because of their pricing.

- 1.5% of respondents shop over 1-2 weeks whereas 17.3% respondents shop once or twice in a month and 55.6% of the respondents shop in 2-3 months. There were also 5.3% of respondents who rarely shop from ZARA and 6.8% who never shop from Zara..

- 7.5% of the respondents would like to spend below 500 on the brand. 32.3% would like to spend between 500-1000 and the rest would go above 1000.

- 24.1% of respondents said yes. 39.8% said no and 36.1% said maybe.

- 63.2% people prefer H&M over zara. 9% ONLY brand. GAP is preferred by 7.5%, 9.8% respondents preferred Vera Moda and the rest other brands

- 51.1% of the respondents can recommend Zara brand to others. Only 39.1% of the respondents are not sure whether to recommend or not a 9.8% respondents cannot recommend the brand.

- 66.2% of the respondent prefer more clothes of Zara brand. 15.8% of the respondent prefer Bag of Zara brand. 16.5% of the respondent prefer shoes of Zara brand. Only 1.5% of the respondents prefer other products of Zara like perfumes, etc.

SUGGESTION

Increase the use of new technologies to lower costs. Increase the number of online promotions to increase brand value and sales volume. Create a system for placing orders. Changing or introducing new strategies is a tough process. so Zara needs to introduce certain new goals and strategies in order to succeed in business and cope with current expanding markets. There is no single approach that can achieve the goal. Zara, like before, must choose a workable combination for the future. It is suggested that rather than implementing all of the decisions in one go, you should act first, wait for a response, and then decide what steps to take next. Because the fashion market is constantly changing, rough estimates may result in unfavourable outcomes.

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https://images.app.goo.gl/5WMH2CkMHzLrNf696

ANNEXURE

1.What is your age?

a) Below 15
b) 16-25
c) 26-35
d) Above 35

2.What is your gender?

a) Male
b) Female
c) Other

3.What is your profession?

a) Student
b) Businessmen
c) Others

4.What is your status?

a) Married
b) Unmarried

5. Are you aware about the cloth brand Zara?

a) Yes
b) No
c) Maybe

6. How do you know the Zara brand?

a) T.V
b) Print Media
c) Word Of Mouth
d) Social Media
e) Friend

f) Others

7. Do you think Zara has strong recognition in your mind?

a) Yes
b) No
c) Maybe

8. What is your first factor when you make a decision to buy clothing?

a) Quality
b) Fashion
c) Price
d) Service
e) Other

9.Why do you choose to buy Zara clothing?

a) Fashion design
b) Good quality of product
c) Price
d) Other

10.How long you visit and shop in Zara?

a) One or two weeks
b) One or two times in a month
c) 2-3 Months
d) Others
e)

11.What do you think about Zara's pricing strategy?

a) Cheap
b) Medium
c) Expensive
d) Luxury

12.How much would you like to spend in Zara?

a) Less than 500
b) 500-1000
c) Above 1000

13.Are you a loyal customer?

a) Yes
b) No
c) Maybe

14. If a similar brand has a cheap price ,the Zara is still your first choice?

a) Yes
b) Depend product quality
c) Choose other brand

15.Choose one fashion brand that you prefer most other than Zara?

a) H&M
b) Only
c) GAP
d) Vera Moda
e) Other

16.Do you recommend the Zara brand to others?

a) Yes
b) No
c) Maybe

17.What other Zara products do you prefer to buy?

a) Shoes
b) Bag
c) Clothes
d) Others

18.Have you ever downloaded the Zara Application?

a) Yes
b) No