

ZARA (World Wide Clothing Brand)

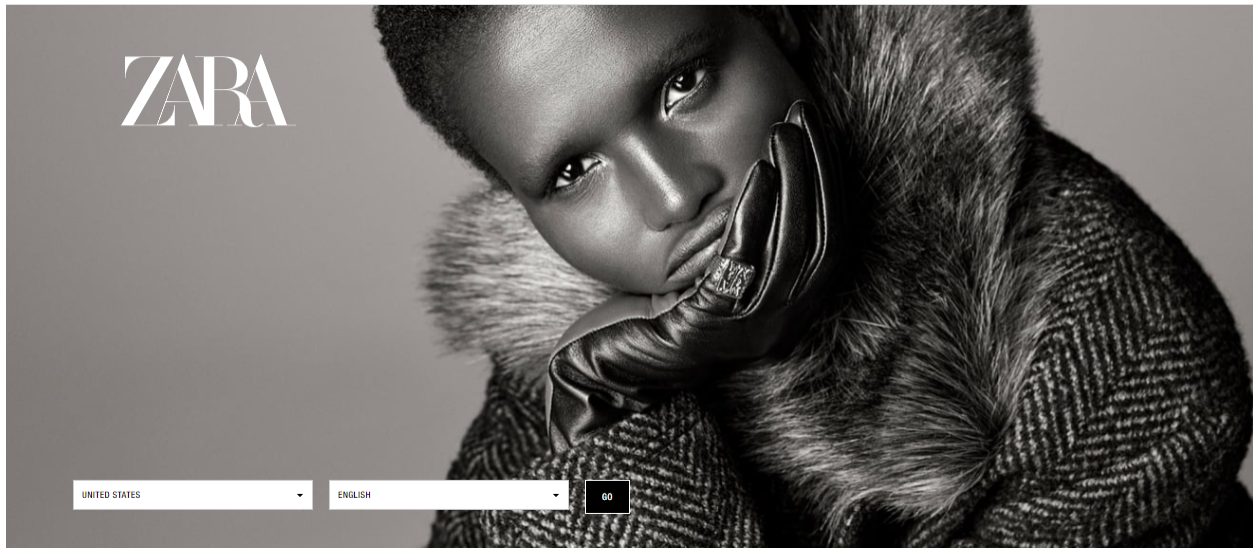


Zara is the largest luxurious or famous fashion brand across worldwide. They are offering product line for all kind of segments except old age people. In their product line, they have multiple varieties in clothing in formal and in casual. Zara used all the kinds of article for marketing to advertise their brand. Customer can get whatever they want in formal or regular dress. Zara has to offer to choose from different styles as how you want to style yourself Zara gives you this reliability. They are leading the market by offering more than ten thousands design in a year. They also lead the market by creating unique design that helps them to compete. In the availability of products line it attracts their consumers. Zara's company teams up with local talent that provide best fashion trends to the world. Zara focuses on keep their brand up to date and change their stock with on time. They focus to maintain the development of product by keep away from reducing waste. The company recycles the plastic materials to reuse in future. The

company gives out their all products in reusable bags. They use some eco friendly material in to manufacture their product. Every article has a unique and clear label which can be identified. When we talked about the prices strategy we all know that Zara is high in fashion and low in prices. They are always gives you a brand new fashion at very lowest prices in all Zara's international stores instead of the other competing international brands. Company is always following less cost strategy. They do not spend too much on the advertisement and raw material instead of spend on latest fashion and quality. Zara is less costly brand in comparison of international competitors. Their prices are varies country to country. The company positioned as a premium quality clothes on a reasonable price. They tag their product according respective market locally. They set the price by using market based strategy according to consumer perspective. They choose price of specific product by considering the manufacturing budget of it. On every item, Zara's company revolves the profit margin line fixed. This gives awareness on the marketing pricing strategy of Zara. The brand Zara utilizes its most of schemes in its way of sales for its more and more promotion. Zara offered discounting throughout the year and gave discount sales of half of the price more than one time in a year, for which the costumers is waiting for it cravingly. Zara has a huge level of reach with all stores in around ninety countries, with over more than two thousands outlets. Zara was the first brand that was produced after the company spends its decade of period on an operating as a fair enterprise, they making mostly dressing gowns and dresses. Under the Zara brand Indetex opened its first store in 1970's. Almost more than 400 million are manufactured yearly by Zara.

Company also sells its products through its online platform. With the advancement in technology, you can get the product from the associate online shopping stores. Aside from its physical appearance, Zara also has a big online platform. They are shipping their product across

the world. They have website too, to run the business online with brand name Zara.com and also has app for mobile users.



All the store's products are shown on its online platform website and application, so consumers can simply make orders through the website. In this way, they place marketing strategy and distribution strategy of the company. This is the clothing brand which has no loan on bank. The company provides them a competitive advantage to them. It take its special style business that bring new products and fashion to the market in short time as soon as possible. Manager of store gave orders to the headquarters two times in a week according to the data of the store and the shoppers' taste. The commercial team makes up the order and then sends it to the production center. The commercial team also organizes with the in-house designers to detect the new ideas or trends and make new products. New products are produced in sensibly small batches which help them give selectness. Most of the Zara stores are recognized by the company not a by a franchise. This will give you the same experience either you are buying from one corner of world or you are buying from other corner of world. The stores are placed in posh locations and are

very roomy and modern in look with walled mirrors with greatest lightings and their all stores are made by the brand name Zara's decoration team.

Marketing Mix:

In Zara's marketing world their promotional and advertising strategy follows that it hardly spends money on advertising. Zara is popular for its press shyness even its owner never gives any press interview. Zara does not interact with any bold campaigns unlike its competitors. That is the reason why Zara's does not advertise itself on television. However, its outdoor advertising is impressive and also its focuses on the fashion trends which the youth prefer to adapt. A biggest variety of styles and affordable pricing is the very specific selling propositions that processing in very short time. It relies on word of mouth promotion and social media instead of expensive marketing tools. Zara's social media reach is quite extraordinary. Zara clothing brand have a wide range of following on social media like on face book and Instagram. It is fascinating to note that Zara does not put its own logo on their products. Zara favor spending their percentage of revenue in opening new stores. The brand spends money on costly real estate for its stores and on its decoration. Zara feel that its displayed windows are suffice for advertisements and they do not need anything else to sell their products. This concludes that the marketing strategy of Zara, gives fasten response to all costumers according to their desires and their changing tastes. Zara recognized itself the fast fashion strategy.

PESTLE Analysis

In the PESTLE Analysis, they look into the huge amount of external factors like political, economic, social, technological (PEST) which impacts on its business forward with the legal and environmental factors.

The analysis helps you to point out the different scenarios which can be impactful on the business of the brand.

Political Factors:

Zara is the brand inaugurated in Spain which are derived from the European Union and also it has running operation business all over the world. Zara import raw material and export finished products with the agreement of the country well established framework of extensive trade. The European Union is UK's biggest export market for textiles and clothing. Financial regulations of the country also have a great effect on the easy functioning of the business strategy. Asian countries like India and China post vital challenges in front of the businesses in form of red tapism. Another huge factor that affects the market is political disruption is that, it affects the economy and disrupts the supply chain. The company reduce this problem by overcome the supply chain operations in native country and some others neighboring nations.

Economic Factors:

As we know Zara is the Spanish brand and Spain has one of the highest rates of unemployment. Zara enjoyed the benefit of the low costs of labor instead of the other western European countries such as France, United Kingdom and Germany. In the economy factors, Spain faces a very slow growth but Zara is one of the biggest and popular brands of this country. The capacity of this brand is to fulfill the needs of the shoppers that help Zara to set up the loyal base costumers. Zara

is the huge market share company in comparison to its competitors that in result makes a less costly brand. Zara's company faces financial crises due to the higher level of labor and their universal production costs. The British exit from the EU which is also known as a Brexit that has guide to a decline in the value of pound resulting in a high inflation rates and less disposable income in the hands of the consumers to spend on clothing. Conclude that, it has reduced the sales of Zara's company as well as the overall sales of all the clothing industry.

In Social Factors:

Explosive social trends have a great impact on demand as well as supply of the company's product. It has an impact on the accessibility and desires of the individuals to do work. Zara has a big market that makes a lot of the product and it is totally doubtful, that there will a carry with respect to some social factors. The company is not examining a niche market rather than fulfill the market and its products to different segments although the company does not enter in new market without doing its initial research. The buying decision of consumers can be change due to culture. Any product that the customers cannot recognize does not find accepting in that specific cultural group. As Zara does not believe in experimentation so its makes its products rhyme with some local cultures. The brand is also invested in a advantage for the society. To spread energy, Zara have concentrated on eco-friendly approaches in managing of its stores.

Technological Factors:

The Zara brand has the Costumers base as well as money to take out the most of the data. In order to understand and analyze the data that sets to find the easiest ways to appeal to its costumers Zara invest huge amount of money on it. To interact with the whole world's costumers Zara has a popular and huge website through which the Company communicates with the customers through both online and personal touch points. Zara developed a successful

partnership with Toyota applying concepts of **JIT** and Lean facilities across its manufacturing operations. Technology also rising a firm's responsiveness to customer also the company has implemented **RFID** technology to track its goods and inventories.

Legal Factors:

Zara is the brand that has line up its emphasis upon ethics and resilience. Their focus is to develop the some major principal for the entire line of operating business as well as to supply chain. Zara has follows some rules and regulations. Zara gives some living styles for workers in which they develop the separate law. In order to introduce clothes in line with the latest ideas or trends, the company has overcome with some copyright infringement issues in the past. The brand also has been accused of stealing designs and clothing ideas from the Adidas and the Balenciaga. The legal doctrines are the only reason that brands are able to copy each other without facing any significant result. At the same time, these brands such as H&M and Zara also have strongly carry out the copyright laws as the clothes they launch in the market require investment of time, effort and money.

Environmental Factors:

The entire world of fashion is wrongly connected with profligacy as the costumers change their ideas or trends and their tastes easily. This is the main factor for the fast-fashion brand like Zara to overcome in the costumer' survey, Zara needs to adopt long lasting ways in order to avoid the negative impact. Zara planes to makes its all store 100% eco efficient. The brand Zara has actively shown its commitment to climate change energy, biodiversity, sustainable materials, animal welfare and other environmental issues in depth. The company has make sure to remove all kinds of dangerous waste from its supply chain system.

Impact of Covid-19

As we know the company go through a situation that it had never faced before (the covid-19 pandemic), its capacity to ship products to its stores was severely slowed due to lockdowns.

Before the pandemic, Zara had huge daily sales and had been showing notable increases in shipping, which shows the company was in a healthy financial position. However, the corona virus affected Zara due to the shutdown of stores and the shift in consumer tastes and spending patterns, Zara online app has fell 16% in US market due to Covid-1p pandemic. More than 60% of consumers report, expending less on fashion during the crisis, and almost half expect that trend to continue after the crisis has gone. However, consumers cut back on accessories, jewelry, and other discretionary classification before reducing their spending on apparel and footwear; this is why the fast fashion industry was back for a shorter period of time. The performance of Inditex-Zara's unique operating model during the COVID-19 pandemic is that they were concentrating on the business by three pillars: flexibility, digital integration, and sustainability. Inditex-Zara's supply chain, production, and retail network, which aim to create 'world-class' responsiveness to changing customer demands, are the main reason for their success even during the pandemic. Zara's universal approach has, to a huge extent, improved its performance in terms of its competitiveness and customer gratification; it has also helped it be rapidly responsive to shifts in the ever-changing fashion apparel industry, even during these uncommonly turbulent times. Against the background of this rapidly changing environment, Inditex's management's strategy for moving ahead had three main components: digitalization, the integration of stores and the online channel, and sustainability. The findings of the study may be applicable to executives of manufacturer-retailer sites for performing more research.

In 2020 Zara announce to close 1200 stores throughout the worldwide. This was a bad news for the entire customer in the entire world. The Owner of the Zara Company also announces that it is permanently closing 16% percent of its outlets globally, and will focus on mainly online selling in future. As this fashion brand was badly affected due to the Pandemic. In 1st year company sales dropped almost 44% and faced 409 billion losses. For some long development, Zara retailers went through the final straw that was leading to bankruptcy. Their outlets were closed in many markets, they were lost valuable time for selling summer product lines. Zara went through massive under pressure for a lack of transparency relating to their suppliers. As a result, fashion retailers such as Zara will see their businesses permanently change in the post-pandemic world.

Zara is the marketing brand and its marketing structure covers 4Ps (product, price, place promotion) There are many marketing strategies like product innovation, pricing approach, promotion planning These all business strategies are based on Zara marketing strategy that help the brand to succeed.

Zara marketing strategy helps the brand or company to place their own competitively in the market and achieve its business goals.

Zara recovery from pre-pandemic sale

The company can recover its sale as sale apparel rebound. After taking a huge hit during 2020 due to the corona virus, the fast-fashion retailer's revenue has returned to pre-pandemic levels. Zara's gave capacity to in-store pickup that has allowed it to recoup sales quicker than its fast-fashion peers, such as H&M, which offer more limited in their fulfillment options. 99% of its shop has reopened and their sale has continued to grow, also its online business grows 25% of total sales. Zara recoup its sale more quickly that will give it profit in online fulfillment. The

company Zara still has work to do for the growing competition. Zara has come with formal outlets in summer with great sale that helped it to recoup with its loss. In my point of view, as a manager of this company, I will increase the amount of sales that used to have only 2 times a year that will attract customers and Zara's lovers more engage with it and its sale rebound from the pre pandemic. Secondly, I will make my website more advance with lots of followers and likes on social media app because peoples usually interact with the famous website. I suggest the company to make more formal cloths that will inspire the costumers to shop.