



University of Wales Trinity Saint David

Understanding and Engaging in the Customer Experience Zara Case Study

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Introduction

The objectives of this study are to firstly evaluate importance of customer value and secondly to identify the supportive systems of quality both based on the case study of chosen organisation. As a fashion passionate person, I decided to choose Zara retailer as subject of this study. This assignment will begin with the short background of the Zara company. Therefore, to accomplish the first part of this assignment brief definition of the customer value will be given, followed by theoretical framework and evaluation of five customer value dimensions. First part of the assignment will end by comparing values of Zara to its biggest competitor H&M using supported by research ranking scores. Second part of this study will focus on customer satisfaction, service quality dimensions and the gaps of service quality and it will finish by giving appropriate ranking under each section. Assignment will end with the conclusion.

Company Overview

Zara company is based in Galicia, Spain. It is one of the largest international fashion retailers founded by Amancio Ortega in the year of 1975. Zara is owned by Inditex, the world's largest fashion group. The company operates 2,220 stores in nearly 100 countries around the world (BoF, 2019).

Zara's first store was opened in Spain, Coruña city. Over the time, Zara has followed the same fundamental values, expressed using four key words that describe all their stores: sustainability, beauty, functionality, and clarity. In order, to develop close relationship with clients Zara's team respond intuitively and automatically to their constantly shifting needs, replying to the received feedback and modern trends across its Kids, Woman and Man collections, to bring new ideas and designs at the right moment in the right place (Inditex, 2019).

1. Understanding the Customer Value

The 21st century brought customer experience to a higher level. Abundance of choices caused customers to constantly rise their expectations towards services and products. Therefore, brands must put more effort to communicate and create value in everything they do. So, in the first place it is very important to have good understanding of what customer value is (Mansfield, 2018).

Customer value is the satisfaction that customer assumes to experience by taking an action related to the price of that action.

The action refers to purchasing, while the price refers to the purchaser contribution towards receiving expected benefit, this could be knowledge, money, or time.

Customer value is defined as the satisfaction or fulfilment a customer senses after purchasing of services or goods relative to what they must sacrifice to receive them. Value in the eyes of customer is not only considered as spending money, it can be also considered as the factors such as time and overall experience (Lister, 2019). According to Gautam Mahajan (2016) "Customer Value is the perception of what a product or service is worth to a Customer versus the possible alternatives".

"Zara has a deep understanding of the entire value proposition it exchanges with the customers. Its fast-fashion deliverable is available in the quantity, format, and time in which the customer needs the product. That translates into great value" (Danziger, 2018).

1.1 Customer Value – Theoretical Framework

Woodruff (1997, p. 142, 143) defined customer value as “the perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations.” He created very practical hierarchy model of customer value which is based on customer needs and can be used in marketing strategies.

Customer Value Hierarchy Model

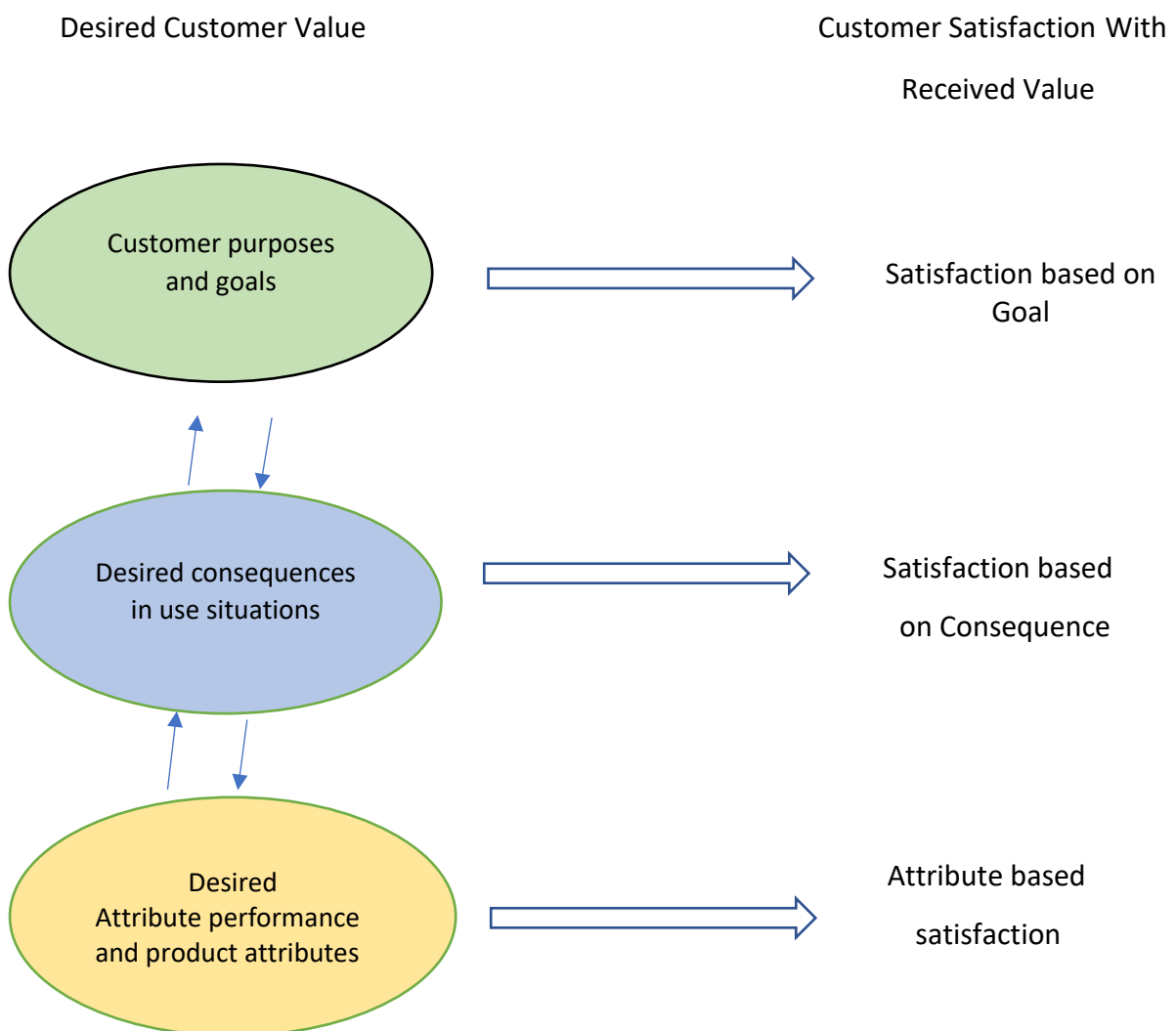


Figure 1. Hierarchy model of the Customer Value by Woodruff

1.2 Dimensions of the Customer Value

Five Dimensions of the Customer Value

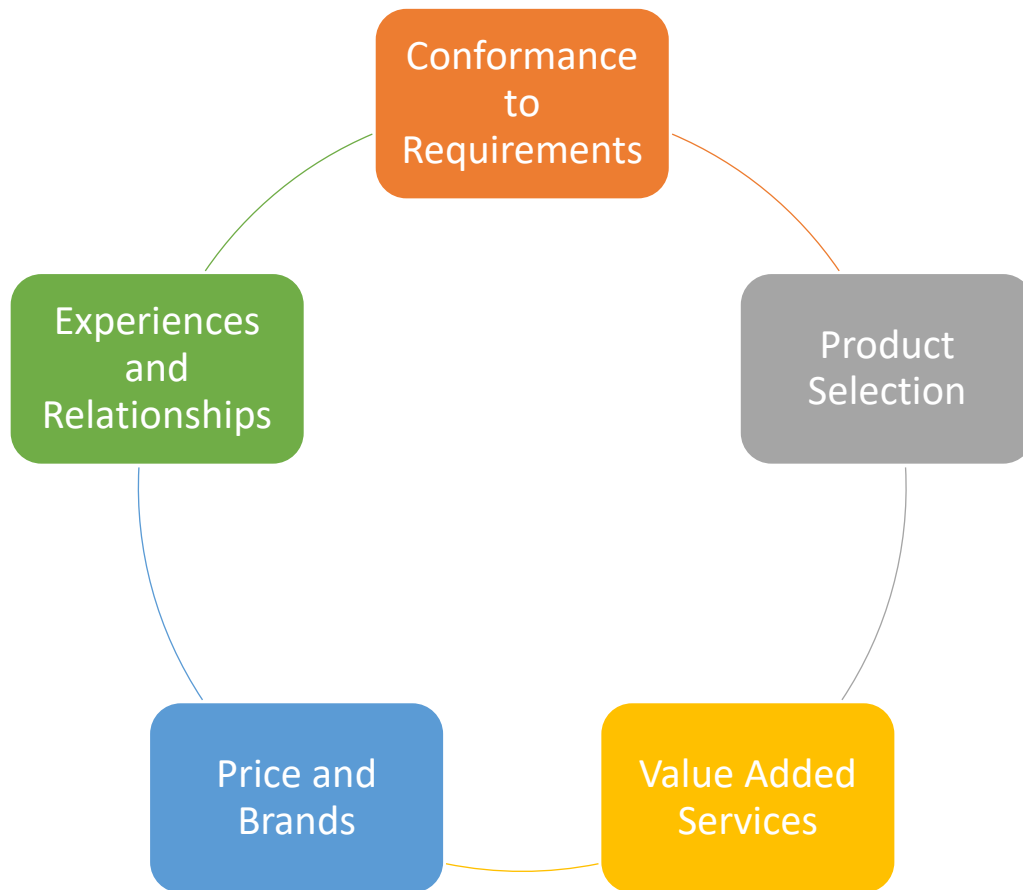


Figure 2. The Five Dimensions of Customer Value by Simchi-Levi et al, (2007)

Customers are long-term investments for companies and businesses. Therefore, companies must make sure that great customer value is created in the process of providing services. This means that companies such as Zara must be able to comply with customer preferences and meet their satisfaction. Several elements including human resources, business capabilities and customer information, must be combined in order to satisfy consumer. Keeping customer happy will positively impact the business.

According to the model of Simchi Levi et al, (2007) presented in figure 2, customer value is measured using five dimensions. Those five dimensions can be applied to every business. Below, those five dimensions have been evaluated and applied to the Zara retail case study.

1st Dimension - Conformance to requirements

Conformance to requirements is the ability to supply and offer customers with what they want and expect using the contribution of effective Supply Chain Management (SCM) strategy (Simchi-Levi et al., 1999).

Conformance to requirements:

a). Functional items

- predictable product demand
- mediation of the market is not the bigger issue

b). Market mediation

- market mediation related costs occur when there are differences between demand and supply.

Example: Supply < Demand => possible loss of market share and loss of sales

- ability to meet customer needs and demands

c). High- variability or fashion items

Conformance to requirements is built on three principles:

- Closed communication Loop
- Maintaining same rhythm across all supply chains willing to spend money on its improvement
- Using investment in facilities distribution and production in order, to increase supply chain flexibility and responsiveness to new challenging demands

According to Inditex (2019), Zara places its clients at the core of their business model, where the main objective is to respond to customer needs. Therefore, they deliver exactly what customers want and require at the right time and place.

This ranking is based on the comments provided by the customers, at online platform called [Quora](#) (2019). Out of six people who answered whether they would choose Zara over H&M, five of them stated that they would choose Zara as their place to shop. According to those comments founded, Zara seems to offer better Value for the price than H&M.

Ranking: 8/10

2nd Dimension - Product Selection

The right stock and product selection are crucial for retailer industries. Customers cannot get everything at once. Therefore, retailers provide enough alternatives through wide range of products (Erpaly, 2019).

There are few strategies which can help to increase the number of buyers, one of them is constant improvement and amendments of the product. Therefore, analysing buyer's reasoning and decision making, factors such as: demand, size, price, design, brand, quality, trends, colour, taste and so on is strongly advisable while selecting right products. "The right product selection powers energetic growth not only of large companies, but propels small companies, too" (Hiimaa, 2019).

While analysing the market, focus should be directed on customer preferences, but also on the competitors considering what kind of products they offer, to whom and what is their price for those products. When forming a product assortment strategy retailer should govern their target customer. Thus, the product that is in store will attract right crowd. Using demographic factors of the current customers and observing their buying behaviours can be helpful in navigating and determining their needs (Chron, 2019).

According to Sahar Nazir (2019), Zara is well known from capturing the fashion from the famous catwalk shows. Zara assures that their customers have access to newest fashion pieces in their stores across the world and online.

Zara's customer target is very broad. Retail offers clothes for: kids, man and women in different age and body shapes. Therefore, product range is very wide. It offers trousers, skirts, jeans, tops, dresses, knitwear, t-shirts, blouses, shirts, accessories, jackets, and shoes. Zara is a one stop resolution for everybody, it launches approximately ten thousand new designs every year, giving opportunity to select from various styles. In order, to provide best fashion trends Zara works in team with the local talent (Bhasin, 2019).

According to Mellissa Parietti (2019), "Zara's approach to fashion differs from Uniqlo's in that it attempts to predict customer needs rather than follow current fashion trends. The turnover of products within the store is very high, with an average article of clothing.

**Number of the products available in EU for Zara and its competitor H&M
(RETVIEWS, 2019).**



According to RETVIEWS (2019), H&M provides to their customer nearly three times more products than ZARA, from customer viewpoint H&M might be seen, as more universal. However, Zara beliefs in sustainability creating pieces that supposed to last, focusing on quality rather quantity. Zara in comparison with H&M has smaller variety of sizes which is a little bit risky due to possible loss of sales caused by size unavailability.

3rd Dimension - Value added Services

According to Sam Ash - Edmunds (2019), value-added services are the supplementary benefits that customer is given when purchasing a service or product. Value added services are otherwise known as “add-ons”, those can increase the revenue when offered to customers for discounted price. Value-added services are important because they help companies to differentiate themselves from competitors.

Zara’s Value-added services:

- Payments via mobile, which simplifying the return process and purchasing
- Self-check-out, ease the payment process and makes it more convenient
- Fitting rooms which are interactive, this innovative future enable customers request different sizes, colours, and personal assistance via tablet device in the fitting room, it also gives the ‘match with’ option which help to combine fashion items
- Automated in store order delivery points, which enable shoppers to pick up their orders placed online at the time convenient for them.
- Free of charge at home collection of used unwanted clothing
- Recycling in-store container where customers can leave unwanted clothing pieces free of charge

Ranking: 7/10

4th Dimension - Price and brand

Price

Understanding cost structure of the business and being able to determinate right pricing strategy are necessary when making steps towards achieving profit goals. There are many pricing strategies. Therefore, it is important to select the most effective and suitable to your business strategy (Hudson, 2019).



Figure 3. Pricing strategies (Hudson, 2019).

Competitive pricing:

- pricing below competition – pricing product lower than competitor.
- Prestige pricing – pricing above competitors.

Mark-up pricing - adding profit margin to the costs of the merchandise.

Psychological pricing – using this technique lead to setting prices as certain level when customers think of price as a fair or bargain

Multiple pricing – selling more than one item at one price. People tend to purchase more products seeing this sort of offer.

Keystone pricing – doubling the costs paid for merchandise when setting retail price.

Vendor pricing – this strategy is commonly used by small retail shops, here the manufacturer is suggesting the retail price, this will help in avoidance of price fight and remain with decent profit.

Zara uses low pricing strategy. Providing latest fashion products at low cost, Zara differentiate from other international fashion brands. Low pricing strategy is easy to follow by Zara, due to low cost spend on the raw materials and advertisement. When it comes to pricing Zara sets strategy based on the market, considering the price customer is keen to pay Zara is tagging their products locally. Zara plans their production budget according to the target price. By doing it they fix profit margin earned on each item (Bhasin, 2019).

As a way of sales promotion, brand uses different schemes. Carefully controlling discount strategy, Zara uses the promotional discounts shifting their old products right before launching the new collection. Having a low level, discounts during the year, running the sales of fifty percent and above only two times a year, causes their customers to eagerly wait (Bhasin, 2017).

Figure 4. Zara and H&M price architecture comparison for dresses and tops.

(based on available online products for women in 2019).

Price range (£)	Zara Tops	H&M Tops	Zara Dresses	H&M Dresses
£0-20	34,5%	58,4%	4,9%	21,6%
£20-40	52,0%	36,9%	37,1%	55,2%
£40-60	10,6%	2,2%	25,4%	14,5%
£60-80	2,5%	1,0%	26,7%	4,9%
£80-100	0,4%	0,3%	4,0%	3,1%
£100-120		0,6%	1,1%	0,6%

Source: Edited (2019)

The above table was based on womenswear clothing available online. According to [Edited](#) (2019) H&M offers wider products range at lower prices comparing to Zara.

Example H&M has majority tops in the price range from £0-20, when Zara's higher range of tops sells at price from £20-40.

Ranking: 5/10

Brand

Brand awareness is crucially important especially when introducing new services or products. According to Investopedia, brand awareness stands for “extent to which consumers are familiar with the distinctive qualities or image of a particular brand of goods or services.”

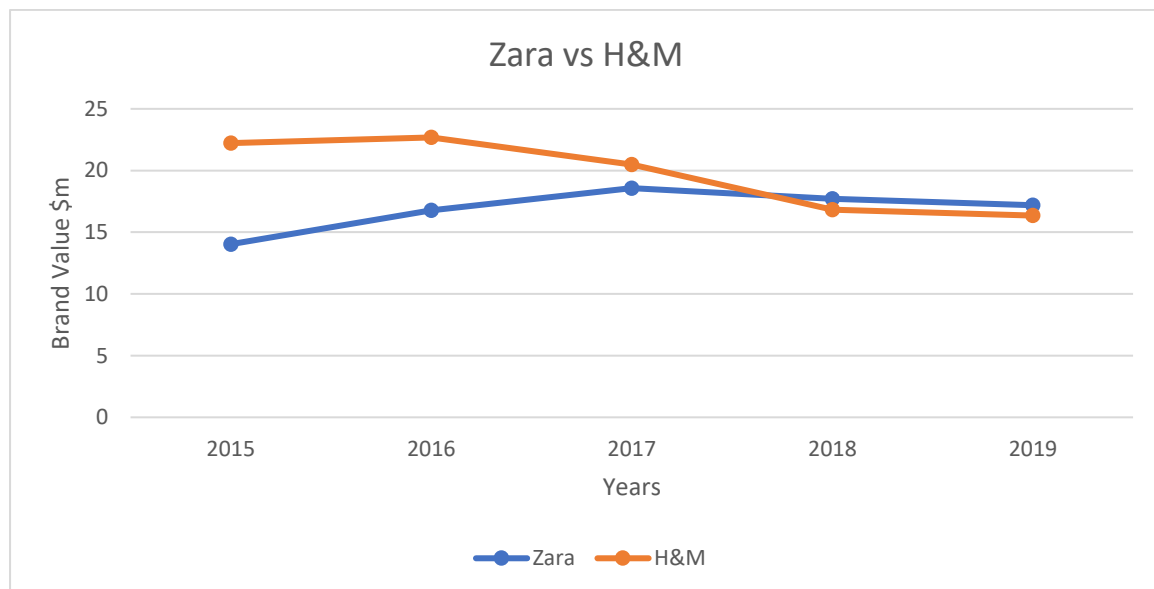
Brand awareness drives customer decision when differentiating compete markets. Renowned brand will ideally encourage customers to repetitively purchase services or goods increasing the company revenue and market share (Rhodes, 2017).

ZARA

Zara is a well-known fashion forward quality brand. It is innovative brand, basing merchandise on consumer needs and demands. Zara makes it possible for average people to taste the luxury and look wealthy at affordable and attractive price.

Zara instead of spending money on advertisement spends them on building new brick-and-mortar stores next to other luxury brands, using this strategy to promote their label. Zara promoted their famous and recognisable name by providing fashion items faster than competitors, and by word of mouth of their consumer (Zara, 2013).

Figure 5. Zara's vs H&M - Brand Value Ranking



According to Liam O’Connell (2019), Zara bet H&M in brand Value by nearly 1 \$m in 2019. Where Zara’s Value was stated to be worth 17,18 \$m compare to H&M brand value 16,35 \$m.

Ranking: 2/2

5th Dimension - Relationships and Experiences

Cultivating meaningful relationship with consumer is very important in every business and especially retail. Emotionally attached consumers are more likely to purchase and connect with a brand compare to those that are merely satisfy.

One of the main factors that makes customer come back and buy from the same retailer is perception that customer have about the brand. If person is happy with the purchased product or services, there is no need of convincing that person to purchase in the future (Smart Insights, 2019).

CRM- Customer Relationship Management

Thanks to the benefits of CRM, Zara developed effective relationships with their customers, building loyalty. Zara is using CRM software to collect the information about customer needs and preferences towards offered products. Therefore, gathered information such as preferable colours or patterns are taken in consideration while designing new fashion items (Binns, 2018).

The unique gain that Zara has over its opponents, such as is H&M is that their marketing strategy is all about customer. Zara pay attention and replies to shopper's feedback as it is utmost valuable brand asset for services and products improvement. Zara by focusing on employees with equal opportunity, professional development and respect fosters highly engaged workforce and furthermore strongly engaged interactions with buyers (Danziger & Kohan, 2018).

Ranking: 8/10

Table Summary of the Customer Value Dimensions – Zara vs H&M		
	ZARA	H&M
Conformance to Requirements	8/10	4/10
Product Selection	3/10	8/10
Value Added Services	9/10	4/10
Price	5/10	8/10
Brand	8/10	6/10
Relationships & Experiences	8/10	6/10

Figure 6. Zara's Customer Value Ranking Versus its Competitor

Summary of the section

The above table (Figure 6), demonstrates the ranking of customer value dimensions for Zara and its biggest competitor H&M, based on secondary research, using trusted websites and customers reviews. It is clear, that Zara is way ahead of its competitor. However, the price value and product selection could be seen, as an area of improvement.

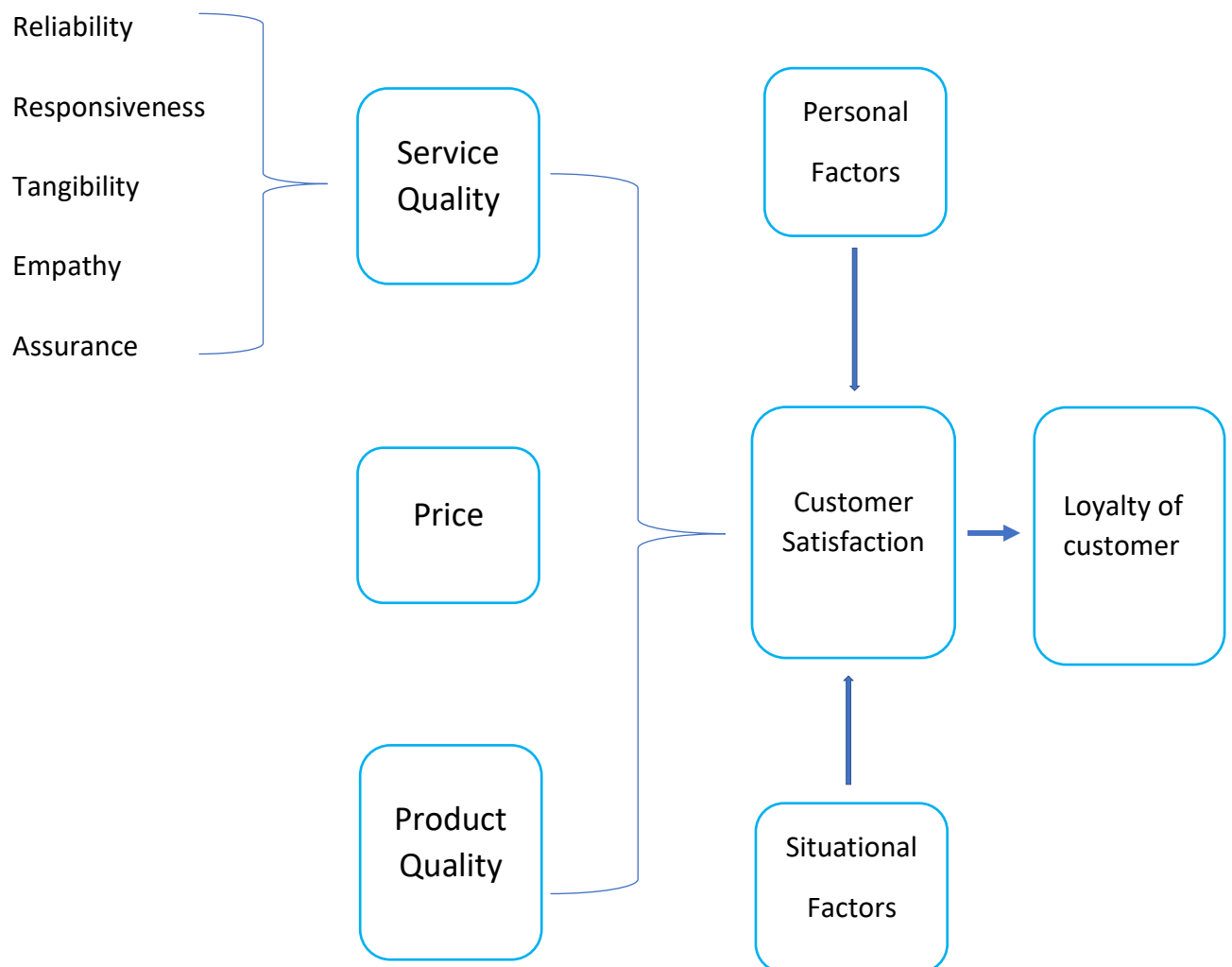
Customers compare their perceived worth of the products when choosing between providers of those products. "Customer value is all about subjective perceptions, which can only be influenced, not controlled" (Mansfield, 2018).

This section covered The Customer Value and its five dimensions based on the study of Zara company. The next part of this assignment will direct its focus on customer perception of satisfaction, service quality, and on the service quality gaps using adequate models.

2. Customer Satisfaction and Measuring of Perceived Service Quality at Zara Retail

Fashion retail belongs to fast moving and highly competitive markets, where service quality could be seen, as base to achieve advantage over competitors. Quality service is strongly related to the customer satisfaction which means that it can have high impact on customer retention and therefore company revenue.

Figure 7. Customer perception of quality and customer satisfaction.



Source: Berdigan (2019).

2.1 Customer Satisfaction

According to ASQ (2019) customer satisfaction is identified as measurement that defines how satisfy/happy purchaser is with company's capabilities, products, and services. Organisation's should be customer centric, instead of assuming what customers wants and needs they should listen to consumer voice.

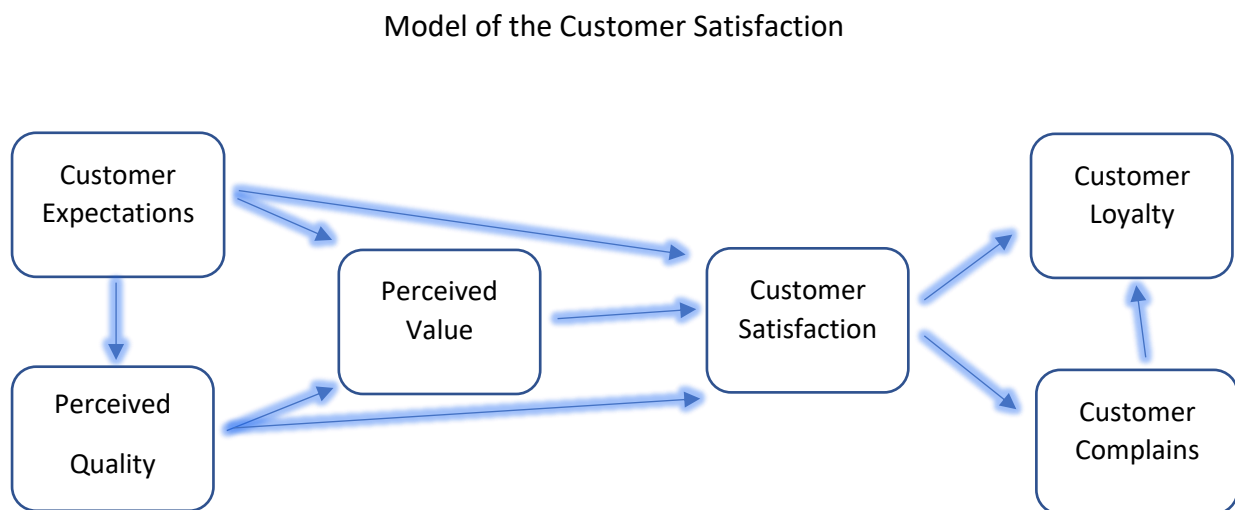


Figure. 8. Customer Satisfaction Model

Source: ASQ (2019)

Companies should aim to gain detailed information about customer needs in order to well tailor their products or services in order, to exceed or meet the customer satisfaction. This could be done by using questionnaires' and focus groups. Customers insights are very important for todays' businesses, knowledge about customers gives competitive advantages for retailers such as is Zara.

2.2 Service Quality – characteristics

In the 21st century providing of excellent service to customers is imperative. High competition push companies to continuously improving and providing high quality of service in order to stay within the market. However, companies often finding it difficult to measure service quality (Qualtrics, 2019).

Service quality is described as the extent to which a service meets clients' expectations or needs (Lewis and Mitchell 1990). Customers are the ones who weight service quality and therefore it must be examined from their perspective (Bitner, Gremler and Zeithaml, 2013). Parasuraman et al (1985) suggest that in order, to understand insights of the service quality it is relevant to reveal main service features. According to Sasser et al (1978) the four characteristics of service are defined as:

Intangibility – this characteristic is defined as distinction between services and goods. Services are not the objects therefore they cannot be seen or touched, measured, or counted. Services are actions. Therefore, it is almost impossible to guarantee the quality beforehand.

Heterogeneity – here the outcome of service will vary from customer to customer, provider to provider and so forth. No two customers are alike. Therefore, provision of each service is unique (Zeithaml et al, 2009).

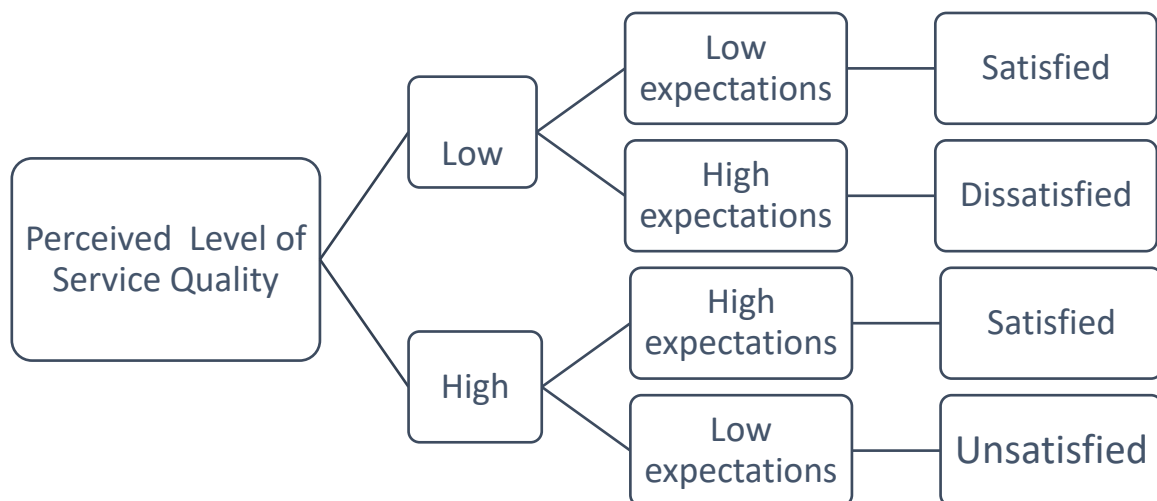
Inseparability – service quality happens during the provision of this service. This mean that prep and delivery in service happens simultaneously which makes it inseparable. According to Zeithaml et al (2009) it is possible for customers to interact with each another during the service production which might have an effect, on the perceived experiences.

Perishability – in contrast with goods services cannot be saved, stored, or returned. Although, service happens during the time of its provision, dependably on the service customer can enjoy or benefit from the service after the provision. Example: memory of service can stay with customer for several years (Edvardsson et al, 2005).

2.3 Relationships and Differences Between Service Quality and Customer Satisfaction

Although both customer satisfaction and service quality are initially similar, there is noticeable difference. As mentioned previously customer satisfaction is defined as customer evaluation of the service/product related to perceived expectations and emotional state. In comparison, service quality, is the customer estimation of the company performance and overall service quality (Marketing Study Guide, 2019).

Figure. 9. Difference between customer satisfaction and service quality



Source: www.marketingstudyguide.com

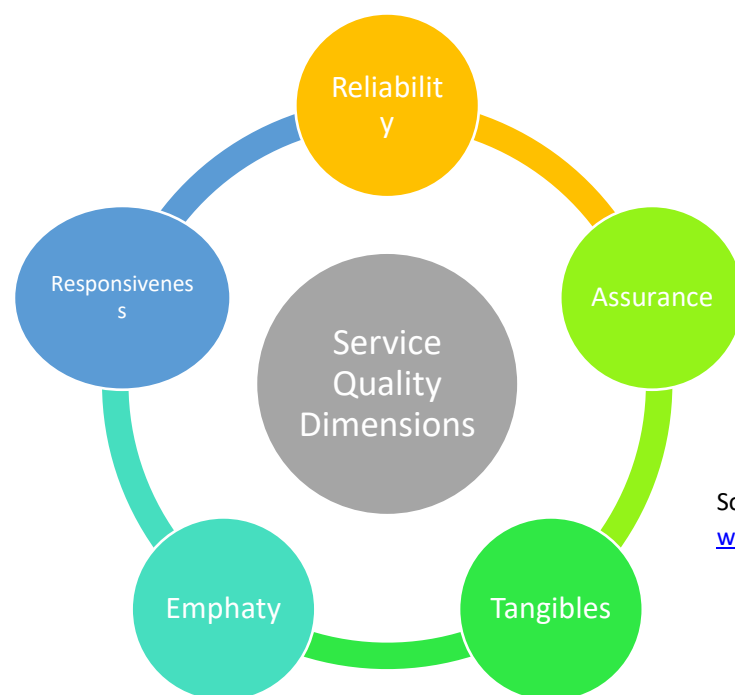
According to figure 9 adapted from Marketing Study Guide (2019), There are possible situations where customers can be unsatisfied with the high-quality service and satisfied with the one lower quality.

3. Dimensions of Service Quality

Measuring the service quality strongly depends on the nature of the business and its brand promise and goals. However, the most standardised model of service quality measurement is known as SERVQUAL. Service quality is the purchaser's estimation of value and delivery of the firm, which SERVQUAL model breaks into five categories.

Measures of service quality were established by various researchers over the years. Several changes were applied to the SERVQUAL model in order to suit businesses independently. Parasuraman et al (1988) converted the original ten dimensions into five which were ranked by customer's as most considerable when it comes to service quality. Later, it was suggested to recall this model in simplify way by using the letters of RATER (Burns, 2003, p. 4),

Figure 10. Five Dimensions of Service Quality



Source: Geoff Fripp (2019),
www.marketingstudyguide.com

Reliability – firm capability to carry out the promise service dependably and accurately (Parasuraman et al, 1988).

- Steadiness in managing problems of costumers' service
- Providing promised service
- Accomplishing services correctly straight ahead
- Providing service at expected time

Zara store managers communicate what customer like or dislike about product and what they are seeking. This fast communication of the feedback allows fast design of the desired products. Zara produces most of the items in Spain making assuring flexibility of the products assortment and necessary adjustments to customer needs can be managed smoothly (Tradegecko, 2019).

Ranking: 8/10

Assurance – courtesy and knowledge of personnel, as well as their capability to convey confidence and trust

- Trustworthy workers
- Assuring customers sense of security while making transactions
- Employees who are constantly considerate
- Knowledgeable employees who can provide customers with the answer to their questions

Zara believes in power of human. Therefore, they value employees, giving equal opportunities and provide trainings. Employees of Zara follow the Code of Conduct knowing exactly how to behave towards customers. H&M do not use code of conduct but use different guidelines. Zara believes in collective energy. Therefore, human resources are carefully choosing people who join Zara's family (Inditex, 2019, d). This dimension is not strongly related to fashion retail therefore I gave ranking

Ranking: 3/5

Tangibles - refers to presence of personnel, communication materials, physical facilities, and equipment's

- Innovative technology
- Visually appealing facilities
- Employees who look professional and neat
- Visual appearance of Materials associated with the service

Zara is seen as rapidly changing company. The unique store inventory attracts customers giving competitive advantage over H&M. Employees at Zara are veering Zara's fashion items representing the brand image. Zara improves its online store, emerging fast shipment, this will decrease amount of remaining inventory (SDC EXECUTIVE, 2018).

Upon the researched information I will rank Zara 9/10 on this dimension.

Ranking: 9/10

Empathy – caring for customer and showing individualised attention, friendliness, and consideration of personnel towards consumer's

- Showing individual attention to clients
- Understanding customer needs

From own experience I see employees at Zara very helpful and polite. Happened that I had to use return policy and whole process was smooth. However online sources showed that customers often face bad customer service when it comes to returning an item whether it was bought online or in store (Trustpilot, 2019). In comparison according to BrandThro (2017) H&M faces issues such as lack of emotional intelligence. I have mixed feelings rating this specific dimension. Therefore, taking in consideration own experience and comments of the customers posted at online platform I will give to Zara 6 points out of 10.

Ranking: 6/10

Responsiveness – enthusiasm to help and provide appropriate service. According to Zeithaml et al (2013) responsiveness is conveyed to consumers by the span of time that they must wait for the attention, help, or response to enquiries.

- Helping resolve the issues
- Respond to requests of the customer's
- Making sure that service is delivered on time

Zara has thirty days return policy. Therefore, it is very easy to bring back unwanted item and receive the money spent. Although, rapidly expanding digital stores of H&M proves service delivery, Zara's advanced supply chain positively affect shipment awaiting time. Martin Roll (2019) shares Zara's secret strategy in-store system called RFID. This Radio Frequency Identification Technology rapidly tracks the location of garments giving customers access to those in highest demand.

Ranking 8/10

Ranking Summary Table of Service Quality Dimensions – Zara vs H&M		
Dimensions of service Quality	Zara	H&M
Reliability	8/10	7/10
Assurance	3/5	3/5
Tangibles	9/10	7/10
Empathy	6/10	6/10
Responsiveness	8/10	6/10
Total Score:	35/45	29/45

Figure. 11. Summary table of Service Quality Dimension – Zara vs H&M

Summary of the section

Businesses understands that service quality brings a competitive and sustainable advantage. Service quality and customer satisfaction are known as key accomplishment factors for companies that are thinking about expansion, competitiveness, and market growth. From the summary table presented in Figure 11, it is noticeable that Zara have competitive advantage over its main competitor H&M. Although SERVQUAL model appeal to work for most of the businesses, it is not seen as adequate service measurement model for retail industry such as is Zara. This could be due to variety in customer preferences and perceptions. I found it difficult to apply rating of all the five dimensions. Therefore, I would recommend use of different service quality model called RSQS which was developed to suit retail industry.

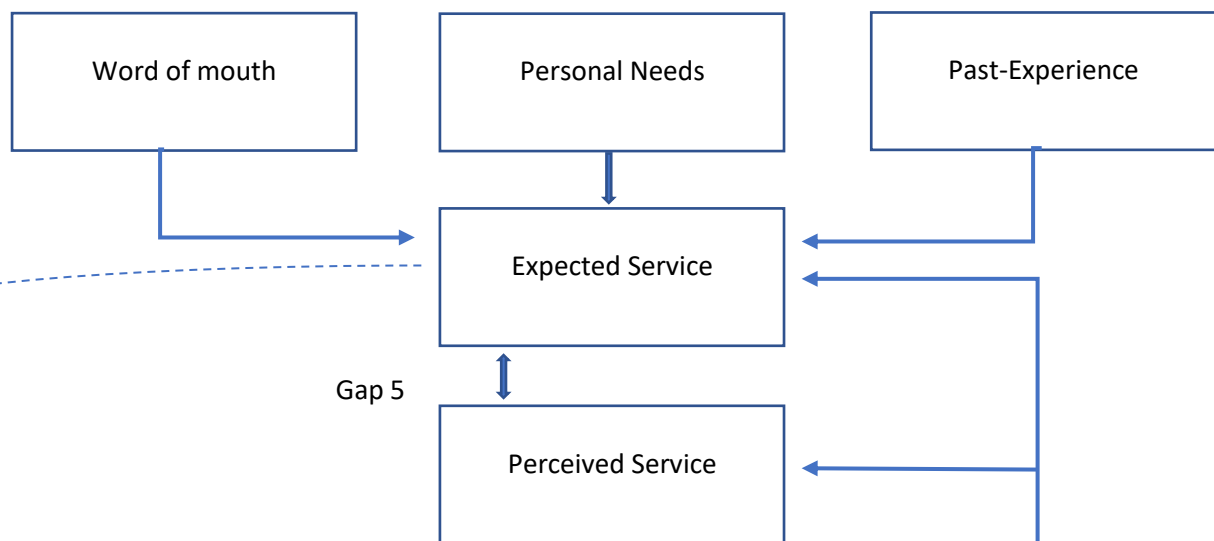
If I had possibility to write more than four to five thousands' words I would have add product quality revision for Zara, as I believe that fashion retailers are more focused on the product and that customer measures his/hers satisfaction with the purchased product rather than service received.

4. Service Quality Gaps

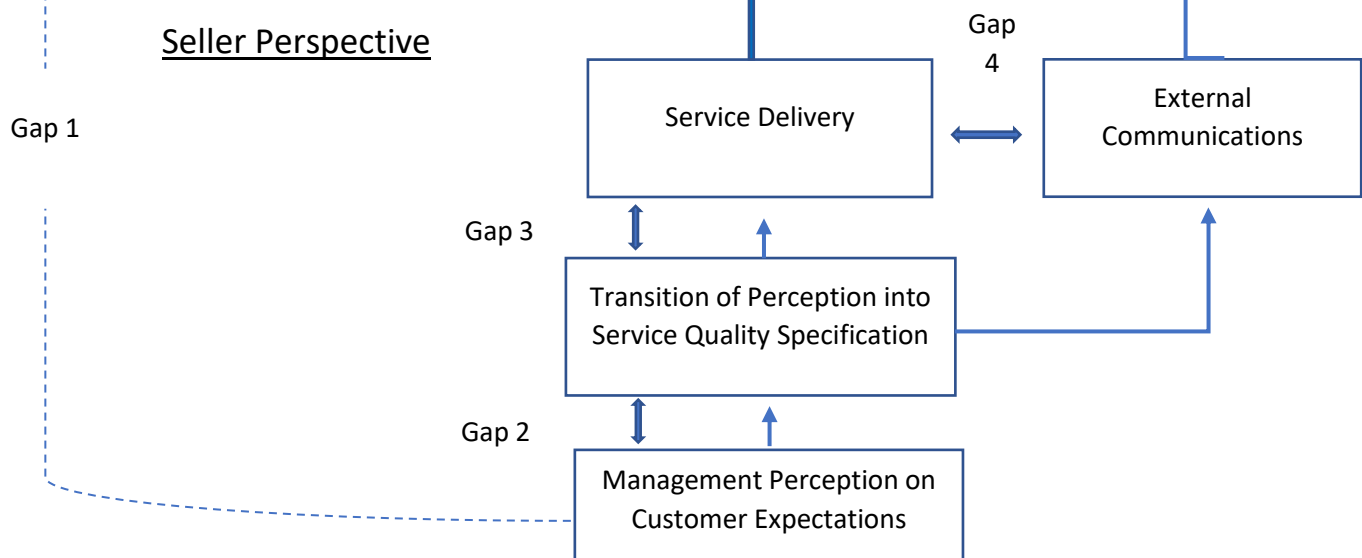
Model of the service gap was designed so that managers can analyse the gaps between customer perceptions of service and the customer expectations. By using this model managers can minimise gaps and therefore, improve service quality.

Figure 12. Service Quality Gap Model

Customer Perspective



Seller Perspective



Source: BBAMANTRA (2019).

Gap nr 1 – difference between perception of the management on customer expectations and expected service

- Lack of focus on customer relationships
- Customer expectations are unknown
- Inadequate market research
- Poor communication within organisation

In the constantly changing fashion trends, it is difficult to guess what customers expect. However, due to intense research Zara's employees have their hands-on fashion, following newest trends from the catwalks in hope to attract shoppers (Binns, 2018). Both H&M and Zara have exact knowledge of the market targets. When customers explore Zara, they have a detailed experience in mind: it will not be always related to shopping itself and it can change dependent on the situation. That Zara wants to provide customer with the experience that goes beyond shopping creating exactly what customers request. (Inditex, 2019, c)

Ranking: 8/10

Gap nr 2 – difference between management understanding of customer expectations and development of consumer driven standards

- Inappropriate physical evidence
- No commitment to customer satisfaction
- Poorly designed service

Zara's principle is to constantly improve services and to please their clients. Saving on advertisement Zara invests in the innovation of mortal stores and improvement of online platform to ease buying process for their customers (Edmunds, 2019). Zara's strategy is to deliver fashionable items in limited quality in order to attract buyers. This unfortunately might result in disappointment of those customers who want to purchase larger quantity due to limitation of items and sizes. As strategy might seem good for the business it can frustrate customers (Swinscoe, 2011).

Ranking: 7/10

Gap nr 3 – difference between actual service provided by the firm and developed standards

- Poor HR policies
- Service intermediates issues
- Failure to match demand and supply
- Undertrained employees

Zara uses Code of Conduct in order to establish guidelines for employees so that they have good knowledge of company principles and values. (Inditex, 2017) According to Danziger and Kohen (2018) Zara forces strongly engaged interaction with buyers. However, according to the rankings provided by customers at Trustpilot (2019) members of staff find it difficult to deal with issues faced by customers. H&M do not have Code of conduct but instead they do follow other guideline which leads employees on how to act. I ranked Zara 7/10.

Gap nr 4 – difference between communication made about the service and service delivered to customer

- Organisation is overpromising
- Managers are ineffective in managing customer expectations
- Non-integrated marketing communication
- Poor horizontal communication

Management of Zara must assure ability to deliver whatever marketers promised via advertisements or any other channels of communication. If company wants to meet customer expectation it must work in synergy with all departments. So far Zara does not advertise or overpromises upon something it cannot accomplish. H&M use social media, print media and television as the form of brand communication with the customers, in the current situation not many people reads magazines, Zara in contrast prefer to use real estate to communicate their market using high end location contributes in communication of firm identity as high end fashion brand (Fevrier, 2019).

Ranking: 8/10

Gap nr 5 – difference between expected and delivered service (depend upon the quantum of the four other gaps)

- Not knowing customer expectations
- Wrong selection of services design and standards
- Failure to match promised performance
- Delivering below standards

“Zara works to appeal to “fashionista” customers motivated by the “hunt.” They produce small batches to create exclusivity and turn over product rapidly.” Adrian Swinscoe (2011). Taking in consideration that size of Gap number five is depended on the four other gaps I will rank it as 7/10

Summary Table of the Service Gap for Zara vs its Competitor		
Gap nr	Zara	H&M
Gap nr 1	8/10	7/10
Gap nr 2	7/10	6/10
Gap nr 3	7/10	7/10
Gap nr 4	8/10	7/10
Gap nr 5	7/10	6/10
Total Score	37/50	33/50

Figure 12. Service Gap Summary Table – ranking Zara vs H&

Summary of the Section

This section focused on analysing the gaps between customer experience and customer perception of service. Each of the five gaps were evaluated and later scored using the researched materials. Zara although is a very powerful fashion brand still has areas of improvement, especially in Gap number 2 and 3. According to feedback gained from online sources, Zara should take closer look at its employees and the way that they communicate with the clients. Inditex (2019) proudly speaks about client being the core focus of their companies. However, I cannot say the same after reading negative comments posted by unhappy buyers which were left hopeless and without answer to the problems. There is no doubt that recognising and improving service gaps can bring positive impact on company revenue and customer satisfaction.

Conclusion

The aim of this report was to define and evaluate dimensions of the customer value, service quality and the service quality gaps giving appropriate ranking supported by evidence. As research base to this study I decided to use Zara retail. To summarise, I arrived in conclusion that fashion retailers should pay close attention to the customer value, needs and expectations in order, to improve quality of service, gain customer loyalty and remain competitive in the market. Use of the tools such as SERVQUAL - service quality measurements models are valuable assets for businesses. When accordingly applied they can improve company operations significantly increasing sales and revenue.

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Appendix:

1. Example of the customers comments at Quora:

Which brand would you pick between Zara and H&M?

Shashank Saboo “I would prefer Zara over H&M any day. Despite both the brands hold a significant piece of cake in the Fast-Fashion market; H&M is comparatively cheaper than Zara. However, does not provide a valuable shopping experience as what Zara does. Zara is also quite better in terms of material quality than the H&M and indeed has larger collection in terms of the items in latest trends.

Fashion trends had been often defined by Zara on a global stage, for example: the ripped jeans were transitioned to an international trend by Zara some decades ago due to rise in the trend at a global stage”.

Kasia Lis “Both have their individual merits, but to build a wardrobe I truly love, I would pick Zara every time.

Zara clothing has character, and class. Most of my professional wardrobe was purchased there. As a makeup artist, the universal dress code is all black, stylish pieces that do not fall out of style. Zara gives me plenty of options to stay within that framework.

HM is where I go for affordable basics- the building blocks of an outfit that don't take center stage”.

Matt Becher “Zara takes a lot more chances and, to me, fulfils a brand niche better: affordable trendy garments that don’t need a long shelf life and are tailored well or “well enough.” Easy decision”.