

MARKETING MANAGEMENT ASSIGNMENT 2: ZARA

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Executive Summary

Zara is the leading fashion brand in the UK and that faced several difficulties in the market. UIIK market environment analysis and Zara's internal environment analysis is detailed discussed in this study. Recommendations for Zara also developed inn based on their approaches and that is mentioned in this study.

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Introduction

Productive business approaches and enhancement of business with modern strategies and innovative technologies help Zara to develop their productivity. Enhancement of business opportunities also developed with innovative strategies that are developed through modern business approaches and Zara develop their business with market trends and customer demands. The UK fashion industry is developed with modern business strategies and that is also effective for the company to maintain their approaches and enhance their productive nature with technological implementation inside the company (Fromhold-Eisebith *et al.* 2021). The UK retail industry and their opportunities are discussed in this study. Internal environment and their innovative tactics also discussed in this study. Sustainability business environments are also discussed in this study and that also helps the organizations to maintain their productive nature (Miceli *et al.* 2021). Zara's approaches towards maintaining sustainability standards are also discussed in this study and that also help in developing suitable recommendations for future growth of the firm.

External environment analysis

PESTLE analysis of UK business market

Political

Productive business approaches by firms in the UK and enhancement of their relation with the government of the UK help to build an effective business atmosphere in the UK market. Government approaches towards development of the business system development with technologies are enhanced after the pandemic effect and policies and tax rules are developed according to those approaches. Stability of the UK government also helps the firms to maintain their business approaches by maintaining effective communication (Obrenovic *et al.* 2020). Employment laws also developed by the government in the UK and that are effective for firms to maintain their productive nature in the market and enhance their productivity with sustainable business approaches.

Economic

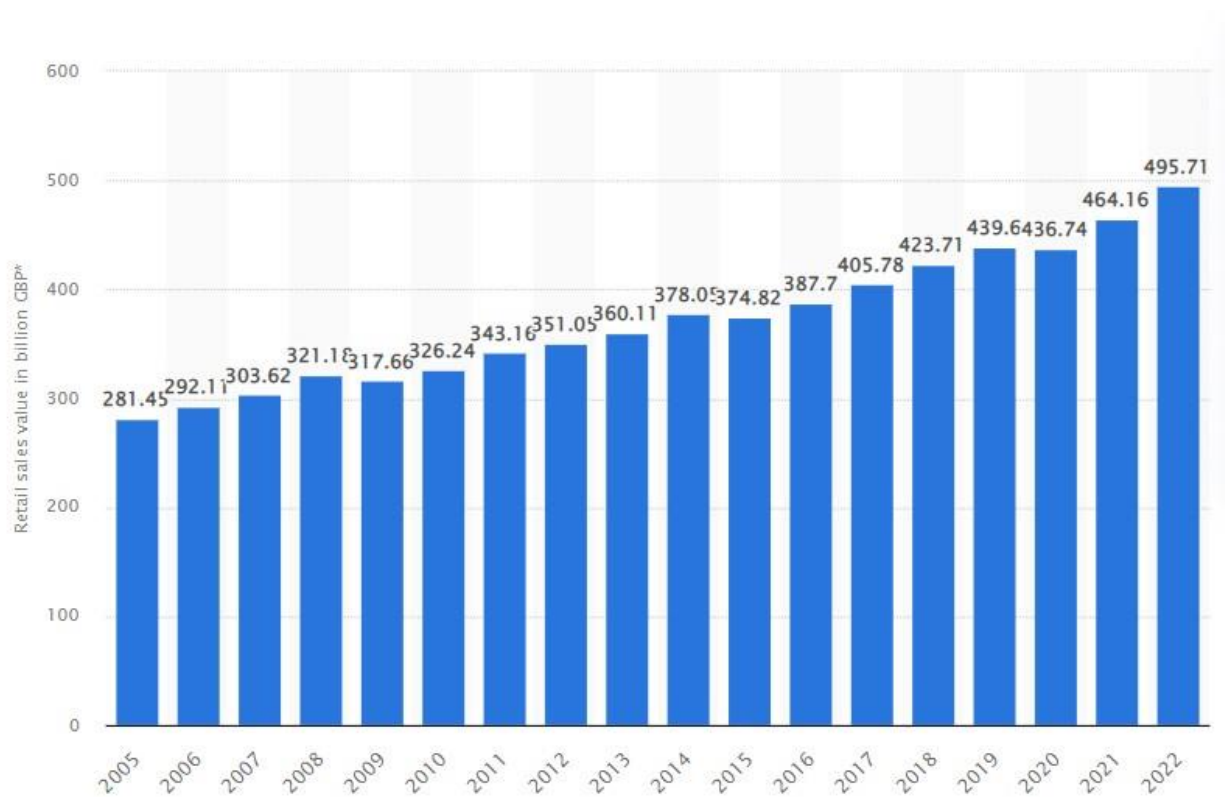


Figure 1: Retail sales value of Great Britain

(Source: Sabanoglu, 2023)

The UK market is expanding with time and that also helps firms in the market to increase their revenue and enhance their customer orientations. Tax rate, economy growth and interest rates make an impact on the firms to develop their business in the market. Economic condition of the UK market is also developing with time even through pandemic impact on the firms. Especially the retail industry of the UK is developing with time and that is expanding their brand all over the plant. In 2022, the sales from the retail industry were 495.71 Billion GBP and that is effective for the firms to develop their business approaches and enhance their productive approaches in this industry (Sabanoglu, 2023). Tax rate, economy growth and interest rates make an impact on the firms to develop their business in the market.

Social

Several demographic and social factors also make a vital impact on the firms and that also help the firms to maintain their customer orientations and enhance their relation with the customers. Social factors as culture also have a vital role in developing business strategies of firms and that also help the firms to maintain their business perspectives in the company. Population growth of the UK

also has a vital impact on the firms to develop their strategies and maintain their finances through developing effective financial forecasting and budgeting. Productive business approaches also generate interest in their customer and that is effective for the firms to maintain their productive nature and enhancement of the company.

Technological

Pandemic situations have developed a huge impact on the UK market and that also helps the firms in that market to develop the system with innovative strategies and innovative business ideas. Productive business approaches by the organizations enhanced through technological implementations and innovation development inside the company. The Government of UK also helps the firm's to develop their system with modern technologies and that can be profitable for the firms to maintain their productive nature and expanding process in the global market (Hamilton, 2020). These strategies also help the UK government to generate more revenue from the industrial sides and that also help to develop more interests of foreign firms to develop their business in the UK market.

Legal

The UK government develops their strategies for pushing their firms to evolve their business process and strategies with sustainable fashion. Government policies and legal restrictions are developed after the pandemic and effective for the firms to develop their business approaches in the competitive business market. Business opportunities of the company are also developed with modern business tactics and that is effective for the firms to maintain their productive nature and enhance their productive approach in the competitive business market. The UK government also developed legal restrictions for firms to develop their CSR values and reduce their wattage and pollution levels that can affect biodiversity also (Zhang *et al.* 2022). Sustainable business processes also help the organizations to develop their business system with modern technologies and that also help firms to inn\ovate new strategies for enhancement of their finances and effective business performance.

Environmental

UK firms develop their business processes with strong and stable business approaches and that is effective for them to maintain their productive nature in the antagonistic market. Business approaches of the UK firms also developed through maintaining business strategies and that were also effective for the firms to maintain their productive nature and enhance their finances through

their pandemic situation. Change in the customer demand and effective business approaches of the firms also help the government of UK generate more revenue and maintain the business environment in the UK. The productive approaches of UK also enhance business operations and that also help the companies to develop their business operations and enhance the process of growth.

Internal environment analysis

Zara is the leading fashion brand in the UK market and that also expanded their business overseas through their quality of products and developing their brand recognition. Productive approaches of Zara helps the firm to maintain their productive business operations and also help the company to maintain their productive nature. Zara also develops their strategies and processes with innovation with the time and that also brings profitable business growth for Zara in the international market.

Zara develops their products and enhances their customer satisfaction levels with effective business approaches and that is also effective for the firm to maintain their productive nature and enhance their business approaches. Business approaches of Zara also develop their business opportunities with modern business prospective and that also help the company to develop their productive approaches and enhance their system with modern systems. Market competition of Zara is also developing with similar strategies and enhancement of processes and that also help Zara to maintain their productive nature and evolving business strategies for holding advantages in the market. The internal stability in the business approaches helps Zara to maintain their productive approaches and enhance their market orientations.

SWOT analysis of Zara

Strengths

Zara develops their business collaborations with pioneers and that is effective for the company to maintain their productive approaches and enhance productivity through strong supply chain management. Development of the supply network also helps Zara to restore their valuable resources that can be effective for enhancing the production of Zara. Zara expanded their business in 96 countries and have their stores in 2249 locations in the international market. This huge number of offline stores of Zara helps in holding customer interaction with the brand and also enhance customer loyalty through effective communications.

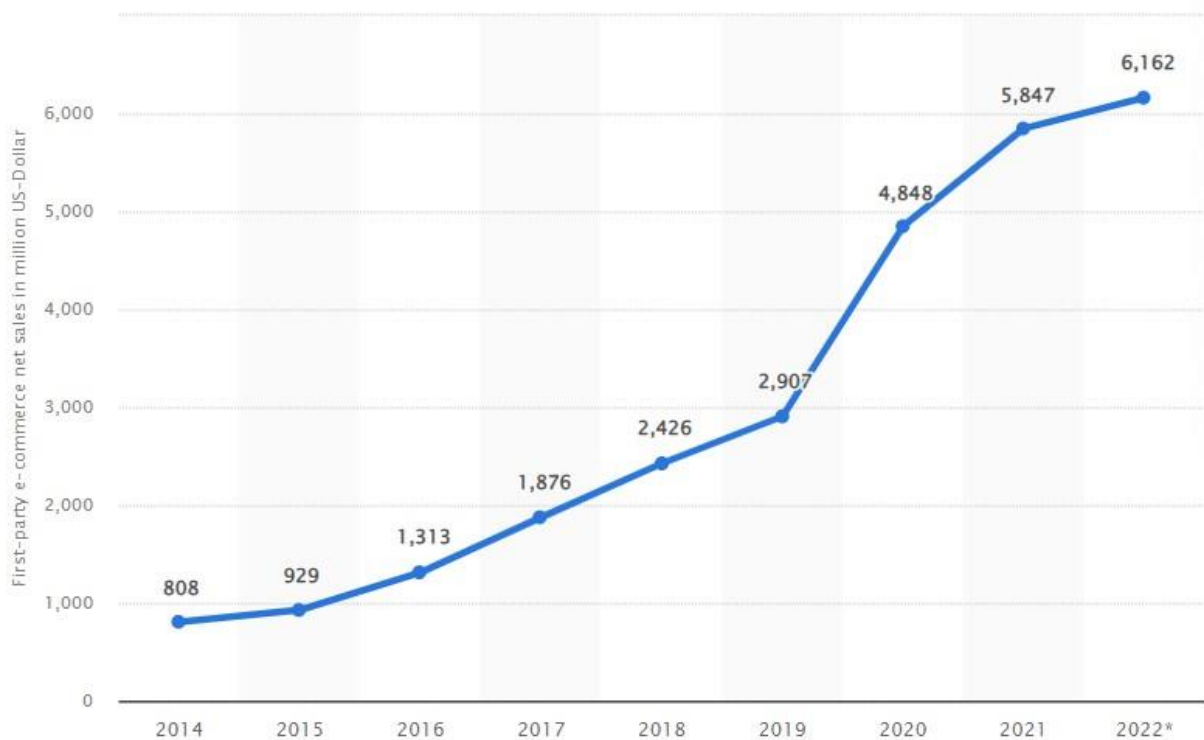


Figure 2: Sales of Zara

(Source: Pasquali, 2023)

Zara also has trained designers that produce unique collections for Zara to hold their customer bases and enhance their profitability in the market. Zara developed their sales with time and reached net sales of \$6,162 Billion in 2022 (Pasquali, 2023). Zara also develops their business on the online market and invests huge amounts on the online market that is effective for Zara to hold their customer base in the online market. Online site development also helps Zara to develop their customer orientations and that is effective for maintaining the customer base. Technology implementation is also an effective strategy of Zara to maintain their detailing in the products and reduce human errors in the products.

Weaknesses

Fashion industry is developing on the basis of fashion trends and innovative business approaches of the company and that also increases concern factors in firms to develop their business operations and develop their productive approaches in the market. Fluctuation in fashion trends makes a vital impact on strategic development and Zara also faced difficulties in making these strategies. Zara is also dependent on their offline stores and a pandemic situation made a vital impact on the

finances of Zara as the offline stores were closed across the globe due to lockdown restrictions. Physical stores of Zara also develop concern factors in the company and that are also effective for the company to maintain their productive nature in the competitive market. Lack of expansion strategies and inadequate market analysis causes financial loss and failure in business expansion. Zara also faced several difficulties in developing their finances from the USA and Asian market (Zara, 2023). That also makes a vital impact on the organization's approaches and enhances productivity of the company. Workplace standards and ethical issues such as the waste management system and employee management also increase concern factors for Zara to develop their finances and enhance their productive nature.

Opportunity

Market opportunities can help firms to develop their strategies and hold market positions with effective strategies. Zara also can develop their production rate and enhance their cycle of production and that is effective for the firm to develop their finances and enhance their productivity. AI implementation also can help Zara to develop their products according to individual customer needs and that is also effective for the firm to develop their customer satisfaction level and hold a customer base (Tiwari and Tomar, 2023). Influencer marketing also can develop the finances of Zara and enhance their productive nature in the competitive business market.

Threats

Threats in the market increase concern factors for firms to develop their finances and enhance their reproductive nature with profitable business growth. High competition in the retail industry of Zara also increases concern factors for the company and that also influences the financial development of Zara. Product price maintenance is very important in maintaining the market position with the number of sales in the company. Globalization factors also make an impact on Zara to maintain their productive nature and enhance their business operations. Pandemic situations and lockdown restrictions also make a vital influence on the company's finances and that also increases concern factors for the company.

Recommendation

SMART objectives	Strategy	Description
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Specific	Social media marketing	Zara can develop their customer base with social media marketing strategy and that can be effective for the firm to develop their finances in the post pandemic era. Social media marketing can also develop communication between employees and Zara and that help them to develop their products according to customer needs.
Measurable	Data analytics	Accuracy in market analysis with numerical and financial statements such as sale rate and production rates are measured by data analytic systems (Son <i>et al.</i> 2019). This technology can be productive for Zara to develop their market strategies with financial forecasting and that also make an impact on the firm's financial conditions.
Achievable	Content marketing	Advertisement development also takes a vital part in developing strategies for the company and that is also effective for the organization to maintain their protective nature and enhance customer orientations in the organization. Zara can develop their market strategies with effective strategies and that can help them to develop their finances and enhance their market analysis.

Relevant	AI technology	AI technologies can help Zara in numerous sections. Supply chain management and their efficiency can be enhanced with AI technologies. Customer communication can be enhanced with AI technologies (Libai <i>et al.</i> 2020). Product quality and detailing and designing are also enhanced through AI technologies and that is also effective for reducing human errors (Tyagi <i>et al.</i> 2021).
Time bond	Zara can develop these strategies within 2030 and that can help them to develop	
	their profitability in the global market.	

Table 1: SMART objectives for Zara

(Source: Self-developed)

Conclusion

Business strategies of Zara are developed with their strengths and opportunities in the market and that also help the firms to develop their finances and enhancement of business approaches in the productive business environment. Smart goals can help Zara to develop their business approaches and enhance their business with productive strategies.

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