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ASSESSMENT 2

Environmental Analysis of a fashion industry - ZARA

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Executive summary

The following report focuses on environmental analysis of fashion industry. It has been seen that fashion industry is the one who is increasing more pollution in the environment. This report demonstrate about a fashion company called Zara (Fritz and et.al 2020.). It is one of the biggest fashion retailer operating in the world. This company deals in clothing and popular for their quality products. This report will provide in depth information about Pastel and swot. This report also talk about all the changes which is being incurred by this company for the protection of environment.

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Environmental Analysis of a fashion industry - ZARA

Introduction

Zara is one of the famous brand in clothing and it provides variety of products to customers, and they always produce quality edition and also their customers feel privileged and unique when they wear the products of ZARA. But in past years it has been recognized that, fashion industry is increasing more pollution to the environment and especially those companies who deal production and Zara is also one of them. Pollution is increasing due to the use of crops and fibre (N gwenya and et.al 2020). So the stake holder of this company wants change and their for Zara has made some changes in their product now they are focusing on preparing more eco- friendly products so that their sells do not get impact. For this reason Zara is using recycled packaging so that they can protect environment apart from this they are focusing on non-waste when they manufacture the product. So This company has overall minimizes the waste of production for the welfare of environment.

1. Pestle analysis.

Political

As per the political context one of the biggest advantage to Zara is that due to government and their policies it becomes very easy for this company to get raw material for the production. They can easily purchase raw material from all those companies where they get it on cheaper prices. But this company is focusing on purchasing those raw material which can be recycled so that they can provide protection to the environment. Besides this, the free trade policies of government is also helping Zara to sell their product worldwide.

Economical

Zara is continuously working on providing employment opportunity to all the skilled people. On the other hand this company wants low cost labour as well, so that they can help the company to improve profitability (ZARA, 2017). This company also wants to improve the economy of the country therefore they are paying tax to the government so that government can use this money for the well fare and development of people.

Social

Zara is known for their good quality products. But changes in the taste and preferences of the company put great impact on the profitability of Zara. But this company is providing good and new range of products to people and it is not just focusing on the local market but also introducing on the global level.

Technological

This company invest huge amount of money in technology so that they can produce more products effectively. Besides this , Zara also have popular website through which it provides all the necessary information about their product to customers. Beside this, It uses RFID technology to track down its products.

Legal

Zara is effectively working on ethics and sustainability. This company always follow certain rules and standards. It also provides living wages to their workers. But this company has to face some accuses on stealing the designs and concept of clothing from Adidas. But this company also working on maintain strong copyright laws.

Environment

This company is working for the welfare of environment and their for in their office and headquarter they are using renewable energy. Besides this, they are working to reduce water consumption as well. It is their aim to do zero landfill waste. Along with this Zara is also working on greenhouse gas emission.

Product life cycle:

Introduction

Zara is introducing eco friendly clothing which is made from organic fabric. As protection of environment is one of the biggest concern for the company (Ullah, 2021). It is also using organic cotton more than compared to traditional cotton so that customer get comfy and stylish look. Besides this, Zara is also working on using plastic free packaging.

Growth

When Zara introduced their eco friendly product it becomes popular among customers. As it is not harming the environment and this product fulfils the demand of their investors. Therefore, this product get good growth in the market.

Maturity

After getting good growth in the market, This Eco- friendly products reaches to the maturity and achieved the set target of the company. AS this product was offering totally new and organic fabric to customer, so the sales of this product also get good grow in the market.

Declining

After reaching to the certain level the sales of this product started declining. Because people don't want to use similar product every time. Therefore the demand of eco friendly product get decreased.

2. Porters 5 forces

Threat of New entrants: the organisation is not suffering from the threat of new entrants because it has already been one of the most reputed organisation and it is difficult for the other companies to beat this organisation in terms of its reputation. Therefore there is a lot of entrance for the organisation.

Bargaining power of suppliers: the bargaining power of suppliers is relative less because there are a lot of suppliers that are operating in the fashion industry and when compared to the other organisations it is regarded to be a little less.

Bargaining power of buyers: bargaining power of buyers is low because there are a lot of suppliers in the industry and therefore it is not so difficult in order to move ahead with the power of bargaining.

Threat of substitute: the threat of substitutes is moderate to low because there are very less substitute that are therefore the organisation and therefore it is relatively less.

Rivalry among other existing firms: there are quite a few number of competitors that fall in regard to Zara and therefore it is regarded to be moderate to less and every organisation is moving ahead in terms of development and there seems to be no rivalry among the existing firms.

3. Analysis

The changes that are listed in the above analysis will bring about a significant demonstration regarding the organisation that is operating in the fashion retailing factor. The most famous brand will have to inculcate sort and quality medicines that will bring about the production towards tracing the perk of being the best. The changes that are being analysed in part one will bring about the stakeholder analysis referring to certain preparation method that are usually eco-friendly which are doing inculcated by the fashion industry Zara (Pal and Gander, 2018). Through the PESTEL analysis of the organisation that is being listed it can be effectively demonstrated that the political factors will have to be taken into account and will have to come up with an alternative solution such that the protection towards its products can therefore be gratified. The social factors that are being highlighted in this macro environmental analysis will highlight the profitable standard that are a part of considering different beliefs of people. The economy factors that are being faced by the organisation are in an urge to improve profitable standard and therefore it is regarded to be one of the finest aspects that has been accomplished as a part of change management (Turnberg, 2021). The technological factors that are being invented by the organisation are also one of the perk of moving ahead in terms of growth prospect that have been analysed. The legal as well as the environmental factors are also working towards sustainability and welfare of the environment and therefore by identifying these policies and ankle getting them in the organisation can be a beneficial aspects of the organisation. The changing analysis that is being carried forward in the product lifecycle will bring about growth maturity declining of the organisation and a knowledge that is required for the organisation to put forth.

All the changes that are being depicted by the organisation in critical change analysis are said to be the ones that will gratify different competitive advantage for the organisation. In the field of retailing there are many challenges with regard to stakeholders as well as the government policies amidst of all the social factors. In this regard the organisation will have to develop their potential to bring about variation in dealing with the circumstances as well as the operational units such that they can combat with all these challenges and can stand firm in the competition (Niinimäki and et.al, 2020). The Marketplace is full of opportunities and it is not until when the organisation move ahead in implementation of the policies of change and gets inculcated and adapted to the policies of fashion industry that the get to identify and to establish their position in the market. The competitive advantage upon analysing these change factors will be such that there can be a good amount of customer base for the organisation because these days there is a lot more scope for fashion to free well and many people are choosing it over and over again. In other words, this can also be regarded to be one of the predominant factors that is being developed very often and is explored therefore the beliefs that are in regard to bring about change in the organisation both internally and externally can contribute for the betterment of the organisation.

While moving ahead with the growth prospects it is necessary that the organisation will have to evaluate certain basics and that is only possible upon which the organisation can maintain a standard of communication. The fashion industry is full of hurdles and it is not until when the industry goes ahead with a firm basic knowledge that is required for it to adapt to change policies that it gets to incorporate all the strategies and mechanism which are necessary. The growth of the organisation is entirely dependent upon how strong the

employees as well as their strategies are and therefore it can be critically evaluated on the basis of half hour the organisation is maintaining a consistency (Nguyen, 2018). All the factors that are a part of micro as well as macro environmental features of the organisation are being listed and also sorted out along with the change policies and therefore these reflect upon a competitive advantage that can be gained for the organisation. All these necessary valuations will have to be followed on a regular basis such that they can amend different adaptation and can move ahead in implementation policies.

Recommendations:

Strategic orientation: the first of all the recommendations will have to be the strategic orientation and that can only be possible upon identifying all the benefits that are in regard to the organisation. The company will first have to evaluate the choices upon its operational entities and that can only be derived upon analysing the aspects of pertaining changes and their implementations. A strategic orientation is necessary in order to move ahead with a perfect growth prospect and that can only be attained on the predominant as well as the perception (Garcia-Torres and et.al, 2017).

Powerful management systems: in order to stand firm in the industry the organisation will have to first develop its management to be one of the powerful assets. The management will have to depict the choices that are in regard to employees as well as the policies that are being highlighted with regard to micro as well as micro environmental analysis. The productivity of the organisation is entirely dependent upon how far the management is taking all the policies and insulting to change. It is not until when the management will derive policies of change that the employees can get to understand the feasible measures that can be adopted (Kwon and Lee, 2021).

Action planning and implementation: planning is necessary because it is not under any proper plan is proposed that the organisation cannot follow a basic necessity. The implementation can be only possible when the action planning is properly. Without this the organisation cannot move ahead with the policies of change. This can also stand as one of the biggest credit for the organisation where they will have to implement the factors that are necessary for growth of the organisation.

Conclusion

The report concludes upon identifying the aspects that are in relation to environmental analysis of a fashion industry. Project report one can easily understand the factors for analysing the change. The famous clothing brand that is being presented in this regard has undergone many change aspect and data in regard to the macro as well as the micro Environmental effects. The PESTEL analysis as well as the change policies that are a part of pestle analysis are being highlighted in this report through which one can easily understand the kind of things that will have to be handled. The product life cycle along with the growth maturity and declining prosperity is are being included in this report. A critical analysis overall this change policies that fall in regard to organisation Zara is being a portrayed. The organisation in order to move ahead with the improvement resort and recommendations are also included in the report that can bring about a good prospect of the organisation.

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