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1. Introduction to the Report

This report is a detailed assessment of ZARA's international operations and the strategic step behind its status as one of the world's leading fast fashions MNCs. As a flagship brand of the Inditex Group, ZARA has grown from its origins in Spain to more than 90 countries, including several high-growth emerging markets (Ha, 2021). Operating in a volatile and highly competitive global retail industry, ZARA's international success is driven by its unique business model, fast-response supply chain and capacity to combine global efficiency and local responsiveness (Bafna, 2023).



Figure 1 ZARA's international Operations

The report starts with the analysis of ZARA's position as a multinational corporation (MNC) and then an analysis of the firm's global value chain activities, entry modes, benefits and challenges of doing business in diverse institutional and cultural environments. This analysis provides the analytical basis for subsequent discussions

about strategic frameworks, cultural considerations and operational adjustments required for sustained international success (Viardot, 2025).

2. Benefits and Challenges of International Operations

a. Why ZARA Is an MNC/TNC

ZARA fits the definition of both a multinational corporation (MNC) and a transnational corporation (TNC) in terms of its operational footprint, built-in global value chain and decentralised decision-making structures (Kosovic and Peebo, 2021).

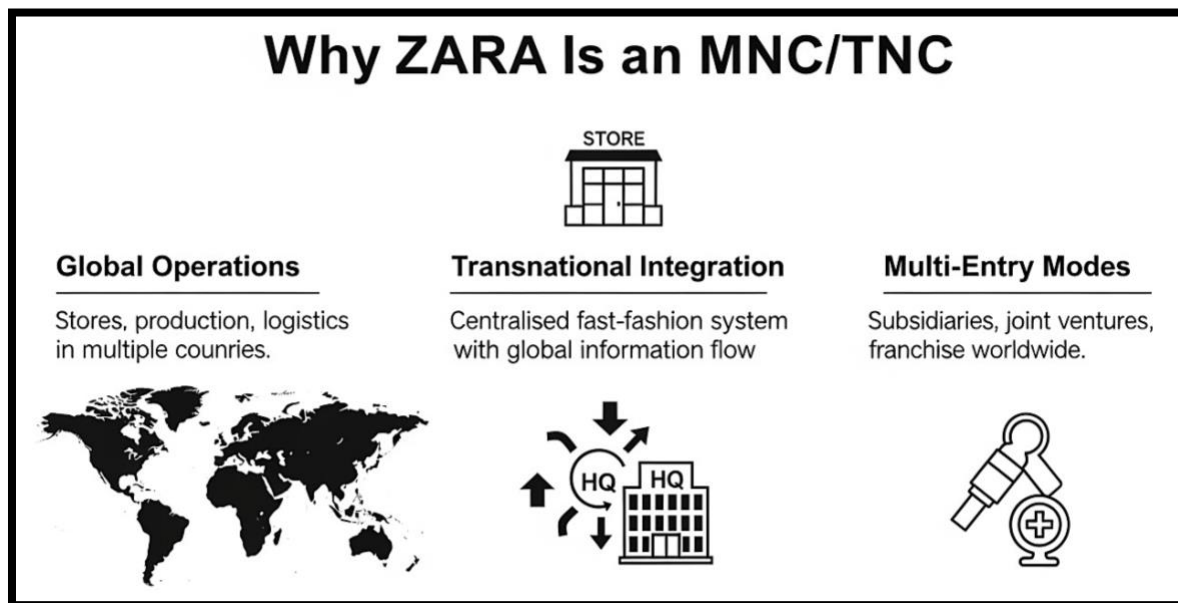


Figure 2 Why ZARA Is an MNC/TNC (CANVA)

First, ZARA has physical retail stores, e-commerce and value-adding activities like design, procurement, logistics and production in many countries all over the world. This geographical dispersion of strategic activities is the defining characteristic of an MNC (Nguyen, 2023).

Second, the company organises complicated flows of products, information, and knowledge across national borders. ZARA's "fast-fashion" model relies heavily on instantaneous communication between its headquarters in Spain and its stores in Europe,

Asia, Africa and the Americas. The brand exhibits high degrees of global integration (e.g., centralised logistics, vertically integrated production) and local responsiveness (e.g., adaptation of product lines to local cultural tastes) (Luz et al., 2021).

Furthermore, there are foreign subsidiaries, franchised partners, and joint ventures in ZARA's governance structure, which demonstrates multilayered ownership and management in countries. Its financial resources, technological capabilities and organisational processes go beyond national boundaries, strengthening its status as a truly transnational enterprise (Viardot, 2025).

b. ZARA's Global Operations: Value-Chain Activities

ZARA's success is due in large part to its very coordinated global value chain. From design to distribution, the value-creation activities of the company are designed to reach the objectives of speed, flexibility and cost efficiency. Each stage of the value chain has a strategic contribution to its international competitiveness (Luz et al., 2021).

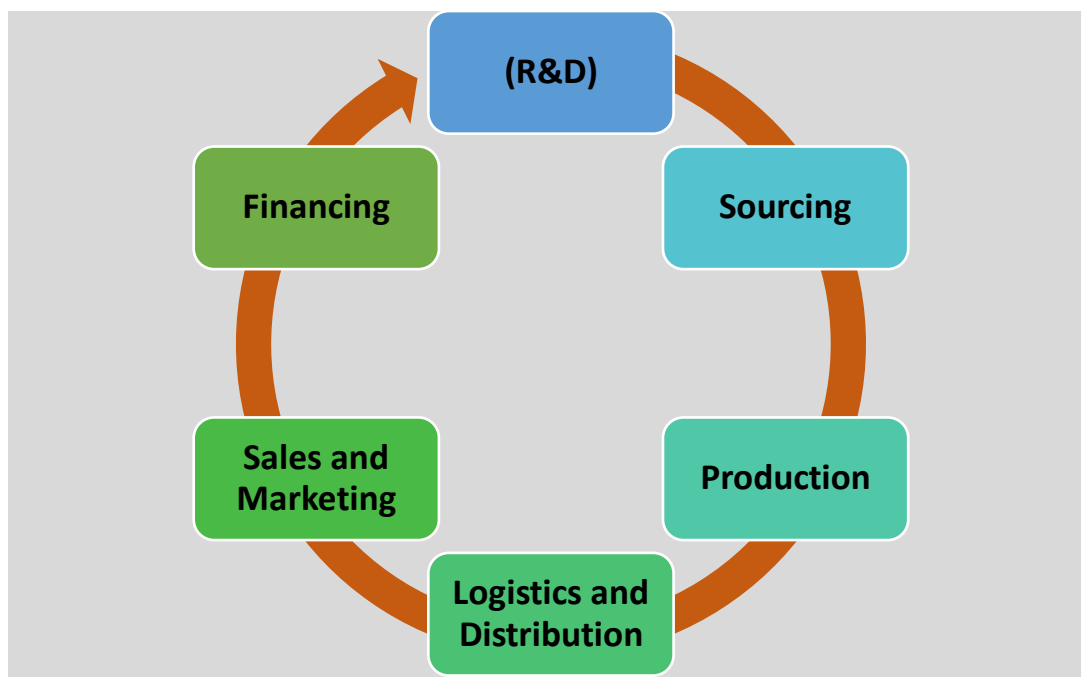


Figure 3 ZARA's Global Operations: Value-Chain Activities

1. Research and Development (R&D)

ZARA's R&D function is concentrated in its headquarters in Arteixo, Spain, where multidisciplinary teams of designers, buyers and data analysts work closely together. The company's unique model puts a premium on continuous innovation instead of seasonal product planning (Ha, 2021).

This steady stream of information allows ZARA to react swiftly to developing trends and decreases the risk that there will be mismatches between consumer preferences and product offerings. ZARA's ability to convert market information into new designs in two to three weeks is one of its key competitive advantages (Nguyen, 2023).

2. Sourcing

ZARA uses a hybrid approach to sourcing that is meant to balance speed and cost.

1. **Nearshoring:** Fashion-sensitive and high-complexity items come from providers and factories close to Spain – in Portugal, Morocco and Turkey. These suppliers facilitate quick lead times, while ZARA is able to update stores twice a week.
2. **Offshoring:** The basic and standardised garments are coming from low-cost nations like China, Bangladesh, Vietnam and India. This lowers the cost per unit while maintaining margins (Kosovic and Peebo, 2021).

3. Production

ZARA is unusual in the fast fashion industry for maintaining high levels of in-house manufacturing capacity. Approximately half of its production is from Spain, Portugal and Morocco (López et al., 2022).

This vertical integration has a number of advantages:

- Tight quality control
- Faster switching of garment designs
- Ability to manufacture small batches and not overstock
- Increased confidentiality of new designs

Outsourced production is still important but is strategically applied for predictable, high-volume production (Bafna, 2023).

4. Logistics and Distribution

All ZARA distribution goes through very automated logistics centres in Spain. Twice a week, all stores around the world receive new shipments. This "just-in-time" model helps to support the ZARA promise of freshness and variety. Each distribution centre is linked with sophisticated inventory-tracking systems for precise allocation of stock in markets (Yang, 2025).

The centralised structure enables Zara to manage the movement of products, lessen the cost of holding inventory and ensure global consistency in the presentation of brands (Liu, 2024).

5. Sales and Marketing

ZARA operates around 75% of stores directly through wholly owned subsidiaries, and the rest of the stores with joint ventures or franchising agreements. Stores are usually in urban areas that are high in traffic flow and have a premium minimalist design meant to boost brand image (Luz et al., 2021).

Importantly, ZARA does not spend very much on advertising. It uses prime store locations, fast stock turnover, and good brand equity to attract customers (Liu, 2024).

6. Financing

As a part of the Inditex Group, ZARA has strong financial support and the ability to generate capital internally. Its international operations mitigate the financial risk by diversifying the revenue streams and economies of scale. Centralised financial management makes sure that there is a consistent approach to investment across markets, including expansion into emerging economies (López et al., 2022).

c. ZARA's International Entry Modes

ZARA uses a blend of entry modes in international expansion, with each mode being used strategically depending upon institutional conditions, regulatory constraints, and the degree of risk and control needed (Yang, 2025).

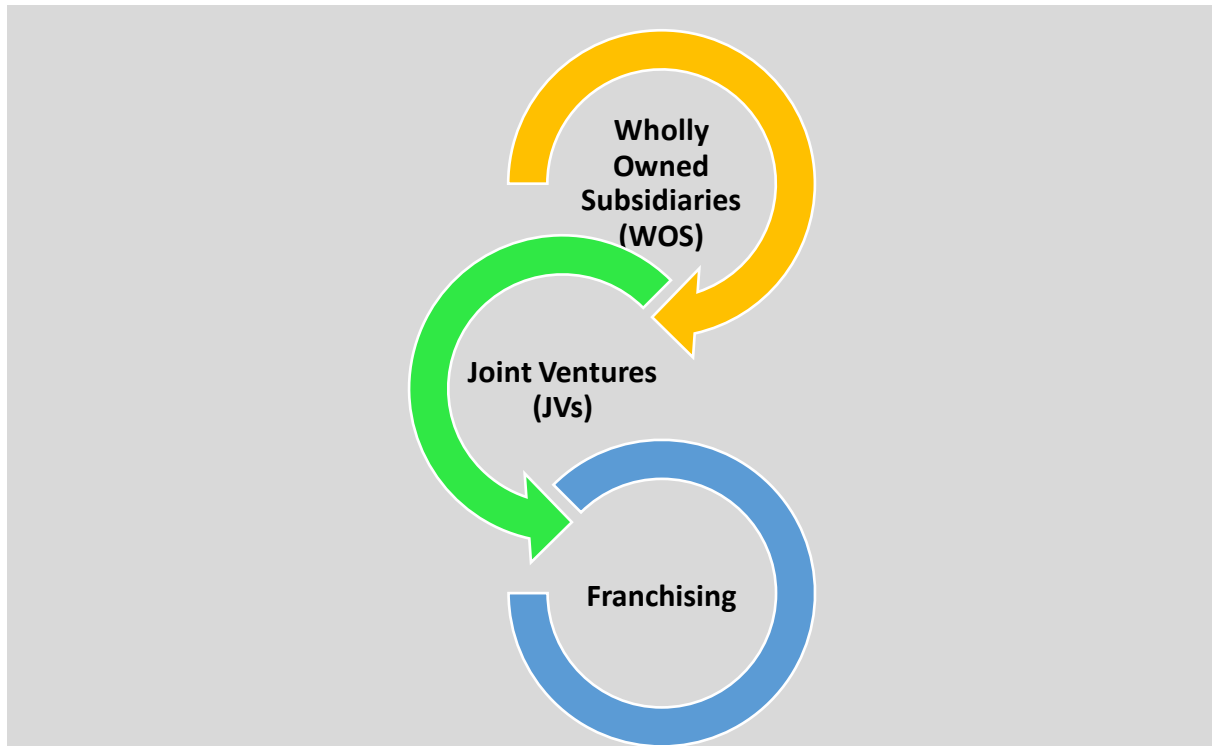


Figure 4 ZARA's International Entry Modes

Wholly Owned Subsidiaries (WOS)

Wholly Owned Subsidiaries (WOS) are the dominant mode of entry of the company, especially in developed economies with stable legal, economic and political environments, such as the United Kingdom, France, Germany, the USA and Japan, etc. (Liu, 2024). Through WOS, ZARA maintains the authority of their store operations in their entirety, allowing strict consistency with global brand identity and quality standards. This means of entry also safeguards the firm's proprietary systems – especially its highly responsive supply chain and IT-integrated logistics processes – while enabling efficient implementation of its fast fashion business model into the markets (Veliyath, 2024).

Joint Ventures (JVs)

In contrast, Joint Ventures (JVs) are employed in countries where foreign ownership regulations, institutional complexity or cultural distance create barriers to full ownership. Notable examples are ZARA's operations in India through its partnership with Tata-Trent and its previous joint ventures in China before moving into fully owned operations (Dender, 2021). These joint ventures lessen exposure to regulatory pressure and offer valuable local knowledge of consumer preferences, retail practices and bureaucratic navigation (El Ghoul, 2023).

Franchising

ZARA also engages in franchising in areas where direct investment is either restricted by regulation or unattractive commercially because of the size of the market, economic instability or geopolitical risks. This mode of entry is prevalent in the Middle East, such as in Kuwait, Saudi Arabia and the United Arab Emirates, and select markets in Latin America and North Africa (Veliyath, 2024). Through franchising, ZARA is able to rapidly expand internationally with reduced capital expenditure and make use of the capabilities of local franchise partners, who have an excellent knowledge of consumer behaviour, cultural norms and local regulatory frameworks (Liu et al., 2024).

d. Key Benefits of International Operations for ZARA

1. Economies of Scale and Scope

International expansion allows ZARA to distribute fixed costs (e.g., design, logistics, and technology) over a large body of global customers. Its extensive network also enables diversification of styles, trends and channels of sale (Nguyen, 2023).

2. Learning and Innovation Advantages

Operating in a variety of markets gives ZARA greater access to international fashion knowledge. Store managers around the world gather information about customers in real

time, which goes into the company's ongoing design cycle. Being exposed to various cultural environments triggers creativity and innovation in the brand (Nguyen, 2023).

3. Risk Diversification

Economic crises in one area can be compensated for by economic growth in other areas. This geographic diversification makes Zara's revenues and profitability stable while reducing exposure to country-specific shocks (Dender, 2021).

4. Access to Lower Cost Production Regions

Internationalisation allows ZARA to take advantage of efficient production and sourcing hubs in different parts of Asia, Africa and Eastern Europe. Access to cheaper labour markets reduces the costs and enables the company to remain competitive in pricing.

5. Enhanced Global Brand Recognition

ZARA's international presence helps to strengthen its position as a world-class fashion leader. As consumers are increasingly paying attention to global brands, Zara's extensive reach provides visibility and market power (Liu et al., 2024).

3. Critical Discussion: OLI Factors and Their Impact on ZARA's Market Entry into India

Dunning's eclectic paradigm – commonly known as the OLI framework – gives a comprehensive lens with which to analyse the international expansion strategy of multinational enterprises. It argues that three factors -- Ownership (O), Location (L) and Internalisation (I) advantages -- determine the decision on whether to internationalise and also the entry mode to be adopted (Amiraslanov, 2024). When applied to Zara's expansion into India, an emerging economy characterised by fast economic growth, institutional complexity and evolving retail regulations, the OLI framework provides important insights into why the company chose to set up the joint venture (JV) structure as opposed to wholly owned subsidiaries or franchising (Limaye, 2025).

This section critically analyses the impact of each of the OLI factors on ZARA's strategic decision and the wider implications for ZARA's approach to emerging markets (Ly, 2021).

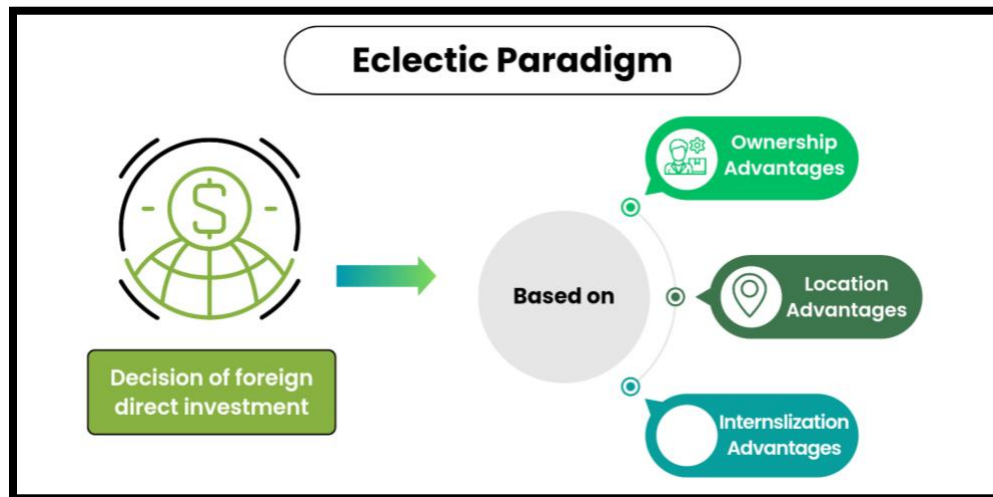


Figure 5 Dunning's Eclectic Paradigm – OLI Framework (Khuntia et al., 2021)

3.1 Ownership Advantages and Their Influence on Entry Mode

1. Ownership-specific advantages

ZARA is owned by Inditex and thus has specific ownership advantages which have great impacts on its preferred market entry modes. These advantages are a globally recognised brand, a highly efficient vertically integrated supply chain, an advanced information system, proprietary logistics models, and strong design capabilities. Such competitive strengths usually favour the high-control entry modes, such as the wholly owned subsidiaries, which enable ZARA to make full use and safe keep of its unique assets (Amiraslanov, 2024).

2. Emerging markets advantages

However, in emerging markets, such as India, the situation is more complex. While the ownership advantages that ZARA provides favour direct ownership, their full realisation requires institutional environments that are conducive to operational efficiency, fast flows of logistics, and close-hold control of the retail operations (Kuchenmüller et al., 2022).

ZARA's model of fast fashion requires short lead times, constant updates of inventory, and real-time data on the market. These features heighten the dangers of transferring ownership benefits through low-control modes such as franchising, which may compromise brand positioning or interrupt the uniformity of operation (Khuntia et al., 2021).

3. Joint venture with Tata-Trent

Nevertheless, in spite of these strong advantages for ownership, ZARA chose a joint venture with Tata-Trent when it came to India. This decision touches on a very critical issue: advantages of ownership do not operate in isolation (Limaye, 2025). They interact with local environmental constraints. While ZARA's proprietary systems favour complete control, the regulatory environment in India in the past was restrictive of foreign direct investment (FDI) in single-brand retail, requiring local partnerships (Ly, 2021).

3.2 Location Advantages and Their Impact on ZARA's Strategy in India

Location advantages are the advantages of a foreign market in terms of factors like market size, economic growth, labour costs, institutional frameworks and cultural distance. India offers significant location advantages to fashion retailers: a rapidly growing middle class, rising urbanisation, growing disposable incomes, and rising demand for Western-style clothes (Liu et al., 2024).

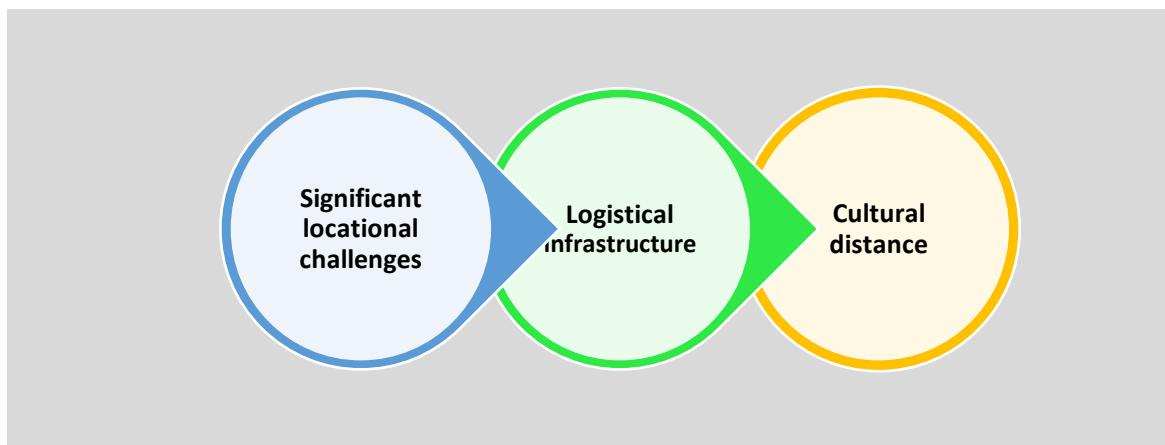


Figure 6 Location Advantages

1. Significant locational challenges

However, emerging markets such as India also have a significant number of locational challenges. The institutional setting has been historically characterised by complex rules, bureaucratic regulation and restrictions on foreign ownership, especially in sectors such as retail. When ZARA went to India in 2010, existing guidelines were that 100% FDI into single-brand retail was permissible under limited circumstances, even if this involved high levels of local sourcing – also incompatible with ZARA's globalised supply chain (Ton et al., 2010).

2. Logistical infrastructure

Besides, logistical infrastructure and supply chain capacities in India posed challenges in ZARA's rapid-turnover model. The company is dependent on centralised production and regular deliveries; however, India's infrastructural challenges could disrupt the pace and trustworthiness of the service required to keep ZARA's trademark "fast fashion" pace. Local partners having in-house distribution networks and institutional knowledge were therefore not only useful but strategically necessary (Bafna, 2023).

3. Cultural distance

The existence of the cultural distance also reinforced the importance of local expertise. Consumer preferences in India differ widely between regions, which demand delicate product assortments and marketing. Tata, with its long presence in the Indian market and knowledge of local consumer behaviour, provided ZARA with a strategic advantage that made up for the locational uncertainties (Alonso-Logroño and López-Escolano, 2025).

3.3 Internalisation Advantages and Entry Mode Selection

Internalisation advantages are associated with the firm's choice to keep operations in-house rather than license or contract out to thirds. For ZARA, internalisation is one of its key strategic principles. Its vertically integrated model with centralised design, production planning, and logistics relies on tight coordination and internal control to keep it operating fast enough and diminish inventory risks (Liu et al., 2024).

In India, however, ZARA's decision to go for a joint venture rather than full ownership reflects a nuanced calculation of internalisation. The JV structure enabled ZARA to internalise some critical aspects of its business model (e.g., design, product development, global sourcing, supply chain operations) and outsource non-core activities (that require local insight, such as decisions on store locations, property acquisition and local regulatory compliance) (Bafna, 2023).

3.4 Integrated OLI Perspective on Zara's Entry Mode in India

When viewed collectively, the OLI factors explain why ZARA chose a joint venture as an entry mode for India instead of wholly owned subsidiaries or franchising. Ownership advantages led to a preference for high control; location disadvantages led to a need for local expertise and partnership; and the advantages of internalisation favoured retaining control over core strategic functions (Su, 2020).



Figure 7 Zara's Entry Mode in India (Mehra, 2017)

More broadly, ZARA's strategy in India is a good example of how MNCs are flexible in their modes of entry into emerging markets where institutional voids, regulatory barriers and infrastructural limitations demand strategic flexibility. For ZARA's case, the OLI paradigm not only explains the choice of entry mode but also shows the ways in which the firm maintains a competitive advantage in different global environments (Benavides, 2024).

4. Cultural Differences and Their Impact on ZARA's Market Entry Strategy and Market Success in India

Understanding cultural differences is key to the success of multinational enterprises venturing into emerging markets. For ZARA, a Spanish fast fashion retailer, business expansion into India required more than simply complying with regulations or adapting its operations to the country – it required deep cultural sensitivity (Khan and Khan, 2017). Cultural differences affect consumer behaviour, management practice, style of communication, retail format, and product adaptation. Using established cultural frameworks like Hofstede's cultural dimensions, Hall's context theory and cross-cultural models of consumer behaviour, this section is an in-depth assessment of the level of cultural distance between Spain and India and its implications for ZARA's market entry strategy and long-term potential for success (Benavides, 2024).

4.1 Cultural Distance: Spain vs India

Hofstede's Cultural Dimensions as a Guide

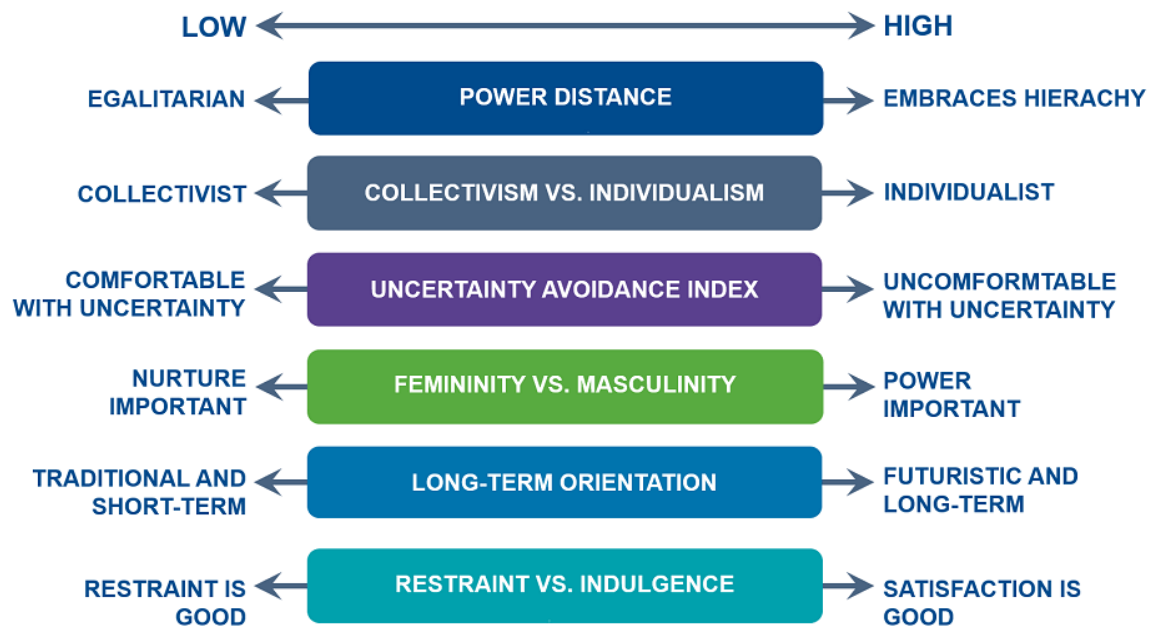


Figure 8 Hofstede's Cultural Dimensions as a Guide (Luximon and Chan, 2017)

Although not definitive, Hofstede's model provides a useful starting point:

Dimension	Spain	India	Implications
Power Distance	Moderate	Very High	Hierarchical relationships affect leadership, negotiations, and store management.
Individualism	High	Moderate-Low (collectivist)	Impacts shopping behaviour, decision-making, and marketing communication.
Uncertainty Avoidance	High	Moderate	Influences product experimentation and risk acceptance.
Masculinity	Moderate	High	Shapes fashion preferences and status-oriented purchases.
Long-Term Orientation	Moderate	Very High	Affects brand loyalty, value consciousness, and saving/spending habits.
Indulgence	High	Low	Impacts consumption culture and attitudes toward fast fashion.

The significant cultural differences between the two countries reveal multiple areas requiring strategic adaptation (Dudarenko, 2024).

4.2 Impact of Cultural Differences on Market Entry Strategy

1. The Need for a Local Partner

India's cultural scene is a complex and multi-layered one, with variations in language, religion and behaviour across regions. Unlike the rather uniform consumer culture of Spain, India needs local interpretation of demand patterns (Lee, 2023).

This cultural complexity reinforced the argument for the joint venture with Tata-Trent:

- Local cultural knowledge helps to lessen misinterpretation of consumer needs.
- Tata's knowledge of Indian demographics informed store location, pricing, staffing norms and assortment planning (Su, 2020).
- The local partner overcomes the difficulty in India's high-context communication culture, where the meaning of a communication depends to a large extent on social cues and relationships (Luximon and Chan, 2017).

Thus, cultural distance was a direct support of ZARA's decision for a JV instead of wholly owned subsidiaries (Lee, 2023).

2. Store Location Decisions Influenced by Cultural Behaviour

Spanish consumers are used to high-street shopping and densely populated urban retailing. In contrast, Indian consumers in the major cities prefer:

- Destination shopping malls
- Environments that have air conditioning, food courts, entertainment
- Shopping as a social or family-orientated activity (Saraswat, 2018).

This difference meant ZARA had to focus on mall-based entry, especially in Tier-1 cities (Delhi, Mumbai, and Bangalore), based on cultural preferences of having experiential shopping and family outings. If these cultural patterns of consumption had not been understood, then a direct entry mode could easily have meant poor performance for the store (Dudarenko, 2024).

3. Product Assortment & Cultural Norms

India has a lot more conservative clothing norms than Spain, and these cultural differences have a direct impact on the product strategy of ZARA. Fashion choice in India is greatly influenced by the rules of modesty, which are rooted in major religions such as Hinduism, Islam, and Sikhism, so there is a general preference for clothing that provides

better coverage (Su, 2020). Regional dressing customs also play an important role because different parts of India have dissimilar style expectations, colours and silhouette choices. The strong cultural significance of festive **celebrations such as Diwali, Eid, Navratri and weddings** also drives demand for colourful and embellished or humble clothing, unlike the largely minimalist styles prevalent in Spain (Ahuja and Tabeck, 2023).

4.3 Impact of Culture on Marketing, Branding and Consumer Engagement

1 Minimal Advertising Strategy: Cultural Risks

Globally, ZARA has a unique 'zero advertising' philosophy where store visibility, word-of-mouth and social media channels are the main means of building brand awareness. In Spain and other European markets, this approach works well because of the high degree of brand recognition, the high fast-fashion culture and urban consumer groups that are extremely fashion-conscious and actively seek out global brands (Khan and Khan, 2017).

However, the cultural environment in India makes this strategy more dangerous. Competing retailers **such as H&M, Lifestyle, Myntra and Westside** have built strong market visibility through aggressive marketing campaigns, which makes ZARA's dull strategy not so culturally relevant to local expectations (Benavides, 2024).

2 Price Sensitivity and Perception of Value

Price sensitivity is much higher in India than in Spain, affected by collectivist values emphasising financial prudence, long-term orientation and desire to achieve maximum utility with money spent. While ZARA is positioned as an affordable fast fashion brand in Europe, it is perceived as premium or semi-luxury in India due to high import duties, supply chain costs and currency fluctuations which increase price points. Local competitors offering similar styles at cheaper prices, like **Fab India, Westside and online platforms**, also influence perceptions of value (Ahuja and Tabeck, 2023).

4.4 Cultural Dynamics in Human Resource Management

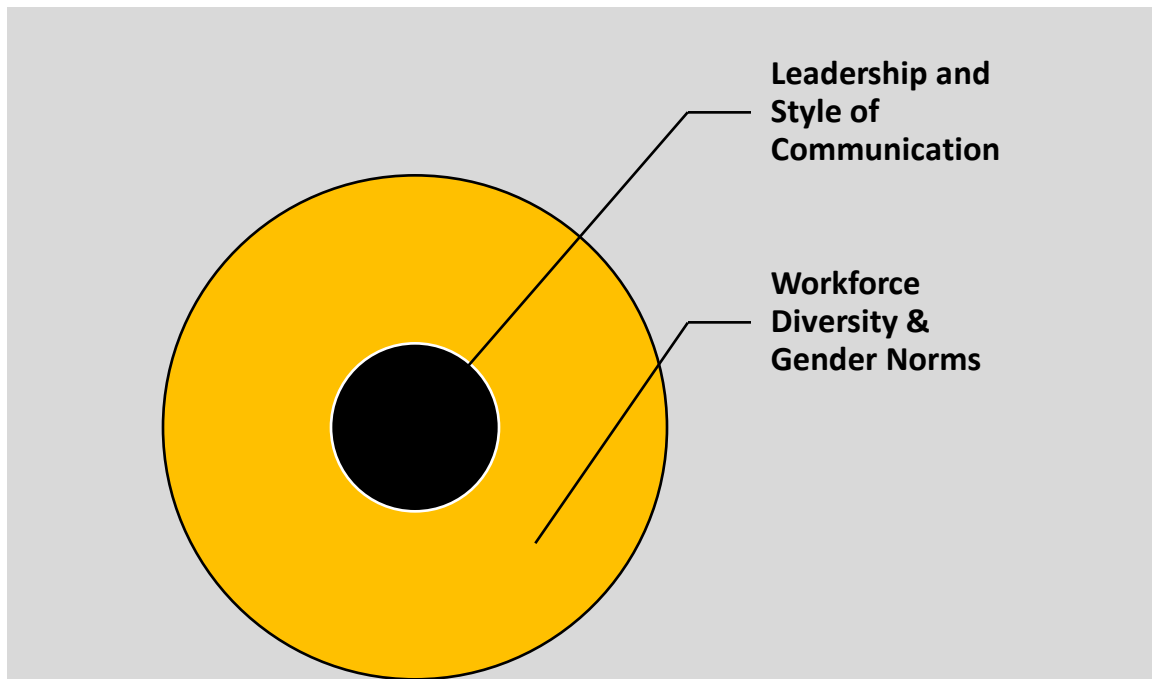


Figure 9 Cultural Dynamics in Human Resource Management

1 Leadership and Style of Communication

Leadership expectations and workplace communication vary greatly between Spain and India, posing difficulties in managing retail operations. Spain does tend to prefer the flatter organisational structures and direct communication and collaborative decision-making. In contrast, **India has a more hierarchical set of organisational norms traditionally**, where deference to authority is expected, communication may be indirect, and junior employees may be reluctant to question or challenge their superiors (Saraswat, 2018). For ZARA, these cultural contrasts affect the effectiveness of store management practices and the engagement of its employees. Spanish-style direct communication may be seen as too harsh or confrontational in India, and Indian employees may prefer a more context-sensitive form of feedback (Benavides, 2024).

2 Workforce Diversity & Gender Norms

Workforce availability in the Indian retail sector is affected by the cultural norms of gender roles and regional differences in labour participation. In many areas of India, cultural norms restrict women's work in later evening hours or full-time retail positions, impacting ZARA's capacity to roll out standardised models of staffing, as they are used in Spain and other Western markets (Dudarenko, 2024). Regional differences also add to the challenge; for instance, the participation of females in the workforce is higher in metropolitan cities like **Bangalore and Mumbai** but much lower in the north. Additionally, because many local retail workers have limited exposure to international retail standards, training is also important (Dudarenko, 2024).

5. Discussion and Recommendations: SOP Adjustments for ZARA's Success in India

ZARA's entry and expansion in India, which is a complex emerging economy, need not only the strategic alignment with ownership, location and internalisation (OLI) advantages, but also a high level of adaptation to cultural dynamics that differ quite from Spain. Although ZARA has had significant success so far with its joint venture with Tata-Trent, attaining Sustained long-term performance in India involves revising several of the Standard Operating Procedures (SOPs) (Dudarenko, 2024).



Figure 10 SOP Adjustments for ZARA's Success in India (CANVA)

These SOP adjustments must address the institutional gaps that were uncovered in the OLI analysis and account for cultural differences that influence consumer preferences, workforce behaviour and retail operations (James et al., 2023).

5.1 SOP Adjustment 1: Localised Product Development and Seasonal Adaptation

One of the most important changes in the SOP regards the localisation in the assortment of the products, which reflects the cultural and climatic differences between Spain and India. ZARA's global operating model has a high degree of centralisation with its product design, seasonal cycles and supply chain processes planned out of Spanish headquarters (Dudarenko, 2024). This high degree of internalisation is very much in line with ZARA's ownership advantages - in this case tight supply chain control, quick response and design agility. However, the Indian market offers cultural and environmental conditions that call for the greater decentralisation of certain aspects of the product development process (Nguyen, 2023).



Figure 11 Localised Product Development and Seasonal Adaptation (Canva)

1) Rationale for Localization Based on Cultural Factors

The previous cultural analysis has pointed to the fact that Indian consumers often prefer:

- Modest styles of fashion that offer more coverage (Dudarenko, 2024).
- Garments appropriate to extreme heat, humidity and monsoon weather
- Bright, festive colours and patterns that are not usually stressed in European fashion
- Clothing in line with cultural activities such as Diwali, Eid and wedding seasons
- Indo-Western fusion wear, ethnic inspired designs (Dudarenko, 2024).

Spain is ZARA's home country, it does not share these cultural or climate norms, which means that collections designed in Europe will not always be in line with Indian consumer needs. Failure to adapt can constrain ZARA's appeal to middle classes and culturally traditional shoppers (Nguyen, 2023).

Operational Implications

Adjusting SOPs requires:

- Developing India specific **product development protocol**, enabling limited local design input (Nguyen, 2023).
- Introducing **seasonal planning cycles suited** to Indian climate instead of mimicking European winter/summer plan.
- **Modifying fabric selection** traffic light procedures to include air breathable cottons, viscose and monsoon friendly (Zaki et al., 2017).

These changes do not undermine ZARA's fast-fashion model but increase its relevance. Local designers or Indian market specialists can contribute information to ZARA's centralised teams, maintaining ownership and internalisation advantages while capitalising on location-specific information. Such hybrid integration reinforces a combination of global capability and local market requirements (Luz et al., 2021).

Strategic Impact

This SOP modification is conducive to competitive differential and to customer satisfaction, and is part of a move by ZARA to capture a larger share of the Indian market of fashion conscious but culturally rooted consumers. Furthermore, this localisation may help to reduce pricing concerns by providing greater perceived value as products are perceived as more relevant to Indian preferences (James et al., 2023).

5.2 SOP Adjustment 2: Enhanced Multichannel Communication and Brand Visibility Strategy

A second key SOP adjustment entails strengthening the communication and brand visibility practices of ZARA in India. The brand's global SOP emphasises minimal advertising consistent with an advantage in ownership based on brand prestige, visibility in store, and word-of-mouth (Sagar, 2024).

1) Cultural and Institutional Influences that Drive SOP Change

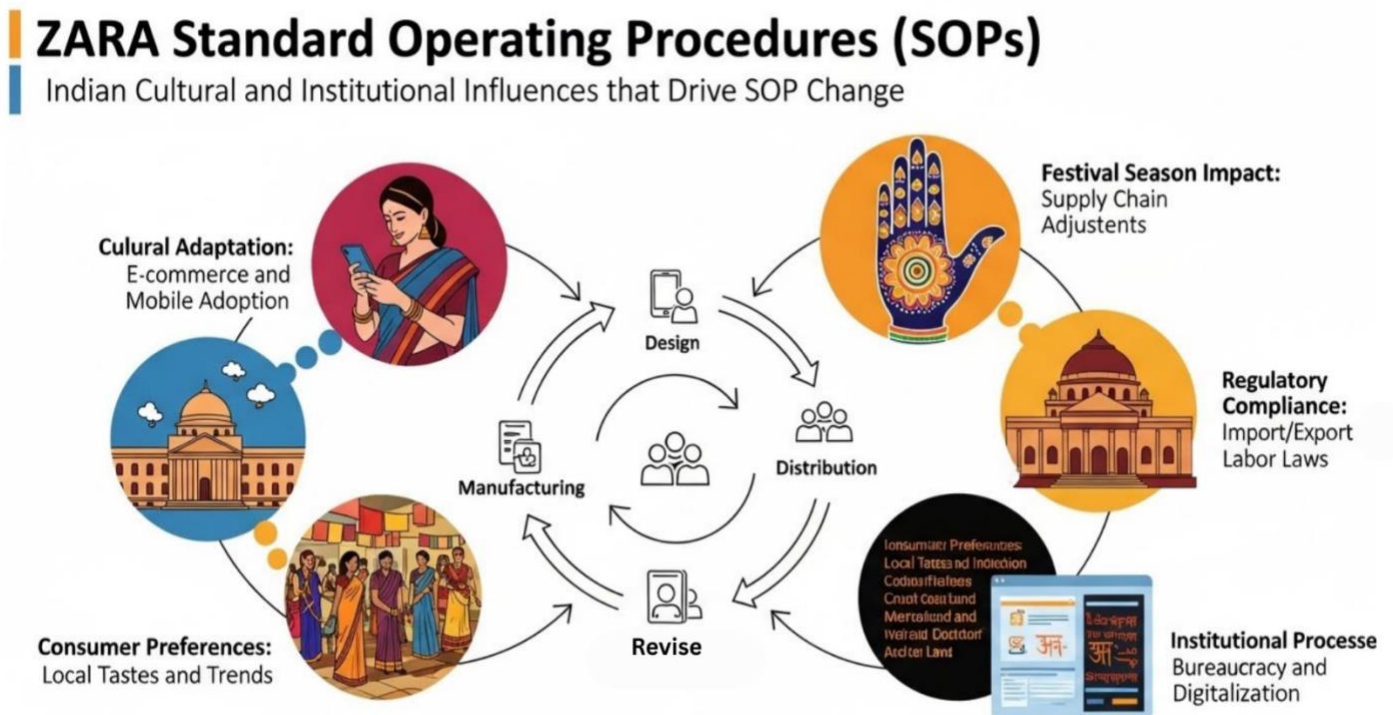


Figure 12 Cultural and Institutional Influences that Drive SOP Change (CANVA)

Indian consumers usually depend on: Advertising for brand legitimacy validation social media campaign for fashion inspiration Family-operated decision-making processes that require wide brand awareness and are influencer-driven due to increasing digital adoption. In India, as fast fashion is still in its formative stage, there is an expectation from consumers that brands, particularly premium-priced fast fashion brands such as ZARA, would be more forthcoming with their offerings (RINJANY, 2024).

Revised SOP Elements

ZARA should amend its global SOP to provide for India-specific communication strategies such that it does not compromise on its minimalist global brand identity.

This could include:

- **Digital-first marketing SOP**, including Instagram, YouTube, and influencer marketing as per the Indian fashion culture (Garnaik, 2025).
- **Event-based brand engagement SOP**, which includes pop-up events during festivals such as Diwali or during fashion weeks.
- **Customer relationship management SOP** and loyalty programmes with modifications made for Indian consumer expectations.
- **Improved store-window display SOP**, highlighting Indian themes or colours of the festival to increase walk-in traffic (Chandrakar, 2024).

The emphasis should be held on modern, subtle, brand-consistent communication as opposed to traditional advertising-heavy campaigns. This creates brand integrity across the world whilst solving local cultural behaviours (Sagar, 2024).

Strategic Impact

This SOP modification helps to increase ZARA's visibility as a brand in a culturally appropriate and commercially attractive manner. It helps improve trust-building, maintain competitiveness in an aggressively competitive environment of rivals and is in line with the digital and youth-driven culture of consumers in India (Garnaik, 2025).

5.3 SOP Adjustment 3: Culturally Adaptive Human Resource Management and Store Operations

The third major adjustment in the SOP is making ZARA's policies in HRM and store operations reflect the cultural and institutional realities in India. Based on the cultural analysis earlier, the two cultures, Spain and India, have significant differences in leadership expectations, communication norms, gender roles and workforce participation (Machado, 2025).

1) Cultural Influences on Revision of HRM SOP

Key cultural contrasts are:

- High power distance in India, demanding more hierarchical styles of leadership
- Indirect communication norms, which means coaching and feedback need to be done sensitively (Zaki et al., 2017).

Strategic Impact

Gender norms and safety issues, including female employee availability for late-night shifts. Regional imbalance in the quality of the labour pool, which affects the hiring and training SOP (Ivanov et al., 2021).

5.4 Recommendations for Improvement of SOP

ZARA should prepare India-specific HRM SOPs in the following areas:

a. Leadership and Management Training SOP	Introduce cultural intelligence (CQ) training of Spanish expatriates. Train Indian managers on ZARA's global expectations of leadership, adapting feedback and communication style and norms. Introduce a hybrid leadership model where there is flexibility in managerial interactions (RINJANY, 2024).
b. Workforce Diversity and	Provide gender-sensitive scheduling practices to satisfy cultural and safety issues. Strengthen safety protocols for employees,

Scheduling Procedure	especially evening shifts. Adjust staffing SOPs to take into account the differences in the regional labour market (Clark, 2020).
c. Employee Development and Training SOP	Increase investment in retail training programmes to raise levels of skills. Emphasise customer service excellence since Indian consumers tend to value personalised attention. Integrate language and communication training to master India's linguistic diversity (Garnaik, 2025).

5.5 Integrating SOP Adjustments into ZARA's Global Strategy

Each recommended SOP change balances ZARA's existing global strengths with the need for local responsiveness (Ivanov et al., 2021).

The adjustments:

- **Preserve ownership advantages** (brand equity, design capabilities, supply chain efficiency) (Luz et al., 2021).
- **Exploit location advantages** (large young population, high digital adoption, cultural fashion cycles)
- **Respect internalisation priorities** (tight control of brand standards, quality, inventory responsiveness)

Collectively, they enable ZARA to operate more effectively within India's cultural, institutional, and market contexts (Machado, 2025).

Conclusion

This report has critically evaluated the global strategy of ZARA with a particular focus on its entry, adaptation and operational processes in the Indian market. The analysis showed that ZARA's position as a leading multinational corporation is based on its high ownership advantages – including its fast fashion supply chain, brand equity, and centralised design capabilities. Its global operations are indicative of a complex and well-integrated value chain that is supported by a variety of entry modes, including wholly owned subdivisions, joint ventures and franchising. The application of the OLI framework identified that despite the ownership and internalisation advantages of ZARA being strong foundations for foreign expansion, India's location-specific variables, including market size, cultural diversity, regulation conditions and characteristics of labour forces, require selective adaptation. Cultural differences between Spain and India play a major role in the consumer preference, communication style, and workforce, which determine how a company enters the market and its performance potential over the long term.

The recommendations involved three key adjustments to the SOP: increased localisation of product development, improved multichannel communication strategies and culturally adaptive HR and store management practices. These adjustments are geared towards enhancing strategic fit between ZARA's global operating model and unique Indian consumer culture, institutional environment and competitive context. Overall, ZARA's success in India is hinged on its capacity to strike a balance between its globally standardised systems and flexible and culturally sensitive adaptations.

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