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**Table of Content**

**Introduction………………………………………………………………………………….pg.3**

**Background Information…………………………………………………………………….pg.3**

**Method/Findings/Discussion…………………………………………………………………pg.4**

**Solutions/Recommendations/Implementations……………………………………………..pg.5**

**Conclusion……………………………………………………………………………………pg.5**

**References…………………………………………………………………………………….pg.6**

The affordable clothing band, Zara, adopted a unique business model that faced several challenges. Affordably priced, moderate-quality trendy clothes are offered by the clothing company Zara. Zara has embraced a concept that prioritizes swift execution over trend forecasting. Production follows the selection of fabrics and trimmings, the preparation of samples, and the determination of pricing. Every year, the designers at Zara create two core collections for the Fall/Winter and Spring/Summer seasons. Inditex, a vertically integrated business where the majority of items are created and produced in-house before being supplied to retailers, is the business model that Zara follows. Its style philosophy is to adapt to client demands and latest trends found on fashion catwalk, trade exhibitions, and publications rather than to establish trends. As a consequence, products are distributed straight to retailers biweekly from a main supply chain via both internal and external manufacturing routes. (Hameide, 2014)

The approach is built on the rapid action principles, a set of guidelines designed to enhance cooperation between retailing and manufacturing to enable more agility and a faster reaction to industry developments like the usage of bar codes and digital equipment for information exchange. The Zara Model is composed of the Zara team's researchers who analyze the latest fashion trends in runway shows, publications, music venues, college campuses, etc. Research findings are then forwarded to Zara's corporate office. In order to jointly collaborate on the new collection's appearance, fabrics, pricing points, etc., the commercial team evaluates research findings and discusses them with their design team. Analyzing shop input and make decisions about the future of existing items are done in similar sessions. Fabric is produced, colored, and polished as necessary once the design is chosen. Production begins after allocating the necessary accessories. Finished clothing is delivered to the distribution center from production facilities. Apparel are packed and dispatched to retailers depending on purchases and regions using computers and a bar code system akin to postal delivery. (Hameide, 2014)

Spending on conventional media advertising is relatively low at Zara. According to statistics, although most other specialty stores spend between 3 and 4 percent of their income, Zara only invests 0.3 percent. The store serves as a major marketing tool for the Zara brand. Consequently, their stores are frequently big and conveniently situated in specific locations that will derive the appropriate audience. The corporation always chooses to open a flagship shop when entering a new market and considers growth based on performance once they have gained local expertise. In countries where both of these brands are present, Zara typically operates fewer stores than H&M. (Hameide, 2014)

Another brand that can be compared to Zara and its business model is Fashionnova. The affordable and fast fashion brand, Fashionnova, is known for making low quality clothing that are knock offs of the latest trends and styles from fashion runways, social media, television, and magazines, and are made so quick it is available in just a few hours for purchase at a very low price. They spend more on advertisements and promotions compared to Zara, and their clothing is less quality than Zara’s.

The price strategy employed by Zara is a key component of its global development. It chooses a model in which it charges its consumers more for shipping goods internationally. When compared to pricing in Spain, this results in a significant price difference. For instance, this strategy would result in prices that are 70% higher in the US and 100% higher in Japan than they are in Spain. In contrast to Spain, where it is still marketed and sold at the general market, it is sold with a high-end status in Latin America, highlighting its "Made in Europe" reputation. Such differences might be one of the causes for the company's delayed introduction of e-commerce on their webpage. (Hameide, 2014)

To solve Zara’s business model, they can decide to lower their price discrepancies by adjusting their business models, so the prices won’t be drastically different in various parts f the world in Latin America, Europe, and Asia. They can also decide to invest more into marketing and advertising their brand just like other retailers instead of just focusing on their flagship stores. Since their business strategy is mainly focused on a faster response to customers, they can try to analyze their past collections and how well the customers reacted to its designs of apparels. Zara should also invest in more than one distribution center and lower the risk of changing their target audience by providing better service for e-commerce which will reach more customers in a faster way.

How sustainable Zara's existing approach is, how to grow without jeopardizing the quality or cost of its goods, and how to change their production structure are all issues that need to be addressed. The absence of marketing and sales was cited as one of Zara's main flaws. Customer recommendations are a major source of revenue for Zara. But ultimately, Zara is cut off from the chance to treble its revenues and earnings due to a lack of marketing. More clients can be attracted through advertising than by word of mouth alone. The fact that Zara just has one distribution hub is another flaw that might potentially be viewed as a strength. The performance is greatly increased by just one distribution center.

**References**

Hameide, K. K. (2014). *Fashion branding unraveled*. Fairchild Books.