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Brand Image Marketing 3500

Zara Case Study

1). The main challenges in the business model adopted by Zara comes from their distribution center and manufacturing unit. The problems with this situation is the location of it and who's controlling it. Zara main distribution system is based in Spain. They need more distribution center because the expansion of the center will not go any further if Spain is the only base of the distribution center. It can change the direction of the way they are heading and get more international so they can target more regions. The other problem is that Zara "owns and operates many of its stores" so this can be a problem with them expanding because one bad move the distribution center can suffer and their goods can increase more to distribute.

2). Zara marketing and distribution strategies is completely different from luxury brands because when it comes to promoting their store brand their only concern is visual merchandising of their store window which help promote their brand. Luxury brand also like promoting their brand through their store and employees but they also use other strategies to boost up the sales. Zara spend a small amount of time on media advertising unlike luxury brand they are more into the social media side of advertisement and magazines. When it come to distribution strategies Zara are very successful in that because they would predict a trend that would normally take months to forecast and make it happen in two weeks. They are very fast and efficient. In my opinion if Zara strategies entering the local market I think would have advantages and disadvantages to it. It would be great because knowing what the customer wants is a big thing and being fast responsiveness with the products can also create a good impact on the store. The pricing strategy can be bad because it might be too expensive from the extra cost of distributing overseas. Another problem can be the minimize of inventory may not work out the same way as it did for Zara.