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Brand Image Marketing 3500

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Zara Case Study

Overall, the globalized brand Zara has a nice strategy that is a quick response to satisfy its customers' need and to adapt to fast trend, except for a big challenge.

Its price has been an issue among public long time ago. The brand's products qualities are not worth its high price. As the article mentioned, if a certain product is priced thirty Euros in Spain, then that product is priced twice or more in other countries like Asia and the US by the countries' policy than Spain. In general, Zara is regarded as one of mass-market brands like H&M in most countries where its business is launched. Zara can be considered as a better brand than H&M among customers, however what the main factor inspires most customers to purchase items is price than materials and quality in mass market. If the brand keeps its high price policy, then the brand will have a hard time against its competitors like H&M, Uniqlo, and Guess.

In addition to its price policy, there is one more issue. As I mentioned before, Zara has a nice strategy; the brand uses bar codes and electronic devices to share its information so that the brand can eliminate and reduce errors and unnecessary cost. The brand also seeks to fad trend to respond to customers' need as soon as possible. However, comparing to Guess, Zara's promotion that is one of the brand's strategies is less effective.

In the case of Guess, this brand is located under a department store like JC Penny or in local than central areas in general. So, the brand does not require a large space to operate its

business and can save its money. However, in the case of Zara, the brand needs a large space to operate its business.

According to the article, Zara spends very little amount for traditional advertising than other brands. Because the brand has its own stores in many areas and can promote its items through its in stores, its promotion seems fine. However, I believe Zara actually wastes a large amount of money on this promotion. To promote its new collections and items in the brand's in stores, the brand needs a large space per each store, the stores must be located in central and well-known areas where estate costs are extremely high. To keep the large store in an expensive region, utilities and rent are priced very high. So, opening and keeping every store in central areas will be cost same as traditional media advertising or it can be more expensive than advertising through traditional media. Thus, Zara needs to revise its promotion.