

Zara case study argumentative essay



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Inditex made its debut into the international retail market in 2000 and since then has expanded to have a total of six chains.

Of the many chains, the best and strongest of the bunch is Zara. This case study considers the international marketing tactics of Zara and also documents some of the strategies of its most fierce competitors within the market. 1. Explain the existing segmentation, targeting and position strategies of Zara brand? Zara has been particularly successful in the process of market segmentation. This is one of the primary tenets of their entire business plan and it has led them to success. One of the interesting things about Zara is that its target market shares some similarities with one another, so they are able to market the brand over some boundaries that would not normally be available to a company.

Like most retail companies, their market consists of selling to all sorts of people, including women, children, and men. They sell the majority of their products to women, who are fond of many of their accessories. Most specifically, they market their brand to young women who have the means to purchase their goods. The eighteen to thirty-five year old group is one that they target sharply. They have been successful in large part because of their ability to market these products at a decent price.

In addition to that, the company has shown the ability to produce its products at an incredibly efficient level. There are many keys to their marketing plan that have made them successful. Among those is the fact that they have clothing of a high quality that doesn't cost an arm and a leg. Their prices allow their customers to look good, while not breaking the bank.

2. Indicate the differences they have adopted to their marketing strategies and marketing mix in the international markets for the different customer segments. One of the reasons why people always want to study Zara in their marketing studies is because they have some of the most revolutionary marketing techniques out there today. They are not much like their competitors, which makes them not only a unique company, but also a highly successful company over the long haul. Zara sells clothes as their primary function, but they are really selling the idea and the design behind those clothes. One of the most interesting things about the company is how they implement their plan to suit the international segment of their marketing mix.

Zara gets complete autonomy over its situation, so they can dictate what does on from design to production. This enables them to make sure that in every aspect of their international marketing they are looking out for the good of their brand. One of the primary advantages to this type of marketing structure is that the company has the ability to adapt and make changes quickly. This is absolutely key to dominating the global market and it is something that their company has the ability to do well.

Those who have followed Zara know that they are known for changing up their styles on occasion. They typically do not allow the same designs to run for more than a month before they are designing and producing something completely new and different. One of the things that makes them successful over some of their competitors is that they can market their products with a lot of precision. Their marketing mix is heavy on promotion, but only in the

time leading up to putting the designs on the shelves. With their ability to quickly produce goods, they get ahead in this regard.

Still, their advertising plan is much more about what happens when a customer comes into their store. They don't break the bank to put on commercials, as they opt instead to have more products and have more store fronts in which to sell those products. As far as their international effort goes, one would have to look at Zara on a country by country basis. They understand that there are different trends in different areas and further, they get the fact that different areas have different price needs. This is all a part of how they have mastered the marketing mix. One thing to know about Zara is that they are more successful in countries where they can depend upon heavy foot traffic.

This is why their stores in places like New York City have been so successful, while some of their stores in smaller areas have struggled a little bit. 3.

Identify and describe the different consumer need and profiles of Zara customers in different market Zara is primarily known for offering their products at a price cut over some of the upper end stores. They are known for quality at a reasonable price, to put it one way.

Still, they don't sell their products the same way in each country they venture into. Those folks who run Zara are very conscious of the numbers before they head into a market because they do lots of study and research in order to understand where they are headed. It is an interesting company because they are so widespread that they have to understand many different countries. It is not enough to only know that shoppers in Germany

are worried about rising prices right now. They have to understand people in France, as well, where wants are much different.

Those people, for instance, put more importance on things like constant variety in their clothing. They understand that when they reach out to customers in Japan and all over Asia, they are going to try to corner the younger market. This is reflected in the design and implementation of those ideas. One interesting case is their success in America.

Americans tend to buy in bulk, but they are not incredibly hip to the new styles like Italian people are. This is a challenge that has been met by the people at Zara. They cater to the changing needs of customers in a bunch of different countries. This is one the reasons why shoppers visit their stores four times more than they visit Zara's competitors. 4.

SWOT analysis
Strengths
Ø Zara is one of the most fashionably minded companies in the world. They make clothes that help people look like they know their fashion. Ø They are different from other companies in that they can control their entire operation from the production to the design and back again. Ø They provide low cost alternatives that still have some great fashion value
Ø They have become one of the smartest distributors of products on the planet. They have stores in great areas like uptown Manhattan and in the prime spots in London.
Weaknesses
Ø They don't provide the best quality of clothes.

It would be considered adequate, but not great. Ø They don't do a great job of advertising when compared to their competitors in the fashion industry.

While their competitors are putting on huge advertising campaigns, this

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company has failed in that regard. Ø They have become something of a copycat in terms of their design method. They have been known to swipe the latest fashions instead of blazing a trail of their own. OpportunitiesØ Currently, the company is not fully taking advantage of the opportunities that exist in the US.

They have a total of 25 stores in the country, while they have gotten bigger almost everywhere else. Ø The global market for clothing is growing by leaps and bounds. Companies now have a chance to really blaze their own path and move into emerging markets around the world. ThreatsØ They are flanked in the industry by some of the giants in their own regard.

GAP in particular is one company that probably has more resources and has more opportunity to grow than Zara. Ø They are highly susceptible to some company coming in and completely copying their design plans. This is a threat for every company in the clothing industry. 5.

Indicate what would propose as new marketing director of Zara, given the current scenario and capabilities in order to maximize to business development, customer satisfaction and retention and shareholders long-term profitability. First and foremost, I would implement a new plan to expand the brand further into America and make sure that there was a strong hold on the market there. That would be my first priority and it would be something I'd implement from the opening gun. I would also try to perhaps move into smaller markets by offering franchising opportunities. This is only one of the ways that I would expand the brand, but it would be an effective one immediately.

With the world changing and technology becoming more prevalent, I would see that Zara was a player on the web, as well. Though some online companies have failed in recent years, Zara would have an opportunity to succeed because of the fact that they have already established themselves in the world of retail. I would also make sure that the company becomes more of a player in terms of our advertising and promotion. Currently, a lot of things are being done the right way, but this is a place where the company lags behind out competition.

One of the places where Zara can see marked improvement is in the development of human resources. As the head of development for the company, I would see to it that the company does more to help its people move up the corporate ladder. This is important because it would give all workers incentive to work harder and it would create more of a family approach. With this plan in place, more and more individuals would consider themselves to be a part of the operation and not only a cog in the wheel. They would actually feel as if they belonged.

Zara does plenty of things right, but they could use a new outlook on the market. As it currently stands, they have lots of opportunities that they just are not taking full advantage of. Instead, they are lagging behind when they could be jumping to the front of the industry. With better name branding and more of a promotional strategy, this company could take off like it has not done before.

The company should have the ability to do these things and to move up in the world of retail.