

# Zara swotanalysis essay

[Business](#), [Industries](#)



**Zara Swot Analysis** Zara was established in Spain, by Amancia Ortega and currently is the second largest clothing company in the world, making it a very strong in it's market. It's so strong in it's market that other companies are trying to learn from this companies special way of manufacturing and selling. The Zara clothing company's focus is to sell designer inspired fashionable quality clothing at an affordable price, which Zara has been successfully doing so since it was established in 1975. One of Zara's top strengths and reason it has been so successful in an industry so competitive is the ability to produce an item of clothing within as little as only 2 weeks and get it shipped out to it's stores for customers to purchase.

Zara's design team has the ability to do this because they take a faster approach at producing clothing items that customers want at the present moment. They find current popular trends and ask consumers what they want and need instead of predicting future trends and spending the average of 5-8 months to develop a collection for a season like other brands do. The one thing that makes Zara different is designs that make it to Zara store racks are low in quantity which cause items to sell out faster.

Keeping store inventory low and clothing in demand is key to Zara. Also the styles on store racks are changed every week in order to keep people wanting to come back to see what is new, which in turn keeps customers buying. Another major advantage that makes Zara strong in its market is that it targets the young fashionable consumers who are always looking for the latest hip trends and the older consumer who is looking for a bargain plus a good quality clothing item. A downside to the company is that Zara only has one manufacturing plant and distribution center in the world which

can be a huge weakness and threat, but also a great strength. The threat of having one distribution and manufacturing plant is that if anything was to ever happen, for example a natural disaster it would gravely hurt Zara's revenue, that could all be avoided if the company was to have more than one of each. A strength of the company is since all aspects of manufacturing are held within Europe close to the Zara headquarters, it lets Zara have huge upper hand over other clothing companies, allowing Zara great amounts of production speed and flexibility.

Another weakness is that Zara spends 15 percent more on producing its clothing due to higher labor cost in Europe compared to other retailers who outsource to Asian countries due to the lower labor cost. On the other hand keeping all aspects of manufacturing in Europe it gives speed, control, and flexibility to the company and the percentage spent on production is compensated in the company being able to adjust to fashion trends quickly, not advertising, and letting the clothing sell itself. Due to Zara being a very profitable company it is expected to move upward. The company is also looking into continuing to expand into the U. S. and is also set to open up an online shop, currently they only have a look book on their site so Zara will definitely be expanding.

I think there are markets in the U. S. that Zara could benefit from, there are people that have never heard of Zara in the U.

S. and those people would be the ones to target. Three different recommendations I would make is, first, I believe that an online shop would be a great way to sell more for this company. During the summer I looked at

this site for the first time and I liked a lot of their clothing but I was unable to buy any due to them not having an online shop. Opening an online shop will allow anyone access to Zara, instead of having to travel to a physical store to shop, it would also gain more revenue for Zara. Second, on the Zara online shop they do not offer very much information about the items, more detailed information would help a customer in deciding if they want to purchase an item. Third, the site is missing a measurement conversion chart, if I was to try to buy an item online I wouldn't know what size would best fit me.

A major threat that can be overcome is when Zara begins to open more stores in the U. S. it would be best for them to open a distribution center in the U. S. because distribution from Europe may encounter some problems in the long run.

It would also be best for Zara to open another manufacturing and distribution center in case something was to ever happen to other one Europe, it would safe guard the company from plummeting.