

Ezra case study by sugar and asia

Business



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Analyze the internationalization approach selected by Inedited 2. 1) Market selection At the moment, Inedited has subsidiaries in 76 countries in three geographic regions on the world: the European Union, America and Asia. The group started its expansion on markets that are rather close (Portugal 1988) and focuses today mainly on Europe and Asia as growth markets, since they possess the biggest potential: In Western Europe Indies's market share is only 1%, which means that there is still a lot of space for improvement.

Moreover, Eastern Europe and Russia are also attractive areas due to the consumer's growing expenses and interest in fashion.

However, the most promising market to enter is Asia, especially China and India, due to the fact that they exhibit significant growth in terms of GDP, a big population and emerging middle classes. The clothing purchases exhibit growth rates, namely 6, 7% in India and 5, 3% in China between 2009 and 2013. 2.) Internationalization pace Considering that Inedited started with the foundation of the first Ezra store in 1975 and was already ranked as the 50th most valuable brand in 2009, it should be clear that it could only experience this huge and constant growth through a rapid international expansion. From the end of the 80s Inedited started to develop a significant international presence by opening Ezra stores in Portugal, New York and Paris.

Nowadays, there are already 515 sales outlets (for the different brands of the group) in Asia and in 2009, 98% of the 343 new stores were opened abroad.

So all in all, Inedited exhibits an extremely quick and successful internationalization pace to which globalization contributed surely in a positive way. 2. 3) Market entry models In general, 13% of Inedited 's stores are franchises and 87% self-managed. To enter especially the Asian markets, Inedited uses a multi-concept expansion strategy, which means that they are trying to enter the market with four different concepts (Ezra, Misaims Duty, Pull and Bear, Berserk).

Moreover, they are trying to penetrate the Asian markets through agreements with local players: e. G. Inedited set up joint ventures with Lotto group (Korea) and Data group (India) in order to avoid high fixed costs (that are usually related to an international development strategy), to hare the risk and to profit from their specific knowledge about the target markets. Yet, Ezra has to consider that this decision limits its own influence on business operations and could easily lead to managerial difficulties in terms culture and organization.

However, the group sticks to Its original business model and leaves Its big logistical center in Spain, from where It delivers Its sales outlets.

This system ensures a cost-efficient supply chain, as no new logistic centers have to be built, and provides an exceptional flexibility In expanding Indies's business. Ezra Case Study By Sugar and Asia as growth markets, since they possess the biggest potential: in Western Europe Indexes market share is only 1%, which means that there is still a lot of space for improvement.

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) Internationalization pace Considering that Inditex started with the foundation of the first Zara store in 1975 and was already ranked as the 50th most valuable brand in 2009, it should be. In general, 13% of Inditex stores are franchises and 87% self-managed. To enter agreements with local players: e. G. Inditex set up joint and organization. However, the group sticks to its original business model and leaves its big logistical center in Spain, from where it delivers its sales outlets. This system and provides an exceptional flexibility in expanding Inditex's business.