

Zara case study- analysis

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Data collection: The survey questionnaire has been distributed to 50 managers to collect the data Data analysis: By using a statistical package the results were analysed Report and interpret findings: The study purposes to interpret the analysis as findings in the coming section to validate the factors influencing the global sourcing in apparel industry. Zara is a famous apparel branded company from Inditex group operating from its headquarters in Spain. This group includes other brands like Massimo Dutti, Pull & Bear, Stradivarius, Oysho and Bershka

Zara's outstanding success was achieved by making a shift from the conventional sourcing to the customized sourcing strategy. Zara unlike other garment producers, instead of outsourcing its production from the low cost bidding countries, Zara makes its profits by building up its brand image through marketing and advertisement. Zara retains its control on design, production and distribution and beats the high labor costs. Zara integrated its supply chain in line with the demand driven market in a vertical integrated pattern.

Through this vertical integration, the design to delivery lead time has come down from 4-6 months to a few days. Twice the week every shop under the brand receives new stock and 80% of the collection is a new one over a period. Zara's success point of Speed to market can be attributed to its quick supply lines. The whole operations of the company are lined up to offer the designer-look fashions to the stores with minimum delivery risks. Zara maintains complete control in most of the stages of operations like selection, cutting, fabric treatment and pattern making through its own mills as and maintains wholly owned supply chain.

Only half part of its components are sewn outside. Zara owns 400 workshops and co-operatives around the Galicia area and in Portugal. Zara is a famous apparel branded company from the group of Inditex operating from its headquarters in Spain. This group includes other brands like Massimo Dutti, Pull & Bear, Stradivarius, Oysho and Bershka. Zara sources 80% of its products from Europe. Zara is less likely to outsource its production to the low cost countries. This makes a quick delivery of the products to the point of sale. Read also about Zara corporate social responsibility issues

The sales feed back to the production sites keeps its inventory at optimum levels. The control over fabric, pattern and garment quality avoids freight cost, long lead times and delay in deliveries. The sales feed back through the integrated technology allows the designers to respond to cope with the smallest demand fluctuations and trend in the fashion market. Zara's market research cut downs the non productive trends and lines and keeps the stores up to date for the customer choice. Read about Zara sourcing strategy

Zara' when confronted by stockouts, the sourcing model adopts the store execution policies and customer behavioral perception activities. Also Zara's sourcing model involves careful selection of inventory size particular to the store, readily available to the customers, making the shopping an enjoyable experience to the recurring customer. Maintaining the right size of inventory lot is the key area here. This makes the entire supply chain alert to the economic order quantity with a vision of quick delivery.