Zara: fast fashion case

Business, Industries

Create a diagram that illustrates the linkages among Sara's competitive choices. Firstly, everything is connected through centralized hubs. Ezra has its main operations in Spain, but with each expansion into a new country, that country has its own centralized Ezra facility. This allows for local factors to be considered in each market, but gives Ezra an excellent line ofcommunicationand ultimate control of all operations. The in-house designs are sourced this way, through representatives in each country bringing forth new fashion concepts for the upcoming season.

These incepts are then whittled down by cost, feasibility, and market trends. Then the designs are prototyped and manufactured. The manufacturing is also mostly owned by Sara's parent company, helping reduce costs and lead times. From manufacturing, products are then packaged and labeled back at headquarters for shipping. Most of the shipping is via trucks. Overseas shipping is by air, which meaner the prices are adjusted so that overseas customers bear this cost. The retail storefronts are setup so that products aren't on the shelves for more than 3 weeks. This along with careful inventory control create the illusion of scarcity.

The marketing is also related in that Ezra only places ads twice a year, around the sales seasons. This helps to prevent over-exposure, so that the fashion-forward customers feel trendy. The scarcity factor also helps reduce loss. If a product bombs in one store, it's pulled immediately, to either be sold in another location or discounted to local partners. This meaner that if a product isn't doing well, it doesn't sit forever in the store wasting space that could be used to display a profitable product. 2. How do the distinctive features of Sara's business model affect its operational structure?

The interconnectedness of these systems in Sara's operations gives it a hive-like structure. Every employee in every store works together to support the " queen" central hub in Spain. Keeping most operations internal allows for very fast response times in each system. The speed meaner mistakes are learned from quickly and corrected. Owning the meaner of production is more cost-effective for Ezra, which allows the firm to maintain reasonable prices for its target market. Ezra also takes care of its employees and is socially responsible, which draws forth enthusiasticloyaltyin all interactions. Why might Sahara " fail"? How sustainable is its competitive advantage? Sara's capable of failing Just like anyone else. I believeif the company loses its cohesion, makes major fashion blunders, raises its prices, begins to make customers or employees feel cheated, missteps in a Joint venture, loses its quick turnaround, or enters a market that is not suited to its business model, it could easily have unrecoverable loss. It's wise for the decision makers at Inedited to maintain the other companies, and not Just focus on Ezra. Ezra: Fast Fashion Case By knish_sass