



ZARA: Fast Fashion

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Think, what's fast fashion?

It's the retail strategy that will allow you to adapt your merchandise to current & emerging trends **ASAP (!!!).**

The main advantage? Of course, *SPEED*.

What is ZARA?



- ❑ “was born” in 1975 in Spain;
- ❑ founder - Amancio Ortega;
- ❑ parent - Inditex, which includes not only ZARA;
 - ❑ main tool - IT elaborations;
- ❑ only 2 weeks needed for designing garment process;
- ❑ most stores - company-owned

THE 7 "P's" FORMULA

1. PRODUCT:
clothing garment

2. PRICE:
mass production
price

3. PROMOTION:
two big annual
sales (winter,
summer)

4. Packaging:
almost no special packaging
except branded carton
packets

5. Place:
main streets & malls

6. People:
attempts to get every
socioeconomic segment

7. Positioning:
catwalk image

TARGETED GOAL □ open 55-65 stores, from which 80% will be outside of Spain. Three available

potential alternatives:

- largest apparel market in Europe;
- frequent fashion-forward shoppers;
- almost high probability of good profitability.

• **Europe - Italy:**

- US market problems with overcapacity;
- almost no customer fashion stimulus;

• **North US & Asia:**

- core Asian problem - too many joint ventures.

• **South US & Middle East**



GROWTH OPTIONS PROBLEMS

PORTER'S 5 FORCES

ENTRY THREATS

- high costs deals;
- difficulties with building new BE;
- ZARA's competitive advantage is economies of scale (!)

BARGAINING SUPPLIER POWER

- ability to easily switch to another supplier;
- low fabric price
👉 decrease of bargaining SP

PORTER'S 5 FORCES Cont.

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graph TD; Title[PORTER'S 5 FORCES Cont.] --> BBP[BARGAINING BUYER POWER]; Title --> RT[RIVALRY THREAT]; Title --> TS[THREAT OF SUBSTITUTES];
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BARGAINING BUYER POWER

- most depends on customer preferences;
- ZARA's ability of non-stop designing;
- "I find I buy";
- 10 000 volunteers strategy.

THREAT OF SUBSTITUTES

- vintage clothes;
- thrifting shops;
- re-inventing of old looks & clothes.

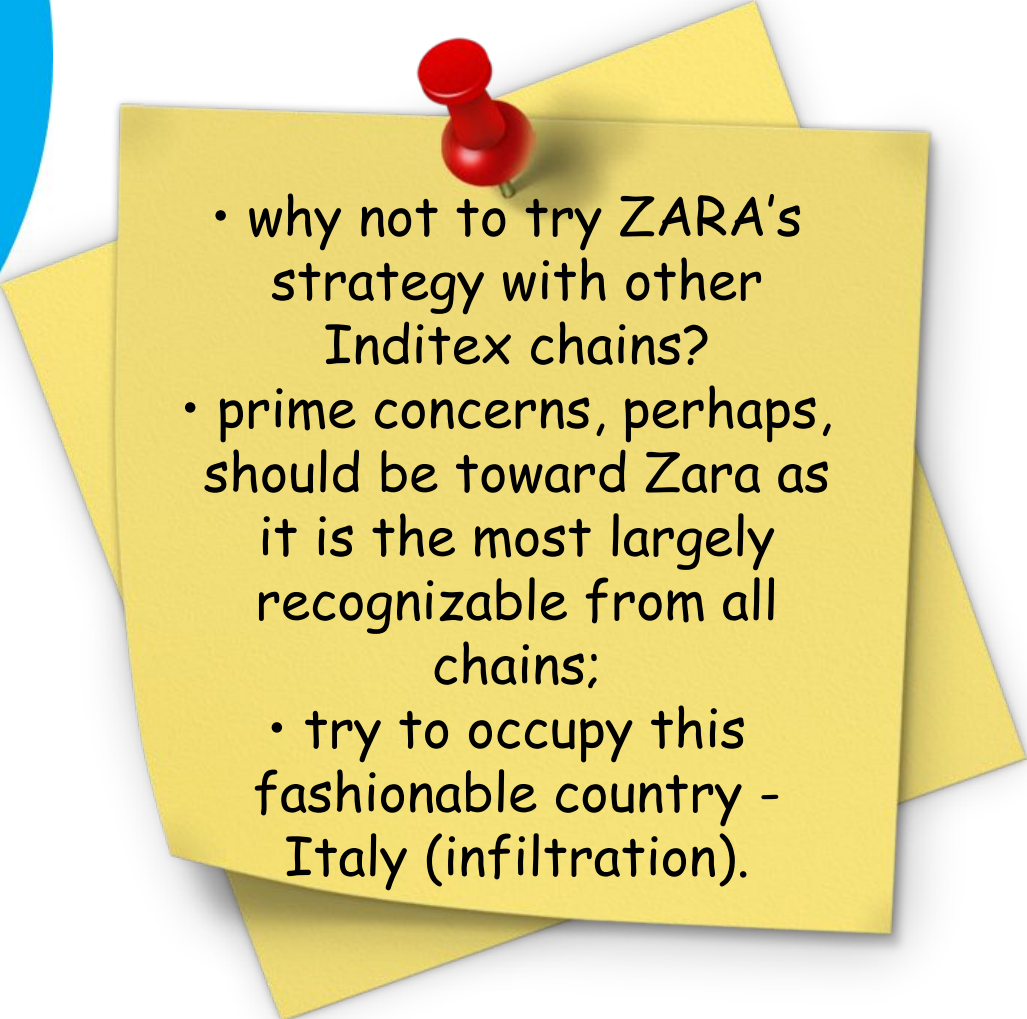
RIVALRY THREAT

- competitors: H&M and Gap;
- be fashionable > good quality.



What to do?

Decision №1

- 
- why not to try ZARA's strategy with other Inditex chains?
 - prime concerns, perhaps, should be toward Zara as it is the most largely recognizable from all chains;
 - try to occupy this fashionable country - Italy (infiltration).



**OUR CHOICE □ FOCUS ON
EXISTING CHAINS AND
EXISTING MARKET (ZARA,
ESPECIALLY (!!!)).**

Thanks for attention!

