September 19, 2011

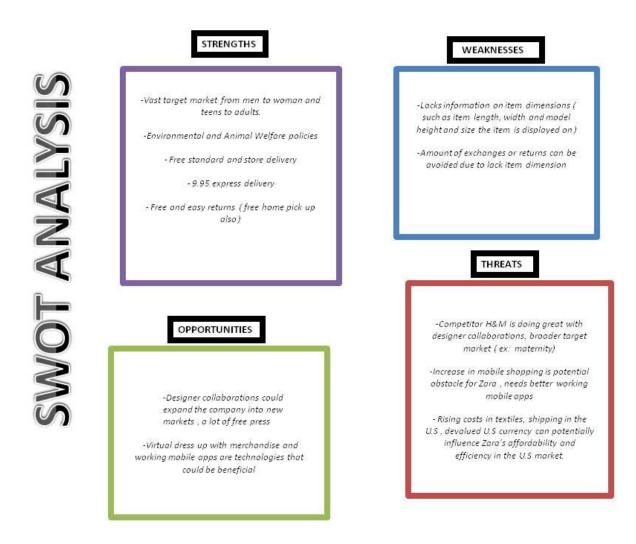
ZARA.COM SWOT ANALYSIS

Swot Analysis - Zara

Zara, a chain of Spain's Inditex Group is an unprecedented force in the global retail industry with its in-house ability of getting designs from the sketchpad to the store floor in two weeks time, a cycle that takes most retailers 6-9 months to accomplish. Zara's strict structure and vertical integration permits the success of its swift distribution cycle in addition with cutting costs, creating exclusivity, maximizing the sale of full priced inventory, affordable merchandise and customer loyalty to the brand. The brand does an outstanding job in appealing to a broad target market of men and woman ages 18 – 40 by offering an array of high fashioned items at affordable prices. The company's adherence to animal welfare and environmental commitment, further establishes its customer loyalty. Perhaps, the most intriguing attribute of Zara is its "No Advertising" concept to channel the brand's focus and funds into the store's expansion and projects instead.

On September 7, 2011, Zara launched the shopping version of Zara.com to the United States. This made Zara's fashions available to parts of the nation that lacked the company's brick and mortar presence. Aesthetically, the website is great. It is easy on the eye and offers the right amount of flash that enhances the online shopping experience without causing difficulty for the consumer's navigation. The upload speed of the website's content is efficient for both low speed and high speed connections and is very user friendly. Unlike , its competitor H&M , Zara offers consistency in its merchandise displays, each image is displayed on a model , accurately emphasizes the item up for sale in each photograph, offers the option of viewing the item in multiple angles , zoomed in and afar, and easy customizable browsing by price , size , color, category and characteristics. When clicking on the desired item, the product page offers easy to read information on composition and care, shipping and return in addition to noticeable links to company information and policies.

SWOT ANALYSIS



RECOMMENDATIONS

Zara's e-commerce site, Zara.com earns nothing short of an A in its aesthetic appeal, site navigation, product offerings, shipping, returns and company policies. However, there are a few

recommendations for Zara that can further enhance the consumer shopping experience. The first recommendation would be a more detailed paragraph on the company's "About Us" page. It is easier to find detailed information on Zara and its culture on external sources than it is on the home site. Zara's "About Us" expresses nothing about the company culture or brand image for consumer's who ever visited its brick and mortar store because of its lack of presence in the consumer's state or city. Instead, Zara's "About Us" page simply states that "Zara is one of the largest international fashion companies. It belongs to Inditex, one of the world's largest distribution groups." ("Company," 2010) Second recommendation would be to include the merchandise and model specification in terms of item length, neckline length, model height, size worn by model etc. This feature would minimize the amount of returns or exchanges issued. The final recommendation would to offer working mobile applications. Though, Zara does offer a mobile application, it has often been reviewed as nearly useless by iPhone, Blackberry and other Smartphone users who have downloaded the app. The company could benefit through this mobile venue since an increasing amount of shoppers making purchases via Smartphone.

CONCLUSION

Overall, Zara does a great job with its brand image, brick and mortar stores and online website. Yet, there are still opportunities the company can exploit for its overall growth, expansion and brand exposure.

References:

Company. (2010). Retrieved from

http://www.zara.com/webapp/wcs/stores/servlet/category/us/en/z ara-us-W2011/11112/Company

Dharmmesta, B. S. (2009). Managing retailing,

wholesaling, and logistics . Informally published manuscript, Department of Business, Gadjah Mada University, Yogyakarta, Indonesia. Retrieved from

http://www.slideshare.net/irwanarfandi/zara-retailing-case-report

Dharmmesta, B. S., Stam, A., & Wulandari, F. (2009).

Managing retailing, wholesaling, and logistics . Unpublished manuscript, Department of Business, Gadjah Mada University, Yogyakarta, Indonesia. Retrieved from http://www.slideshare.net/irwanarfandi/zara-retailing-case-report