

Strategies v/s Consumer Perception of Brand Zara - India

Saloni Saraswat*

Abstract

The strategies implemented by Zara provide insightful information to all the brands in attaining competitive advantage and sustaining it. Zara is a fashion retail brand that offer products for both men and women and is popularity known as one the best division of Inditex. Apart from competitors such as H&M (Hennes and Mauritz) Zara is constantly able to retain its first position across the globe. According to a recent study (The Economic Times Web site, 2017), the net profit of the company was \$2.7 billion by December 2017 and is further expected to rise by 6% due to stronger market presence, sales and international expansions. Additionally, the implementation of an efficient supply chain and development of an effective positioning strategy make the brand Zara the most preferred brand amongst others. Zara is an established brand, but its reach is restricted to only some parts of the country in India particularly the metropolitan areas. Most of the respondents had never heard of Zara before, which means that it is required by the brand to strategize itself in a manner that it is accepted and recognised by all the target consumers.

Keywords: Zara, Strategies, Consumer Perception, Supply Chain.

Introduction

Zara is a flagship brand of Inditex group and comprises of around 2,200 stores in 96 countries (Forbes Web site, 2018). Zara aims at developing shorter response time in order to effectively meet the demand of constantly fluctuating fashion trends. The response time of Zara is 30 days in which it recognizes latest trends, design apparels and supply them to its stores. Moreover, the big fashion retailers and even small retailers acquire time period of around 5-6 months in order to provide its finished products to the end consumers (Lopez & Fan, 2009). As a result, Zara holds a competitive edge and unique identity in supplying its products to its consumers in such a small span of time. The fashion trends of Zara are timely updated by closely monitoring the fashion shows and translating the ideas in updated trendy offerings.

Thorough sales analysis of customer demands is done by the brand in order to provide maximum satisfaction

Saloni Saraswat* Assistant Professor, (SBM, IFTM University), Moradabad

to its customers. The main advantage of the manufacturing process of Zara is that it eliminates wasteful produce that means the products are not produced in bulk that might carry the risk of failure and Zara aims in eradicating those failures. Additionally, Zara prefer developing fewer products as it involves less risk and helps in creating more demand by generating artificial scarcity. This process aims at making the fashionable offerings more desirable making them more profitable leading Zara to earn extra profit. (Roy, 2010)

In 2017, (The Economic Times Web site, 2017) Zara started its online services by providing customers access to its latest trendy products and thus making a first mover advantage in countries like India. The biggest competitor of Zara, H&M (Hennes and Mauritz) has started the same online services in March 2018, following the footsteps of Zara due to major dip in the market share and revenue of the brand (Hanbury, 2018). The major advantage that Zara has over its competitors is its low expenditure on advertising (Payton, 2017). The annual advertising expenditure

is estimated to be 0.3% of its total revenue, which is extremely low as compared to other retailers that spend almost 4% of the annual revenue. This strategy enables Zara to cut down its cost and concentrate majorly upon international expansions. Zara aims at segmenting a larger customer base in order to expand its reach and its strategies aims at making the brand accessible, affordable and famous.

Literature Review

ZARA has been one of the most successful fashion brands since last few years. It has been constantly expanding its business across the world. In the last few years, it opened its stores in India as well. The success of ZARA lies upon a lot of factors. One of them is its agile supply chain (Zhelyazkov). Since, the global market place demand a much more agile response from the organizations and partners in supply chain. Decision about raw materials must be taken in advance and it is the most risky part of agile supply chain. In the fashion world, where companies are competing on time, the need of new abilities is rising. Agility is the one solution which responds rapidly to unpredictable changes in demand.

Another factor is the way it involves its customers and provides them a shopping experience. The “involvement” factor influences the customer’s shopping behaviour, his/her purchase & post purchase attitude and behaviour towards the brand (Yan & Joey, 2011). ZARA’s pricing strategy; design strategy & its quick responsiveness also play a major role. It influences consumer’s buying behaviour (Yan & Joey, 2011).

ZARA’s expansion through internationalization has also played a key role in its success across the world. ZARA has very carefully carried out its internationalization process by selecting the right market and adopting the right entry strategy for each international market. It also focused on how to market its brand in different markets of the world (Lopez & Fan, 2009).

Statement of the Problem

ZARA is unique in the way that it does not spend money on marketing and instead concentrates on opening new stores. The paper aims at studying how

ZARA is able to sell products at low-price. which are high end fashion products. Moreover, how ZARA is a smashing success in India and instead of having huge competitors the brand is considered to be most preferred among the consumers. According to a recent report (Malviya, 2017), it has been established that Zara being one of the world’s leading apparel brand entered the country in 2010 and initially doubled sales every two years. With average sales of Rs.50 crores, Zara’s performance is presently enhanced than India’s largest jewellery chain, Tanishq (Malviya, 2017).

Objective of the Study

- Understanding the marketing strategies implemented by Zara.
- Measuring Brand awareness of Zara.
- How do consumers perceive Zara as a brand?

This part of the paper will focus on studying the various strategies implemented by Zara in India and the way they want to position themselves amongst the consumers in India.

Segmentation, Targeting, Positioning

Segmentation Strategy

The segmentation strategy adopted by Zara in India is centred upon the demographics of its customers like gender, age and psychographics (Keller, 2012). The customers are further segmented on the basis of their fashion sense and style for instance in India Zara offers contemporary, trendy, classic, grunge and Latino style of clothing (Lopez & Fan, 2009). The segmentation strategy of Zara involves a blend of ethnicity in its products with a combination of varied settings and tastes for the Indian customers along with introducing new products every two weeks. (Marketing tree blog, 2017) .

Targeting Strategy

The target audience of Zara comprises of the customers that are interested in purchasing trendy apparels and high end fashion products but are unable to make purchase from the already existing high end boutiques and couture. With the increasing disposable income in the country there will be fashionable and quality apparels (Case Study: Zara’s Entry into Indian Retail

Fashion Market). Target audience of Zara in the country is woman above 17 years to early 40's particularly residing in mid income category segment and who are conscious towards fashion and prefer trendy clothing. (Marketing tree blog, 2017).

Positioning Strategy

Positioning strategy of brand Zara aims at democratizing fashion. The main objective of the company in India is to provide its customers with high fashion and trendy products at lower prices to accommodate their needs. The stores and outlets of Zara are particularly located at high end locations to make its products accessible to large consumer base that prefer trendy, highly fashionable and quality products at reasonable prices. (Dutta, 2003), (Marketing tree blog, 2017), (Case Study: Zara's Entry into Indian Retail Fashion Market).

Marketing Mix

Product:

The ability to respond rapidly to ever changing demands of customer is the major strength of the brand Zara. The manufacturing process of the company is not outsourced as a result it provide complete authority and control of the products produced by it (Dutta, 2003). The unique selling proposition of this brand is observed to be developing and imitating latest fashion trends (Zhelyazkov), (Yan & Joey, 2011). Additionally, the latest trending apparels and offerings are made available at all the stores at a maximum time period of two-four weeks. The unsold product from the store is pulled out of the display shelf on an immediate basis and new products are being arranged accordingly. For instance, the stores of Zara comprises of several products that are westernized and this is the major drawback of this brand in India as it is not working to reach the local consumers by innovating and developing designs that collaborates local traditions with modernism. Secondly, lack of seasonal variations in the product range is the major setback observed in the growth of this brand in India.

Price:

The main aim of Zara is to position its product at affordable price to its consumers. Zara believes that

consumers perceive the prices of its products to be quite reasonable as compared to other existing competitors of the brand that fixes premium prices of their offerings (Yan & Joey, 2011), (Dutta, 2003). However, after analysing the pricing structure of brand Zara it has been observed that Zara adopts a premium pricing strategy in India. The pricing policy in India by brand Zara is developed by elevating the development and training costs of the organization.

Promotion:

The marketing strategy of Zara is observed to be the most exclusive and unique one. "Zero investment in marketing" helps the brand in utilizing advertisement money in opening of new stores across the world. The main promotional strategy of the brand is to emphasize its efforts in searching for differential points and gaining competitive edge in the overall market (Yan & Joey, 2011), (Case Study: Zara's Entry into Indian Retail Fashion Market). The unique strategy of Zara is to ensure the consumers that its products are distinctive, affordable and unique. The company lays specific efforts on word of mouth advertising as Zara believes it poses greater impact on the minds of the consumers. In 2017, Zara has opened its online platform for Indian consumers in order to develop accessibility, awareness, enhanced customer satisfaction and first mover advantages as compared to its biggest competitor H&M. (The Economic Times, 2017).

The target population of Zara lies between the age group of 17 – 40 years that live in the city. As the consumer of this age group are considered to be one that are more averse towards fashion. Zara pay attention to every detail of their showrooms such as the windows is put up in a very elegant manner and the attendants of the shop are well groomed. Online shopping, bar coding and computer aided purchases are certain measures specifically designed to enhance sales and enable Zara to become global brand. (Case Study: Zara's Entry into Indian Retail Fashion Market)

Place:

Zara is a vertically integrated retailer that designs, produces and distribute its product all by itself (Yan & Joey, 2011; Dutta, 2003). Due to its global presence

Zara is able to achieve this approach in an extremely successful manner and is gradually expanding its base in India. It has been observed that approximately 90% of the stores are owned by Zara and rest are joint ventures and franchises, this implies that the experience of customers remain same in all the stores while entering Zara stores be it at any place (Ferdows, Lewis, & Machuca, 2003), (Case Study: Zara's Entry into Indian Retail Fashion Market). The stores of Zara are established in urban area specifically in a mall that helps the brand to gain enhanced popularity and brand image. In order to provide accessibility and awareness of its brand Zara started online store for its customers in 2017, in order to make the product reach larger customer base.

Entry Strategy of Zara in India

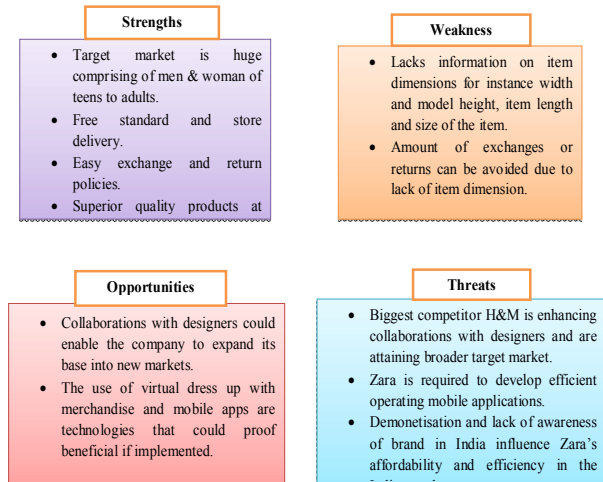
The international expansion is primarily focusing upon three different entry modes joint ventures, subsidiaries and franchising. To enter the Indian market in India, Inditex used the strategy of pursuing a joint venture with Trent Limited, a Tata Group company, which is one of the highly recognized clothing line distributors in the country. Amongst this Inditex holds 51% share of this collaboration and Tata's subsidiary holds 49% share. In the present scenario, Zara has almost 20 stores all over India and has observed a high double digit growth in December 2017 in same-store in the market, where most retailers struggled for a single digit growth due to slowdown in consumer spending. (Entry Mode Of Zara Into The Indian And Chinese Market, 2016), (Chadha, 2014), (Zara to enter India's fashion market), (Case Study: Zara's Entry into Indian Retail Fashion Market), (Entry Mode Of Zara Into The Indian And Chinese Market)

The major restraints that Zara had witnessed while entering into the Indian market were demography and cultural concerns. Since, the target market is wide in India, the brand has projected as the income will become larger there will be increasing demand for fashionable and superior quality products.

SWOT Analysis

(Bhasin, 2018), (Zara SWOT Analysis/Matrix), (Zara SWOT Analysis, Competitors & USP)

Fig 1: SWOT Analysis of Zara



Supply Chain of Zara in India

Zara is signified as one of the most renowned brand for its ability to efficiently deliver new clothes to stores rapidly and in small batches (Ferdows, Lewis, & Machuca, 2003), (Yan & Joey, 2011). In India it has been observed that almost twice a week store managers order clothes and on schedule new garments arrive in the store (Zhelyazkov), (Mazaira, Gonzalez, & Avendano, 2003). It has been estimated that the Spanish brand produces approximately 550 million items a year for its nearly 1,770 stores operating in almost 87 countries. The effective and efficient supply chain of Zara is its competitive advantage. It uses vertical integration, owns its supply chain and embodies the idea of term "fast fashion". (Dutta, 2003).

i. Just in time production

- Zara provides fashionable and trendy products to its consumers that cater to various tastes of the citizens of India through an integrated process i.e. just in time. (Ferdows, Lewis, & Machuca, 2003), (Zhelyazkov).
- Zara holds its production that allows the organization to be flexible in the amount,

frequency and variety of new products that are to be launched. (Yan & Joey, 2011).

- Zara produces its products almost six months in advance approximately 15 to 25% of the seasonal product. Almost 50 per cent of the clothes designed and manufactured by Zara are developed in the middle of the season. (Ferdows, Lewis, & Machuca, 2003), (Dutta, 2003).
- If a certain style or design of apparel in the country observes swelling demand than Zara reacts extensively, designs new styles and display them into stores at the peak time of the trend. (Ferdows, Lewis, & Machuca, 2003).
- Continuous feedback is implemented by the store managers to ensure the likeability towards its offerings, what they dislike and what new products they are searching for. The data collected is instantly being delivered to the designers of Zara who begin sketching and visualizing the product on the spot. (Ferdows, Lewis, & Machuca, 2003), (Zhelyazkov).

ii. Inventory Management

Zara avoids piling up inventory in any part of its supply chain from raw materials to finished products. There is an inventory optimization process that is implemented by the brand to predict the quantity that must be delivered to every single retail store via shipments that comes out twice every week. Zara avoids holding unpopular stock and create an exclusive brand image among its consumers (Ferdows, Lewis, & Machuca, 2003), (Yan & Joey, 2011), (Dutta, 2003). Moreover, the batch manufactured by the brand is small, so there is no fear of piled up unsold inventory that is required to get rid of (Ferdows, Lewis, & Machuca, 2003).

iii. Centralized logistics

Centralization is the key to Zara success as it is believed by the visionaries of this brand. Zara develops deep,

predictable and fast pace products to provide order fulfilment to stores. Trucks leave at specific times and shipments arrive in stores at specific times. Garments of the brands are already labelled and priced upon destination. Due to flexible centralization process every staff associated from design to procurement, production, distribution and retail adheres to the timeline and performs operations effectively (Ferdows, Lewis, & Machuca, 2003; Yan & Joey, 2011). Most importantly at Zara, change does not disturb the system in spite it is a part of the system. It's vertically integrated supply chain and cross functional operations enables mass production under push regulator that assists the brand to develop well-managed inventories, higher profitability, lower markdowns and value creation for shareholders in both the short and long term. (Ferdows, Lewis, & Machuca, 2003).

Research Methodology

❖ Study Population:

100 respondents.

❖ Data Collection Procedure:

Primary data (Questionnaire) and secondary data.

❖ Data Analysis Procedure:

- Creating Questionnaire.
- Collecting Responses from 80-100 respondents.
- Creating parameters for the same respondents to check how the strategies of Zara are being perceived amongst its consumers.

Analysis & Interpretation

This study has eliminated respondents who have not heard about the brand Zara.

Table 1

Question	Objective	Options	Response
<i>How Often do you shop in a month</i>	To know how frequently consumers go for shopping	<ul style="list-style-type: none"> Once a month 2 -3 times a month More than 3 times a month Other 	<ul style="list-style-type: none"> 40% of the respondents go once a month for shopping, 34% go 2 to 3 times a month. 17% go more than 3 times a month & 9% of the respondents go very often.
<i>Have you heard of ZARA</i>	To know how famous ZARA is among the respondents	<ul style="list-style-type: none"> Yes No 	<ul style="list-style-type: none"> 86% of the respondents have heard of ZARA. This indicates majority of respondents are aware of ZARA as a famous brand.
<i>How did you hear about ZARA</i>	To know which source of media is most effective in spreading awareness for ZARA	<ul style="list-style-type: none"> TV or Radio Online Media (Facebook, etc.) Print Media (Newspaper, Magazine) Word of Mouth Other 	<ul style="list-style-type: none"> 39% of the respondents got to know about ZARA through word of mouth. 30% through print media like newspapers & magazines. 24% of people got to know through online media like Facebook promotions. TV & Radio advertisements are not present at all indicating that ZARA concentrates more on verbalizer strategy.
<i>How often do you visit the ZARA store</i>	To know how often people visit ZARA store	<ul style="list-style-type: none"> Once a month 2 -3 times a month More than 3 times a month Other 	<ul style="list-style-type: none"> About 59% of the total respondents visit Zara store once a month at least which reflects that Zara has wide acceptance and accessibility.
<i>Where will you do shopping for ZARA products</i>	To know which mode of ZARA store is most effective among consumers	<ul style="list-style-type: none"> Internet Flagship Stores Stores in Street/Shopping Mall All of the above Other <p style="text-align: right;">High</p>	<ul style="list-style-type: none"> 66% of the respondents buy from Stores in High Streets/Shopping malls. 26% buy from flagship stores & 18% buy from Online portals. Zara opens its stores in India mostly in metropolitan cities and mostly in shopping malls to attract huge crowd & to become more visible and accessible.
<i>What categories of clothing would you be most likely to purchase from ZARA (Tick all that apply)</i>	To know which category of clothing from ZARA is most liked by customers	<ul style="list-style-type: none"> Casual Work/Corporate Parties Shoes Accessories 	<ul style="list-style-type: none"> Most of the respondents buy casuals and party wear from ZARA. ZARA offers great style and wide variety of options to choose from.
<i>What is your first consideration when purchasing clothes from ZARA (Choose more than one)</i>	To know what do consumers consider the most while shopping from ZARA	<ul style="list-style-type: none"> Fashion Brand Popularity Color & Design Value for money Quality Service 	<ul style="list-style-type: none"> Respondents feel Zara provides clothes which are inclined towards more of fashionable clothes. The second parameter is Quality. Then the other parameters as well comes one after the other. We can conclude from this that Zara products tend to design fashionable products according to the actual trends

The table summarises an overall analysis of the study. The first column tells us the question which has been asked to the respondents. The second column tells us the objective of asking that particular question. It tells us why that question is asked and what information is needed from the respondents by asking that question. The third column displays the options which were given to the respondents for that particular question. They had to choose any one option to answer that question. The fourth column summarises the response

received from the respondents for that particular question.

A. Independent Variable: Age Group

Age Group taken into consideration –

- 18-25 years.
- 26-35 years.
- 36-46 years.

(Scores are given out of 5)

Table 2

Dependent Variable	Null Hypothesis	p-value & Average Score	Result
<i>Latest Fashion Trend</i>	People of all age groups feel in the same manner about ZARA's fashion trend.	p-value: 0.0015 Avg Score: 18-25 yrs :3.67 26-35 yrs : 2.22 36-46 yrs : 3.14	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group think differently about ZARA's fashion trend. Young age group (18-25 yrs) has given highest score indicating that they have positive perception about ZARA's fashion trend & believe it offers products with the latest fashion trend. On the other hand, mid age group people (26-35 yrs) has given a low score indicating that they feel ZARA is not very fashion trendy.
<i>Quality</i>	People of all age groups feel in the same manner about ZARA's Quality of product	p-value: 0.0066 Avg Score: 18-25 yrs – 3.58 26-35 yrs – 2.31 36-46 yrs – 3.14	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group think differently about ZARA's quality of product. Young age group (18-25yrs) has given highest score indicating that they have positive perception about ZARA's quality of product & believe it offers good quality products. On the other hand, mid age group people (26-35 yrs) has given a low score indicating that they feel ZARA is not offering good quality of products and are not very satisfied with it.
<i>Customer Service</i>	People of all age groups feel in the same manner about ZARA's Customer Service	p-value: 0.0264 Avg Score: 18-25 yrs – 3.11 26-35 yrs – 2.09 36-46 yrs – 2.85	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group think differently about ZARA's customer service. Young age group (18-25yrs) has given highest score indicating that they have positive perception about ZARA's customer service. On the other hand, mid age group feel negatively about ZARA's customer service as they have given a low score. Age group 36-46 yrs gave 2.85 score indicating that they are fine with ZARA's customer service.
<i>Value for money</i>	People of all age groups feel in the same manner about ZARA's value for money	p-value: 0.0159 Avg Score: 18-25 yrs – 3.18 26-35 yrs – 2.09 36-46 yrs – 2.85	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group think differently about ZARA's value for money. Young age group (18-25yrs) has given highest score indicating that they have positive perception about ZARA's value for money. On the other hand, mid age group feel negatively about ZARA's customer service as they have given a low score. Age group 36-46 yrs gave 2.85 score indicating that they are fine with ZARA's customer service.
<i>Wide range of designs</i>	People of all age groups feel in the same manner about ZARA's range of designs.	p-value: 0.0193 Avg Score: 18-25 yrs – 3.41 26-35 yrs – 2.27 36-46 yrs – 3.14	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group think differently about ZARA's range of designs. People from age group 18-25 yrs & 36-46 yrs have given a positive score indicating positive perception towards ZARA's range of designs. They believe it offers quite a good range of designs & styles to choose from. On the other hand, people from age group 26-35 yrs have given a low score indicating dissatisfaction towards the range of designs offered by ZARA.

(Contd...)

Exclusivity	People of all age groups feel in the same manner about ZARA's exclusivity.	p-value: 0.0072 Avg Score: 18-25 yrs – 3.54 26-35 yrs – 2.31 36-46 yrs – 3.28	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group feel differently about ZARA's exclusivity. Young age group (18-25yrs) has given highest score indicating that they have positive perception about ZARA's exclusivity. On the other hand, mid age group feel negatively about ZARA's customer service as they have given a low score. Age group 36-46 yrs gave 3.28 score indicating that they are quite fine with ZARA's exclusivity of products.
Stylish Quotient (Style)	People of all age groups feel in the same manner about ZARA's style quotient.	p-value: 0.0273 Avg Score: 18-25 yrs – 3.69 26-35 yrs – 2.57 36-46 yrs – 3.42	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group feel differently about ZARA's style quotient. Young age group (18-25yrs) has given highest score indicating that they have positive perception about ZARA's style quotient & believe that ZARA's products are really stylish. On the other hand, mid age group feel moderately about ZARA's style quotient as they have given a 2.5 out of 5. Age group 36-46 yrs gave 3.42 score indicating that they are quite fine with ZARA's style quotient.
ZARA has low prices	People of all age groups feel in the same manner about ZARA's prices.	p-value: 0.54 Avg Score: 18-25 yrs – 2.1 26-35 yrs – 1.77 36-46 yrs – 2	Null hypothesis accepted since p-value greater than 0.05. It shows that people from different age group feel in the same manner about ZARA's pricing. All of them have given an average score of 2. This means that ZARA does not have a low price and its products are expensive. People from all the 3 age groups have same perception about ZARA's pricing.
ZARA has a well-known brand name	People of all age groups feel in the same manner about ZARA's brand name.	p-value: 0.0001 Avg Score: 18-25 yrs – 3.79 26-35 yrs – 2.13 36-46 yrs – 3	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group feel differently about ZARA's brand name. Young age group (18-25yrs) has given highest score indicating that they have positive perception about ZARA's brand name & feel that it is a well-known & established brand name. On the other hand, mid age group feel negatively about ZARA's brand name as they have given a low score of 2 out of 5. Age group 36-46 yrs gave 3.0 score indicating that they feel moderately about ZARA's brand name in the market.
ZARA has a convenient location	People of all age groups feel in the same manner about ZARA's store location.	p-value: 0.0113 Avg Score: 18-25 yrs – 3.08 26-35 yrs – 2 36-46 yrs – 2.42	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group feel differently about ZARA's store location. It shows that young people (18 to 25 yrs) are moderate about ZARA's store location and feel that ZARA's store location is reachable whereas middle aged people (26 to 35 yrs) are not very happy & positive about it. They feel that ZARA's store location is not convenient & it is difficult to reach. People belonging to the age group of 36-46 years also seem to have a less than satisfactory opinion about ZARA's store location.
ZARA produces high quality products	People of all age groups feel in the same manner about ZARA's Quality of product.	p-value: 0.0007 Avg Score: 18-25 yrs – 3.63 26-35 yrs – 2.18 36-46 yrs – 3.42	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group feel differently about ZARA's quality of product. It shows that young people belonging to the age group of 18-25 years feel positively about ZARA and seem to be pretty satisfied with it. But the middle aged people belong to the age group of 26-35 years have given ZARA a low score indicating dissatisfaction with ZARA's product Quality. People belonging to the age group of 36-46 years also seem fine with the quality aspect of ZARA.
ZARA is a trendsetter	People of all age groups feel in the same manner about ZARA's trend setting capacity.	p-value: 0.0062 Avg Score: 18-25 yrs – 3.48 26-35 yrs – 2.22 36-46 yrs – 3.42	Null hypothesis rejected since p-value less than 0.05. It shows people from different age group feel differently about ZARA's trend setting capacity. It can be seen that young people belonging to the age group of 18-25 years feel positively about ZARA and seem to be pretty satisfied with it. But the middle aged people belonging to the age group of 26-35 years have given ZARA a low score indicating low confidence on ZARA's trend setting capacity. People belonging to the age group of 36-46 years also seem fine with the trend setting

In this table, the analysis is described age group wise (18-25 yrs., 26-35 yrs., 36-46 yrs.). Age group is considered as independent variable and various dependent variables are tested using one way anova on SPSS software. The analysis is done using p-values.

Interpretation of p-value: When p-value is less than 0.05, the null hypothesis is rejected. This means that the respondents of different age group think differently about a particular dependent variable.

When p-value is greater than 0.05, the null hypothesis is accepted. This means that the respondents of different age group think in the same manner about a particular dependent variable.

The first column tells us about the dependent variable. The second column tells us about the Null Hypothesis which is taken into consideration. The third column tells us about the p –value and the average score given by each age group for that particular test. The fourth column describes the result obtained- whether null hypothesis is accepted or rejected, its interpretation and average scores given by each age group.

B. Independent Variable: Gender

Gender –

- Male.
- Female.

(Scores are given out of 5)

Table 3:

Dependent Variable	Null Hypothesis	p-value & Average Score	Result
<i>Latest Fashion Trend</i>	People of both genders feel in the same manner about ZARA’s fashion trend.	p-value: 0.0223 Avg Score: Male – 2.91 Female – 3.67	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA’s fashion trend. Female have given a score of 3.67 which means that they have positive perception about ZARA’s fashion trend and believe that ZARA’s products are fashionable. Whereas, male have given a moderate score of 2.9 (approx 3) which means they feel moderately about ZARA’s fashion trend.
<i>Quality</i>	People of both genders feel in the same manner about ZARA’s quality.	p-value: 0.0071 Avg Score: Male – 2.81 Female – 3.69	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA’s quality. Female have given a score of 3.69 which means that female feel positively about ZARA’s quality and believe that ZARA’s products are of good quality. Whereas, male have given a moderate score of 2.8 (approx 3) which means they feel moderately about ZARA’s quality and are not very happy with it.
<i>Customer Service</i>	People of both genders feel in the same manner about ZARA’s customer service.	p-value: 0.0049 Avg Score: Male – 2.41 Female – 3.28	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA’s customer service. The scores tell us that female feel moderately about ZARA’s customer service and believe that ZARA’s customer service is okay, but not very good. Whereas, male have given a low score of 2.4 which means they feel negatively about ZARA’s customer service and are not happy with it.

(Contd...)

Value for money	People of both genders feel in the same manner about ZARA's value for money.	p-value: 0.0143 Avg Score: Male – 2.52 Female – 3.28	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA's value for money. The scores tell us that female feel moderately about ZARA's value for money and believe that ZARA's products offer a decent value for money which has been paid for it, but still not very happy & satisfied with it. Whereas, male have given a low score of 2.5 which means they feel negatively about ZARA's value for money and are not happy with it.
Wide range of designs	People of both genders feel in the same manner about ZARA's range of designs.	p-value: 0.0316 Avg Score: Male – 2.77 Female – 3.49	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA's range of designs. We can see that female feel moderately about ZARA's range of designs and believe that ZARA offers a decent range of designs but needs to offer more. Whereas, male have given a low score of 2.77 which means they feel negatively about ZARA's range of designs and are not happy with it.
Exclusivity	People of both genders feel in the same manner about ZARA's exclusivity.	p-value: 0.0167 Avg Score: Male – 2.85 Female – 3.62	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA's exclusivity. The scores tell us that female feel positively about ZARA's exclusivity and believe that ZARA offers an exclusive range of products & can do more. Whereas, male have given a low score of 2.85 which means they feel negatively about ZARA's exclusivity and are not happy with it.
Stylish (Style Quotient)	People of both genders feel in the same manner about ZARA's style quotient.	p-value: 0.0645 Avg Score: Male – 3.10 Female – 3.73	Null hypothesis accepted since p-value greater than 0.05. It shows people of both genders feel in the same manner about ZARA's style quotient. We can see that female & male both feel positively about ZARA's style quotient. Female have given a high score of almost 4 out of 5, which means they believe that ZARA's products are stylish and nice to wear. Although, male have given a moderate score of 3.10, but we can say they are on the positive side as well.
ZARA has low prices	People of both genders feel in the same manner about ZARA's pricing.	p-value: 0.8404 Avg Score: Male – 2.02 Female – 2.07	Null hypothesis accepted since p-value greater than 0.05. It shows people of both genders feel in the same manner about ZARA's pricing. The results tell us that female & male both feel negatively about ZARA's pricing. Both gave an average score of about 2 out of 5, which means that ZARA's pricing is not low. They find ZARA's products expensive.

(Contd...)

<i>ZARA has a well-known brand name</i>	People of both genders feel in the same manner about ZARA's brand name.	p-value: 0.0006 Avg Score: Male – 2.79 Female – 3.90	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA's brand name. The scores tell us that female feel positively about ZARA's brand name and believe that ZARA has a well known brand name in the market. Whereas, male have given a low score of 2.79 which means they are not so positive about ZARA's brand name & feel that it is not yet a very well known brand.
<i>ZARA has a convenient location</i>	People of both genders feel in the same manner about ZARA's store location.	p-value: 0.0075 Avg Score: Male – 2.37 Female – 3.18	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA's store location. We can see that female feel moderately about ZARA's store location & believe that stores are not very close to their homes but still are manageable. Whereas, male have given a low score of 2.375 which means they feel negatively about ZARA's store location and are not happy with it.
<i>ZARA produces high quality products</i>	People of both genders feel in the same manner about ZARA's quality.	p-value: 0.0036 Avg Score: Male – 2.80 Female – 3.73	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA's quality. The scores indicate that female feel positively about ZARA's quality and believe that ZARA's products are of good quality. Whereas, male have given a moderate score of 2.8 (approx 3) which means they feel moderately about ZARA's quality and are not very happy with it.
<i>ZARA is a trendsetter</i>	People of both genders feel in the same manner about ZARA's trend setting capacity.	p-value: 0.0052 Avg Score: Male – 2.73 Female – 3.64	Null hypothesis rejected since p-value less than 0.05. It shows people of both genders feel differently about ZARA's trendsetting capacity The results tell us that female feel positively about ZARA's trend setting capacity and believe that ZARA can set a trend for the people. Whereas, male have given a moderate score of 2.73 which means they feel moderately about ZARA's trend setting capacity & do not seem to have much confidence in ZARA.
<i>ZARA has a contemporary image</i>	People of both genders feel in the same manner about ZARA's image.	p-value: 0.1081 Avg Score: Male – 2.6 Female – 3.05	Null hypothesis accepted since p-value greater than 0.05. It shows people of both genders feel in the same manner about ZARA's image. The results tell us that female & male both feel moderately about ZARA's image. Both gave an average score of about 3 out of 5, which means that ZARA's image is moderate. They need to do more to improve its image.

In this table, the analysis is described gender wise (Male, Female). Gender is considered as independent variable and various dependent variables are tested using one way anova on SPSS software. The analysis is done using p-values.

Interpretation of p-value: When p-value is less than 0.05, the null hypothesis is rejected. This means that the respondents of different gender think differently about a particular dependent variable.

When p-value is greater than 0.05, the null hypothesis is accepted. This means that the respondents of different gender think in the same manner about a particular dependent variable.

The first column tells us about the dependent variable. The second column tells us about the null hypothesis which is taken into consideration. The third column tells us about the p-value and the average score given by each age group for that particular test. The fourth column describes the result obtained- whether null hypothesis is accepted or rejected, its interpretation and average scores given by each gender.

Conclusion

According to the analysis and interpretation of this study it has been observed that Zara has developed a craze and huge popularity for its products among the fashion fanatics and is efficient in adhering to the changing needs of the consumers. The unique selling proposition of the brand is to sell latest and exclusive apparels at affordable prices. However, consumers of different gender and age group have different perception about ZARA, when we look at fashion trend followed by the brand. According to the analysis, Zara is successful in providing fashionable and trendy products to its customers. Furthermore, regarding the quality of products Zara has successfully attained positive responses on this parameter on the other hand Zara is unable to cater to its pricing strategies among the consumers. Its key marketing strategy is based on affordability, exclusivity, differentiation and experience. Moreover, the brand relies heavily on word of mouth advertising more than anything as it offers differentiating feature in its offerings as a result it is quiet popular. According to the analysis almost 39% of the respondents got to know about Zara through

this source, although Zara can come up with certain promotional events to cater to its huge market.

It can be observed that to provide customer service, Zara is able to cater well in this strategy though it is observed to be positive in the minds of the female rather than the male population. Zara tries to attract older generation to try its products that provides them youthful feeling by wearing its clothing. Furthermore, the target audience of Zara identifies the brand in a similar manner. According to this research study it has been inferred that the consumers in the age group of 18-25 years are more inclined towards the brand Zara rather than the people in the age group of 35 and above, which means in this strategy Zara is not able to position itself successfully.

References

- Entry Mode of Zara Into The Indian And Chinese Market. (2016, December 5). Retrieved from UK Essays Web site: <https://www.ukessays.com/essays/business/entry-mode-of-zara-into-the-indian-and-chinese-market-business-essay.php#citethis>.
- (2017, December 13). Retrieved from The Economic Times Web site: <https://retail.economictimes.indiatimes.com/news/apparel-fashion/apparel/zara-owner-inditex-profits-up-on-strong-sales/62053760>.
- (2017, September 28). Retrieved from The Economic Times Web site: <https://retail.economictimes.indiatimes.com/news/apparel-fashion/apparel/zara-to-start-online-sales-from-october-4/60864073>.
- (2018, May 23). Retrieved from Forbes Web site: <https://www.forbes.com/companies/zara/#4605bce67487>.
- Bhasin, H. (2018, January 11). SWOT Analysis of ZARA. Retrieved from Marketing 91 Web site: <https://www.marketing91.com/swot-analysis-zara/>.
- Case Study: Zara's Entry into Indian Retail Fashion Market. (n.d.). Retrieved from MBA Knowledge Base Web site: <https://www.mbaknol.com/management-case-studies/case-study-zaras-entry-into-indian-retail-fashion-market/>.
- Chadha, S. (2014, December 20). How Zara nailed fashion retail in India. Retrieved from First Post Web site: <https://www.firstpost.com/business/how-zara-nailed-fashion-retail-in-india-924085.html>.
- Dutta, D. (2003, August). Retail @ the speed of fashion part-II. IMAGES.
- Entry Mode of Zara Into The Indian And Chinese Market. (n.d.). Retrieved from Sutree Web site: <https://sutree.com/entry-mode-of-zara-into-the-indian-and-chinese-market/>.
- Ferdows, K., Lewis, M., & Machuca, J. A. (2003). Zara. Supply Chain Forum, 62-67.

- Hanbury, M. (2018, June 21). Retrieved from Business Insider India Web site: <https://www.businessinsider.in/The-biggest-difference-between-Zara-and-HM-explains-why-one-is-thriving-while-the-other-is-flailing/articleshow/64687137.cms>.
- Keller, A. A. (2012, October 26). Zara Strategic Marketing Plan. Zurich, Switzerland.
- Lopez, C., & Fan, Y. (2009). Internationalisation of The Spanish Fashion Brand ZARA. *Journal of Fashion Marketing and Management*, 279-296.
- Malviya, S. (2017, July 04). Retrieved from The Economic Times Web site: <https://economictimes.indiatimes.com/industry/services/retail/zara-crosses-rs-1k-crore-mark-despite-competition/articleshow/59435277.cms>.
- Marketing tree blog. (2017, April 23). Retrieved from Marketing Tree Blog Web site: <https://marketingtreeblog.wordpress.com/2017/04/23/zara-stp-strategy/>.
- Mazaira, A., Gonzalez, E., & Avendano, R. (2003). The role of market orientation on company performance through the development of sustainable competitive advantage: the Inditex-Zara case. *Marketing Intelligence and Planning*, 220-229.
- Payton, S. (2017, February 27). Retrieved from Referral Candy Web site: <https://www.referralcandy.com/blog/zara-marketing-strategy/>.
- Roy, S. (2010, July 29). Retrieved from Forbes Web site: <https://www.forbes.com/2010/07/29/forbes-india-zara-business-modeltweak.html#4e6db219a838>.
- The Economic Times. (2017, September 27). Zara to start online sales from October 4. Retrieved from The Economic Times Web site: <https://economictimes.indiatimes.com/industry/services/retail/zara-to-start-online-sales-from-october-4/articleshow/60857715.cms>.
- The Economic Times. (2017, September 28). Zara to start online sales in India from October 4. Retrieved from The Economic Times Web site: <https://tech.economictimes.indiatimes.com/news/internet/zara-to-start-online-sales-in-india-from-october-4/60865463>.
- Yan, L. W., & Joey. (2011, March). How Does Fast Fashion Influence The Consumer Shopping Behavior Of Generation Y In Hong Kong.
- Zara SWOT Analysis, Competitors & USP. (n.d.). Retrieved from MBA Skool Web site: <https://www.mbaskool.com/brandguide/lifestyle-and-retail/3814-zara.html>.
- Zara SWOT Analysis/Matrix. (n.d.). Retrieved from Fern Fort University Web site: <http://fernfortuniversity.com/term-papers/swot/1433/1094-zara.php>.
- Zara to enter India's fashion market. (n.d.). Retrieved from Financial Times Web site: <https://www.ft.com/content/3c99fa72-f399-11dd-9c4b-0000779fd2ac>.
- Zhelyazkov, G. (n.d.). Agile Supply Chain: ZARA's case study analysis.