

# What Business Is Zara In?

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*"New Science of Retailing"*  
Marshall Fisher & Anant Ramani  
TheCaseSolutions.com



ZARA  
In Season Response  
Short Lead time for New Fashion  
Two weeks on most off the shelf  
Mass Production  
Minimum advertising / Max Production Costs  
TheCaseSolutions.com



ZARA's Secret to Success  
Observation of the Market  
Management Responsibility  
07/06/2011 01:13:33



*Traditional Retail Process*  
Optimal Price > Higher Gross Margins  
Good Inventory Management  
Abercrombie & Fitch  
TheCaseSolutions.com



*Management*  
Pursuit of organizational goals  
Efficiency - Means - resources, money, people  
Effectively - End - decisions, results  
TheCaseSolutions.com



*Zara's Business Model*  
Public - Designers  
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# "New Science of Retailing"

Marshall Fisher & Anent Raman

*Amancio Ortega*

- 3rd Richest Man
- \$57 Billion
- Self-Founded
- Inditex
- 4 continents



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## *Amancio Ortega*

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# *Management*

Pursuit of organizational goals

Efficiency - Means - resources, money, people

Effectively - End - decisions, results

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# Traditional Retail Process

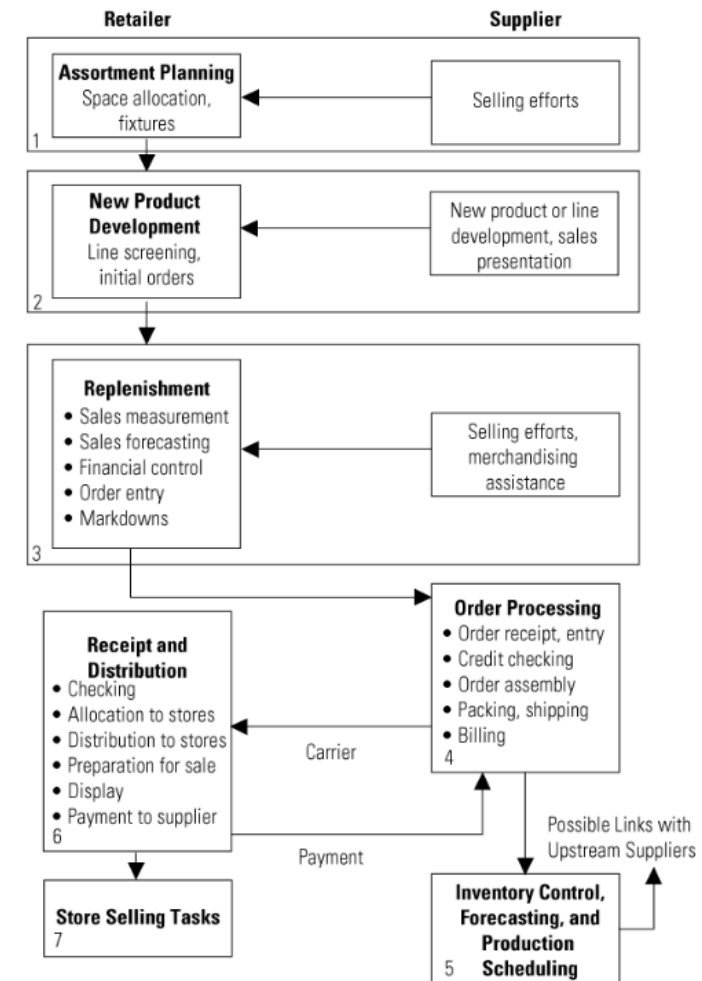
Optimal Price > Higher Gross Margins

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Figure 1 Traditional Merchandising-Distribution Process

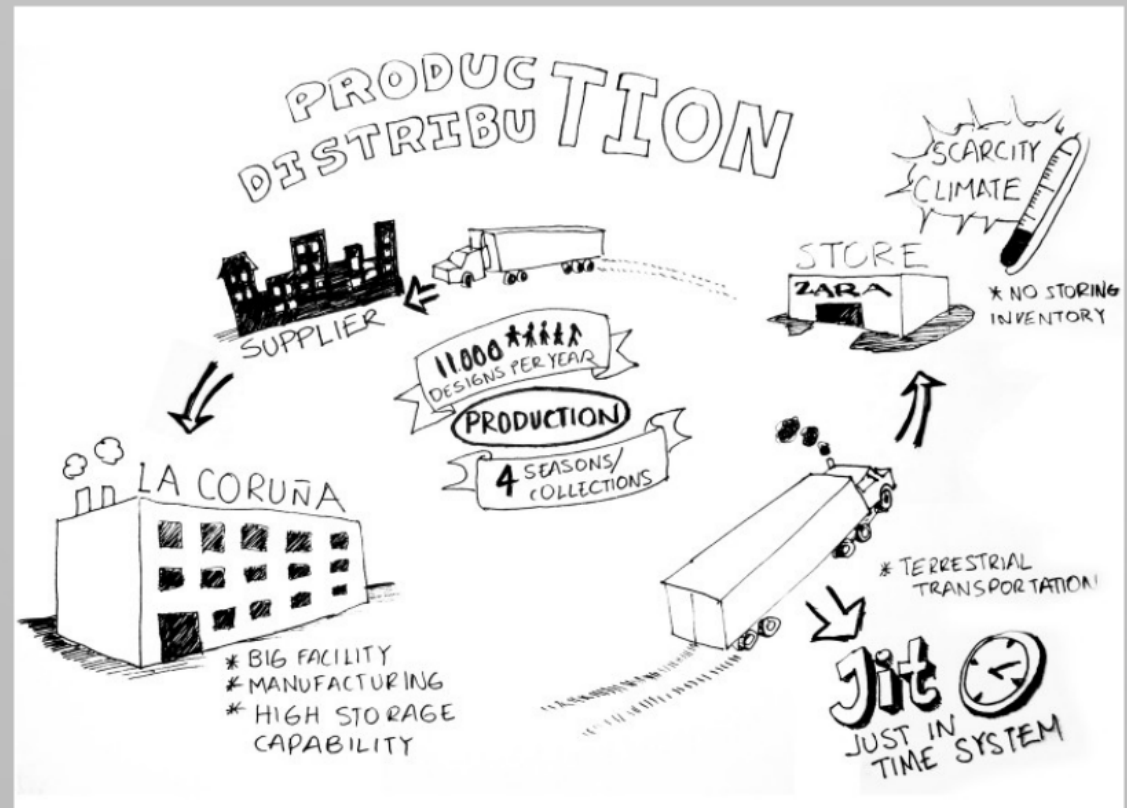


# Zara's Business Model

Public = Designers

## GOLD MINE DESIGNERS

Product managers  
Produces where it sales - Local Talent  
Specific Classification  
Initial Collection



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# GOLD MINE DESIGNERS

*Product managers*

*Produces where it sales - Local Talent*

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*In Season Response*  
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Fashion Climax

*Tight Integration*  
*Flexible Corporation*  
*Fast Production*



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