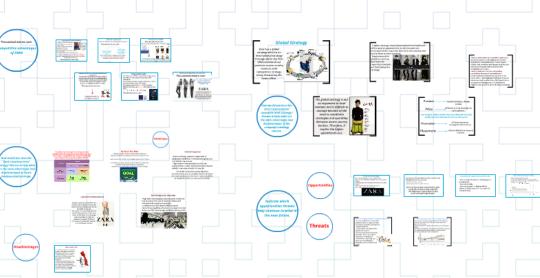
Strategic Management of Intellectual Property: An Integrated Approach

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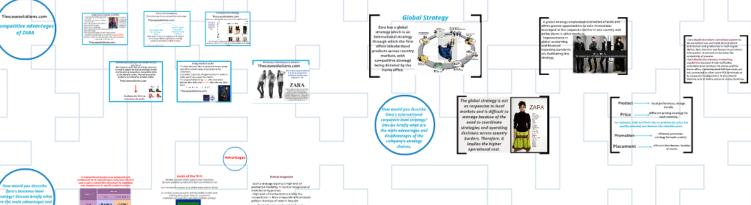


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its production cycle is significantly shorter than that of Mi-Zara has more stores over the world Zara's target group is big, as we have already mentioned,

The only weak point of Zara in this analysis is lower level of quality. However, we have alrea proved that this is the part of firm's strategy which allows it to create differentiated profu















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Competitive advantages of ZARA

A high level of strategic flexibility

- Zara has built its strategy around consumer trends, embracing the fast-changing tastes of its customers.
- Most of production capacities of ZARA are located in Europe.

50% of the products Zara sells are manufactured in Spain

26% in the rest of Europe

24% in Asian and African countries and the rest of the world.

High level of vertical integration is a part of Zara's operation

Zara delivers new products twice each week to its 1,670 stores around the world. This adds up to more than 10,000 new designs each year. It takes the company only 10 to 15 days to go from the design stage to the sales floor.





"The fashion world is in constant flux and is driven not by supply but by customer demand.
We need to give consumers what they want, and if I go to South America or Asia to make clothes, I simply can't move fast enough."

A low cost of inventory

This advantage is cost competitive advantage.

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The company keeps low inventory in stock.

By this measure the company keeps low cost of inventory.

Each store in Spain is supposed to be visited on average 3 times a year by an average customer, but *Zara is visited 17 times*.

("Zara: a Spanish success story", CNN, 15.06.01)

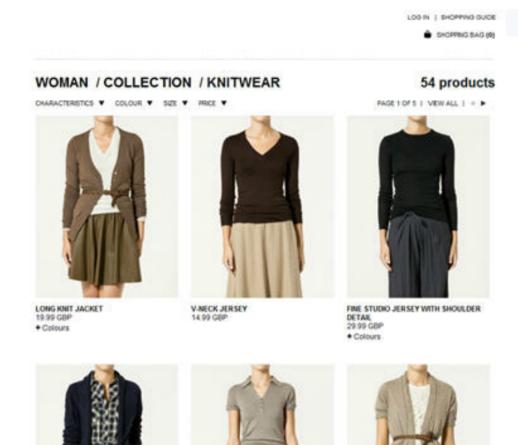
A strong on-line strategy

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Zara has a strong online appearance in the fashion market.

They have more than 6 000 000 friends on the facebook.





The managers expected on-line retail to grow to \$ 144 b to 2014 and hoped to see a 10% rise in revenue linked to its online store

Individual price policy for each market the firm operates on.

Zara imposes a price that an average consumer is ready to pay for the item (psychological limit) and the price of competitors (competitive limit) on the relevant market. The final price of the product is a combination of these criteria.

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It allows the firm to maximize its profit.



A big market niche

- The firm does not have a particular target group and offers a wide range of products to the customers.
- It provides a portion of segmentation in order to make purchases easier for clients.
- The segmentation is by: Age (TRF, Zara Man/ Woman, Zara Kids) and Gender (Zara Woman, Zara Man).

ZARAHOME

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Marketing & Advertising cost reduction

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Zara's advertising investment is 0-.3% as compared to traditional retailers who expends 3 – 4%.

ZARA

relies mainly on its stores to project their image. For that reason, Zara has a department, which exclusively works in acquiring global prime real estate locations. In addition, this department is responsible for the frequent refurbishing of store layouts, as well as the creation of a common window display for Zara's global stores.