

Moda Operandi: A New Style of Fashion Retail

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Zara Today

- Stores now located in prime locations in over 400 cities in Europe, the Americas, Asia and Africa
- Global concept store opened in NYC
 - Designed with latest advancements in sustainability
 - Will be used as global standard
- E-shopping available in 18 European markets, the US and Japan
- Launching an online store in China this winter



TheCaseSolutions.com Dilemma

- The geographic focus of Zara's store additions to be determined
 - Europe: brightest prospect for significant, sustained growth
 - North America and Asia are 2 other regional possibilities
- How to cope with complexity of managing multiple chains without compromising the excellence of Zara
 - Start up or acquire additional chains?

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Recommendations

- Focus on E-commerce development
- Infiltrate Italian markets
- Open in select cities in U.S.
- Build vertically rather than horizontally

Analysis



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- Overview
- Dilemma
- Porter's 5 Forces
- SWOT Analysis
- VRIO Analysis
- Financial analysis
- Recommendations
- Zara today



Overview

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History of ZARA

- Inditex- Zara and 5 other chains
- Amancio Ortega Gaona
- Based out of Galicia, Spain
- First store in 1975
- Reduce costs
- Strategic controller
- Vertical Integration

Market Information

- Competitors: The Gap, H&M, Benetton
- "Medium quality fashion clothing at affordable prices"
- Scarcity and opportunity climate
- Fashion Forward
- "Oil Stain" expansion approach
- Franchising and joint ventures

Strategic Goals

- Just-in-time
- Internal control
- Centralized distribution
- Low inventories
- Quick production and distribution
- Market data and managerial controls
- Merchandise and production team
- Centralized and key locations



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Porter's 5 Forces

1. Entry

1. Barriers to entry

- Significant
- Fast-fashion business model
- Hard to replicate

2. Supplier power

