FINAL MAREKTING PLAN

ZARA

MKTG4450_01 - E-Commerce
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Company Introduction

Zara is the most successful global fashion retail brands. Since it was established in 1975 in Spain, Zara has dramatically advanced the idea of "quick fashion" retail. Zara aims to inspire a responsible love of fashion among a wide range of consumers, representing a variety of cultures and age groups. The success of Zara has been attributed to a variety of things, but one of its greatest assets—and one that has significantly led to it being the worldwide fashion giant it is today— is its capacity to prioritise its clients. Customers are the centre of Zara's obsession, and they have shaped both the firm and the brand's culture from the very beginning.

With around 2259 Zara stores in 96 countries around the world, Zara has conquered the brick-and-mortar scene. When it comes to eCommerce, Zara's online strategy dominates that scene, as well.

The Zara brand offers men and women's clothing, children's clothing (Zara Kids), shoes and accessories. The sub-brand Zara TRF offers trendier and sometimes edgier items to younger women and teenagers.

Pic: 1 Company Logo
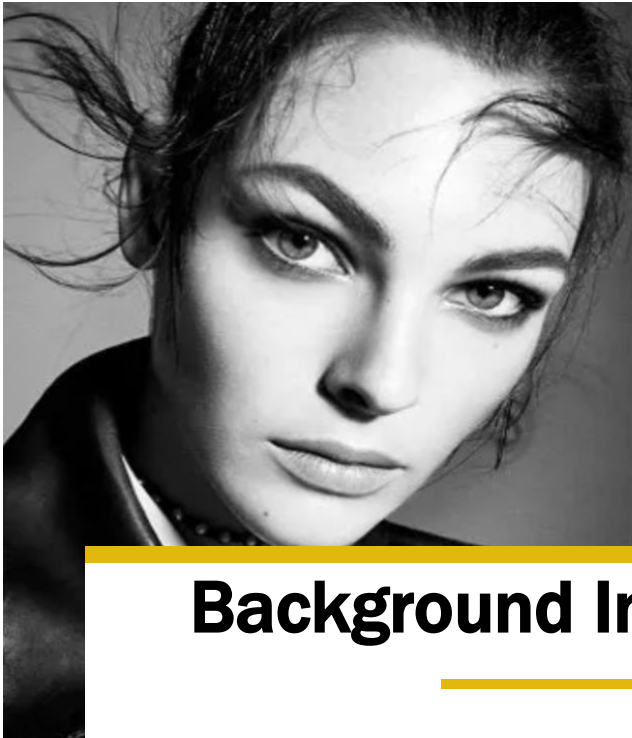
OCTOBER 4TH

SHOP ONLINE

COMING SOON

Background Information

Inditex CEO Pablo Isla stated that "it was important for the company to use online channels and integrate with the remaining things."

Inditex group that includes Zara carried the digital transformation in 2019 by starting e-commerce in five countries: Qatar, Kuwait, Bahrein, Oman and Jordan. Group opened online stores in nine markets including South Africa, Colombia, Philippines and Ukraine in 2019. The group developed e-commerce omnichannel integration strategy in all countries regardless of the presence of a physical store in 2020. In terms of e-commerce strategy, the ratio of 2019 e-commerce increased to 14% in total revenue.

Till COVID, Zara believed in advertising at online stores and redirecting some sales to online sales. In 2022, Zara made a $3 billion investment for the e-commerce and closing on 1200 physical stores. In addition to that, 64.000 sqm online studio and full-integrated RFID system establishment was decided. (Worldef.net, 2021)

Three main e-commerce strategy are digitalization, online platform integration with stores and sustainability.

Social networks are one of Zara's strong points. In their profiles, users are aware of the brand and interact with it. The Galician company shares content with many users. With a solid **inbound marketing** strategy, they are able to share photos and videos that generate viral interactions with their products.

Compared to other companies, the analysis process takes 3 to 6 months, while Zara takes only 15 days to access information and renew trends. Just in time" is their key to success. These database reports are essential to be able to modify the first strategies if necessary.

At Zara, they are constantly renewing their digital marketing strategies and resources. During 2018, in the midst of the technological revolution, the giant announced to its customers a new shopping experience. Through the Zara AR (augmented reality) app, consumers are able to visualize products through virtual models with looks that can be purchased from the App itself or in the physical store you are visiting. A tool that adds value to social networks and allows you to share your own shopping experience.

Following the innovation path and performance line, Inditex's marketing department proposes a 2022 action plan with new changes and integrations. In February, Inditex's main brand reported its next objectives and strategies. Among them are the pursuit of climate neutrality (products manufactured under Join Life standards), technological innovations, first collaborations and new influencer marketing strategies.

Zara People

In addition to interacting with customers on social media platforms, Zara has done a great job of growing its presence online. It developed the website "Zara People." It requested that users upload images of themselves wearing Zara clothing on its website. Customers flocked to the website in droves since this was such a novel notion. Only the best photos are chosen by Zara to be displayed. It resembles competing for customers more than anything else. Everyone wants their photo to be chosen and displayed on the Zara website. Through this tactic, Zara has become one of the most effective social media marketers.

Customer Profiling/Persona

Demographic

Target market of Zara is middle to high class men; woman and children who like to update themselves with latest fashion and style and want higher quality clothing on reasonable prices.

Zara Women, Zara Basic and Zara Sport	**Zara, Zara Basics, its club-wear brand 100Zara and Zara Sport**	**Zara Kids**
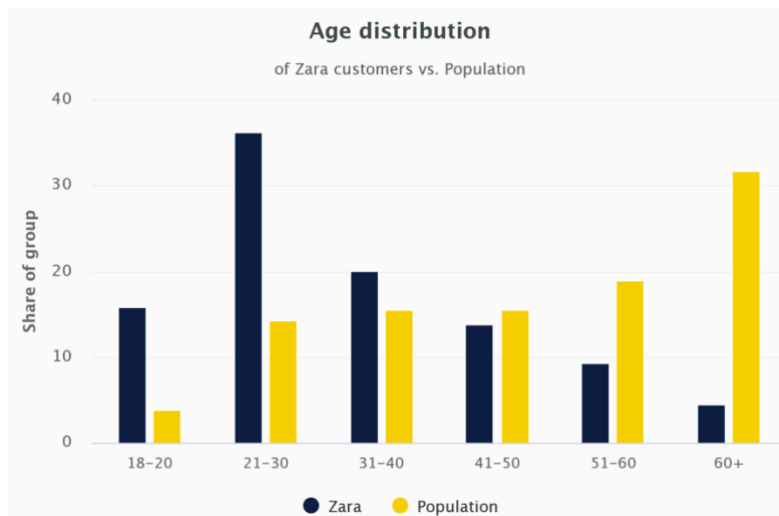
Source: 1
https://www.ailon.io/en/statistic/age_distribution_of_people_who_like_zara/

More women than men shop at Zara; in the UK, there are approximately 4 million female consumers vs about 2.4 million men. The Zara Kids collection targets parents who are looking for fashionable yet reasonably priced children's clothes. Young adult to middle-aged homemakers is the target market for Zara Home, the brand's home furnishings and accessories retailers. Zara's target market consists of the people who use internet frequently and update themselves with latest fashion.

Psychographic Segmentation

A psychographic research of Zara's consumer base reveals that they are very style aware, tech smart, and proud of their individuality. They desire the most recent trends, but they also desire a personalized shopping experience and the chance to exhibit their unique personalities.

Because the brand conveys strong emotional components like attractiveness and customer connection, the Zara target group is drawn to it. Contrarily, Zara clients are firmly in the middle class and seek out reasonable prices and good value.

Behavioural Segmentation

Zara's market segmentation approach is centred on consumers who desire a rapidly evolving wardrobe that is in line with the newest trends, but also one that is high-quality and reasonably priced. Customers of Zara are frequently devoted, as evidenced by the retailer's higher Net Promoter Score® than its rivals. Customer visits to Zara stores are 2 to 3 times higher than those to other fashion retailers. The target market for Zara is outspoken, devoted, and closely engaged to the company on social media. Currently, Zara has 3.9 million TikTok users.

Competition Analysis

Source: 2 https://media.bain.com/faster-fashion/index/

Comparing Zara to H&M, one of its most formidable rivals, reveals how closely the two companies compete for market share. In 2021, the brand value of H&M was slightly over $14 billion compared to Zara's $13.5 billion.

These are concentrating on growing their online presence and can be viewed as the total of the top-ranked stores based on the results of searches for fashion and apparel sets. Zara's brand name is steadily rising in popularity in the search results because of the retailer not investing in internet marketing. The business also recognised the benefits of using social media websites for direct client engagement and embraced online marketing methods that included discounts at links to the leading search engines.

| Company	ZARA	H&M Direct Competitor	MANGO Direct Competitor
Description	A Spanish clothing retailer based in Galicia, Spain, and the flagship chain store of the Inditex group. Bringing attractive and responsible fashion, as well as improve the customer's experience, are Zara's priorities.	H&M is a Swedish multinational clothing-retail company known for its fast-fashion clothing for men, women, teenagers, and children. "A value-driven, customer-focused, creative and responsible fashion company."	MANGO is a Spanish internationally famous multinational which designs, manufactures and markets women's and men's clothing and accessories. "Created with the aim of providing clothing for a young, urban feminine market "
Founded	Amancio Ortega - 1975	Erling Persson - 1947	Isak and Nahman Andic - 1984
Screenshots			
Revenue	€3.3 billion	$3.5 billion	€1.8 billion
Trustpilot Reviews	1.5/5 (6,782 reviews)	1.8/5 (7,634 reviews)	1.7/5 (2,543 reviews)
Website Functions	• Search • Hamburger menu • Newest Collection - call to action • Account/Login & Sign Up • Basket • Help • Men, Women, Kids clothing & Homewear	• Search • Navigation bar • 50% Off, Featured Product & Trending items - call to actions • Account/Login & Sign Up • Basket • Favourites • Men, Women, Kids clothing & Homewear	• Search • Navigation bar • 70% off sale - call to action • Account/Login & Sign Up • Basket • Wishlist • Men, Women, Kids clothing & Homewear

Supplier Breakdown

Online Website and Mobile App

Zara's international business strategy has laid its foundations on the entire customer journey. The brand keeps its messaging on-target and personal, catering to the shopping needs and web-behaviours by having a Zara eCommerce website with loads of product images, sizing tips, and information, it is also incredibly easy to navigate. Likewise, Zara's mobile app is fast, user-friendly, and makes for a slick visitor experience.

Social Media for promotions

Number of social media followers of Inditex's Zara worldwide in 2021, by platform (in millions).
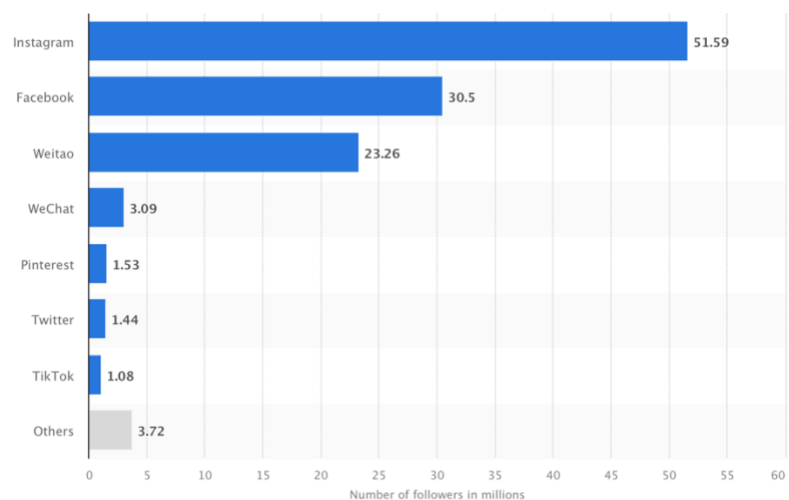
Source: Statistica, 2022

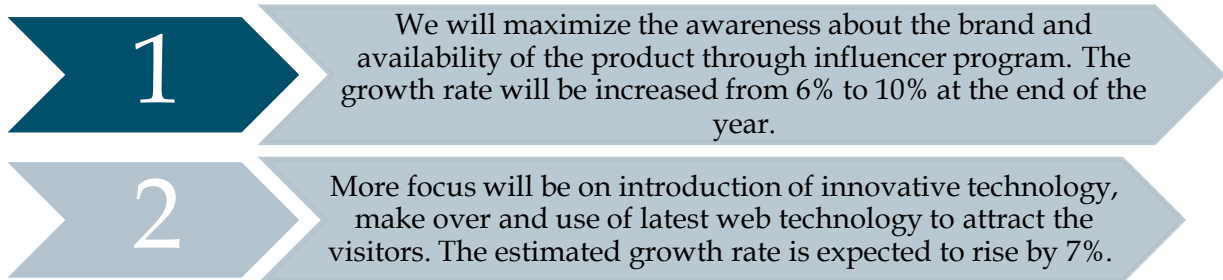## Integrated stock management and automated tactics

The foundation of Zara eCommerce's marketing strategy is the integration of omnichannel marketing and a highly developed integrated stock management system. Relevant and timely emails are sent to customers on everything from order status updates to back-in-stock alerts and other topics using an automated marketing platform. The brand adapts its messaging to the demands of the customer and their online activity across the whole customer journey, keeping it relevant and personalised.

Investing in future technologies

Keeping up with the latest marketing technologies and trends, Zara announced in 2018 that it is investing in logistics robotics, as its brands continue to expand their online presence to reach new markets and have an increasing amount of order to fulfil. Using robots to deliver products ordered to customers from nearby warehouses. (Contactpigeon, 2022)

Online Marketing Objectives

Challenging but achievable objective has been set for next two years. Because of the overall condition of the economy, which is not that good, result in the first year can be a bit slow.

1 We will maximize the awareness about the brand and availability of the product through influencer program. The growth rate will be increased from 6% to 10% at the end of the year.

2 More focus will be on introduction of innovative technology, make over and use of latest web technology to attract the visitors. The estimated growth rate is expected to rise by 7%.

Strategy

ZARA	**Strengths**	**Weakness**
	- ZARA has a very strong market Image due to quality, style and availability of products. - Strong financial position of ZARA is also our strength which will help us to invest adequately to get favorable results. - Online availability of our full catalogue is also our strength and customers can see, choose and make a final decision by just sitting home.	- Less to no advertising strategy and planning the rate of getting market share is very low. - Proper management and implementation of the new system can take time.

| **Opportunities**	**SO Strategies**	**WO Strategies**
• Adoption of new technology will help us. • Increase in promotional activities through online marketing to get maximum market share. • Building relations and long term contracts with the influencers will be beneficial for future cosumers.	• Build a monthly plan for an year to invlove new influencers with the brand and promote their purchases at Zara on YouTube & Instagram. • Explore Zara AR (augmented reality) app, and promote in on social media platforms.	• Zara does not advertise much so building the engement can take some time but leveraging Facebbok communities can be beneficial. • Since AR is still in developing phase, people need to be taught how to use it.
Threats	**ST Strategies**	**WT Strategies**
• Entry of new competitors is a threat for our product with new technologies and innovations. • Low buying power of the customers in existing markets is also a threat.	• Capturing and listening to customer reviwes and brand projection online through Hootsuite. • Leveraginng Instagram Live to get more involved with the customers and make them aware about the Zara AR (augmented reality) app.	• Improved and more focused customer's service by online reputation management (ORM) softwares. • More innovation, improved quality and value-added products for our customers. • Capturing new platforms like Pinterest or Affiliate marketing platforms.

Strategy & Tactics

To Build a monthly plan for an year to involve new influencers with the brand and promote their purchases at Zara on YouTube & Instagram.
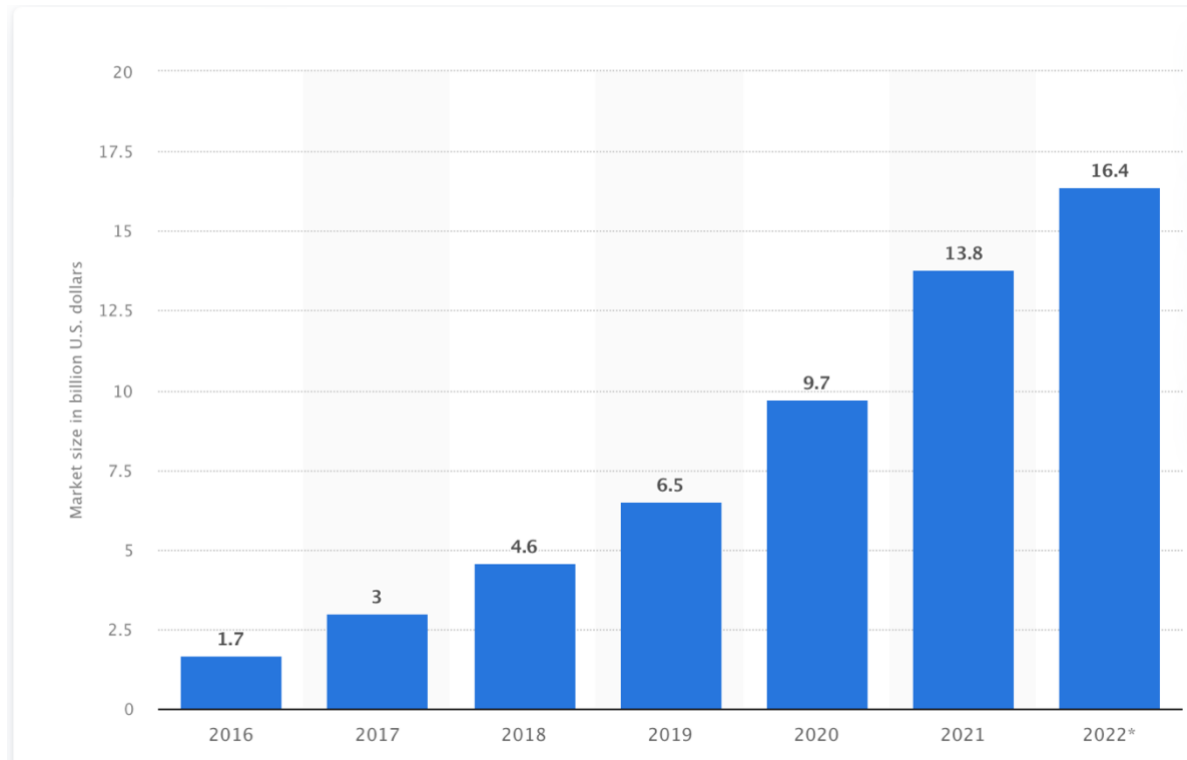
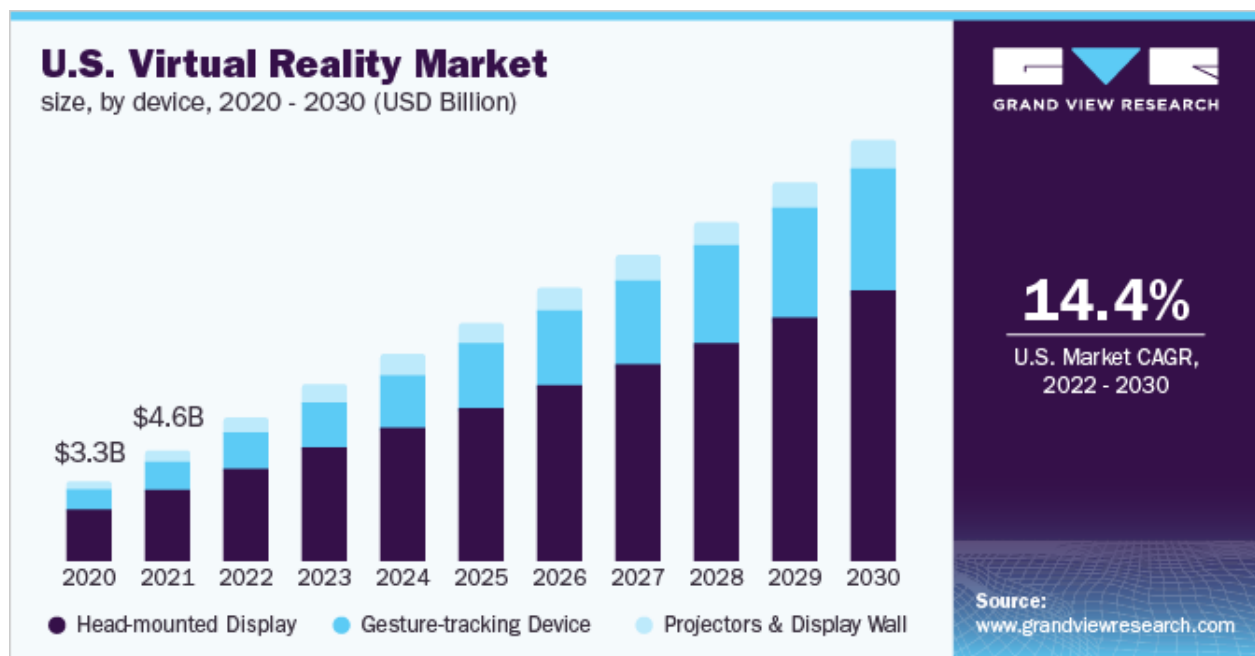*Source: 3Influencer marketing market size worldwide from 2016 to 2022 (in billion U.S. dollars)*

While Instagram influencer marketing is a well-known strategy, there are many other networks that are growing for influencers. According to Adweek, the industry is set to reach $10 billion in worth by 2025. Other networks like Snapchat, YouTube and TikTok have their own set of influencers with different demographics.
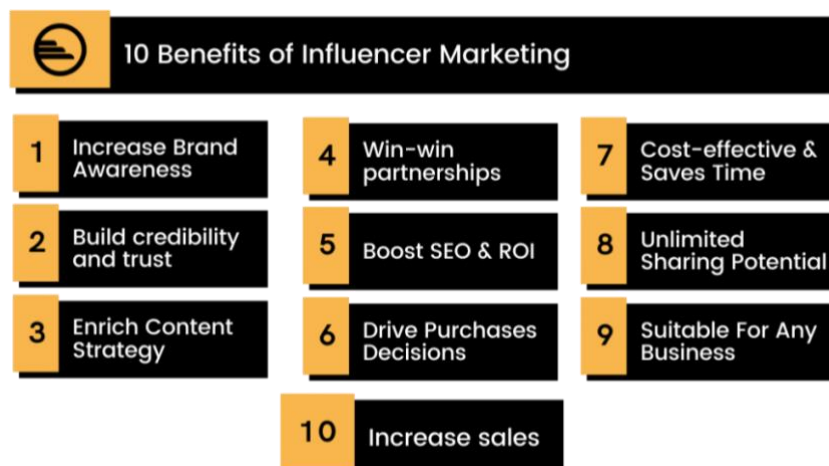
With in-website advertising as well as current marketing across the website and other channels, the promotional activity will be boosted quickly and aggressively. Online marketing communication will be seen as the first step in upgrading the website. With your aid, we'll also update the website's contents at the rear and add key phrases and metadata tags to make it easier for users to find the website when they search for Zara or related products.

Explore Zara AR (augmented reality) app, and promote in on social media platforms. Interactions conducted a study with 1,062 people across the United States, seeking to learn the ways shoppers perceive augmented reality and how they prefer to engage with the technology as they shop.

U.S. Virtual Reality Market size, by device, 2020 - 2030 (USD Billion)

GRAND VIEW RESEARCH

14.4% U.S. Market CAGR, 2022 - 2030

$3.3B, $4.6B (2020, 2021)

- Head-mounted Display
- Gesture-tracking Device
- Projectors & Display Wall

Source: www.grandviewresearch.com

THE IMPACT OF AUGMENTED REALITY ON RETAIL

40% would be willing to pay more for a product if they could experience it through augmented reality

61% of shoppers prefer to shop at stores that offer augmented reality, over ones that don't

71% of shoppers would shop at a retailer more often if they offered augmented reality

www.retailperceptions.com   Interactions Daymon

Paid advertisements on most popular search engines like Google, Bing, Yahoo, AOL etc. is another option so that we can come at the top of search results in very short time.
Promotion on Pinterest on YouTube can also be very influential.

Evaluation & Implementation Plan

A plan is only good as your ability to execute it. There are three requirements for successful implementation:

1. **A strong foundation**: For example, you can't do social media if you don't have social media profiles, and you can't send emails if you have a bad list. Make sure you have everything you need in place to get the work done efficiently and productively.

2. **Skilled people**: One person can't do it all. It would be difficult - if not impossible - to find someone that excels in everything: data analysis, strategic planning, project management, content writing, SEO, graphic design, email marketing, database administration, sales, and website design, development, and coding.

The evaluation phase involves analysing key metrics associated with the marketing activities. Evaluation should take place throughout the course of any marketing plan, not just at the end. By doing this, it will allow you to tweak any campaigns to optimise their performance. A more in-depth analysis should take place at the end of the project to identify whether the business met their objectives, as well as to identify key learning point and key success criteria for future projects.

Common Content Marketing Goals and Associated Metrics

GOALS	POSSIBLE METRICS
Brand awareness	Website traffic • Page views • Video views • Document views • Downloads • Social chatter • Referral links
Engagement	Blog comments • Likes, shares, tweets, +1s, pins • Forwards • Inbound links
Lead generation	Form completions and downloads • Email subscriptions • Blog subscriptions • Conversion rate
Sales	Online sales • Offline sales • Manual reporting and anecdotes
Customer retention/loyalty	Percentage of content consumed by existing customers • Retention/renewal rates
Upsell / cross-sell	Sales for new products / services

From Content Marketing Institute's The Complete Guide to Influencer Marketing Strategies, Templates & Tools

Conclusion

Zara has always been a market leader in High Street fashion and the company will be emphasized on product quality as well as better customer services in the future. This is one of the very important reasons why the company should be shipped in 2008 marketing platform and all online sales platform as well. The staff members of the company are improvised in order to improve the system implementation of the new strategy. The company can use the online internal as well as extender controls as well as the top management for better positioning and evaluation of current performance to create a long-standing internet strategy. The company is also always in a process of improvement of their products and services and they are open to feedback from their customers. This is the reason why Zara has a maximum potential of improving customer service by introducing new online marketing experiences and online shopping experience president in customers to purchase anything from the convenience of their home.