

Zara: Advertising Strategy Evaluation and Development

Currently one of the largest retailers in the world, Zara is a fast-fashion retailer that provides moderately priced, yet exceedingly chic and luxurious clothes and accessories to consumers across the globe, be they men, women, or children. These items typically reflect top fashion trends as seen across numerous Fashion Week shows and events. As a fast-fashion retailer, Zara prides itself on its efficiently fast-paced methods for distributing its unique and economical designs with design-to-rack production clocking in at just fifteen days' time. This systematic strategy guarantees Zara's customers the most current and up-to-date clothing styles at inconceivably affordable prices. What's more, this system ingrains a mindset within its customers to purchase items immediately and without hesitation or waiting for them to sell out or go on sale.

As a highly efficient and effective fast-fashion retailer, Zara very successfully fulfills its target market's needs. With its e-commerce website and over 2,000 stores worldwide in addition to its two-week production cycles, Zara's guarantees its customers a quick means for procuring the most exclusive and up-to-date fashion trends, further promising that purchases will remain at relatively low costs with exponentially high social value. These aspects prove to be especially valuable to its target market, which typically ranges from 18 to 40 year old individuals working in major cities or urban regions, maintaining mid-range incomes, living fast-paced lives, and holding significant interests in fashion and fashion trends. Given this target market's demographics and psychographics, Zara very well caters itself to their sharp and fast-moving needs as consumers and as individuals.

Ranked 51st in Forbes' list of "World's Most Valuable Brands," Zara's brand value holds up at \$10.1 billion with its annual revenue hitting \$14.4 billion. As a highly ranked brand, Zara is continuously striving to meet the needs of its consumers while simultaneously helping to inform and refine their understandings of what it means to be high fashion. As a result, Zara is without a doubt very well received by consumers around the world. Crossing boundaries of class, style, and age, Zara has certainly made serious headway with all sorts of consumers. Ranging between college students and working professionals, even to fashion directors and

notable celebrities, Zara customers truly hold high opinions of the brand. Overall, Zara seeks to satisfy its consumers by way of providing top-of-the-line fashions at affordable prices and aims to deliver the exclusivity of luxury brands without the paralleled price. Consumers should instead associate Zara with that lavish lifestyle in the absence of its prodigal price-point, discerning high value on each and every purchase made.

As a subsidiary of Inditex, the world's leading apparel retailer group, Zara is at the top of its game, with competitors like H&M, Uniqlo, Gap, Urban Outfitters, and Topshop all fighting to attain the same prestige and merit. Each of these retailers lines up quite closely with the next in regards to their offering merchandise at low prices and of fair quality to consumers of like demographics with overall similar shopping experiences. Nevertheless, Zara is an exception to the mix and rather uniquely stands alone in upholding a zero-advertising policy. Instead, the brand focuses its efforts as well as its budget on the success and development of the store itself.

Conversely, H&M uses a considerable amount of its revenue on advertising and marketing efforts. A well-known brand with powerful financial resources—offering qualitative and street-style fashion for affordably low prices—H&M is currently the second largest global retailer, following just behind Zara's Inditex. Since 2004, a collaborations strategy has put H&M's cheaply-priced, mainstream clothes brand in an all new dimension. Furthermore, its employment of celebrity endorsement such as the likes of pop-singer Beyonce, supermodel Gisele Bundchen, and athlete-turned-fashion-icon David Beckham have aided the company in gaining prosperous partnership goals that continue to expand H&M's recognition and popularity. The brand has also connected with guest-designers like Stella McCartney, Lanvin, Versace, Roberto Cavalli, and Alexander Wang to create exclusive capsule collections that have garnered both major buzz and attention to the company and brand as well as proven financial successes with each and every collection.

Still, H&M is not without its own share of weaknesses and drawbacks. Unlike Zara, H&M does not have the same capabilities to produce styles at such accelerated

speeds and focuses their energy on only creating two major collections annually, around the transition of the Spring and Fall seasons. The brand also fails to maintain as strong of a high-fashion reputation as Zara, instead appealing more to every-day wear and basic apparel. This, in turn, is evident in their quality of exceedingly marketed products. To preserve the brand's strategy in advertising low prices and offerings, H&M has no choice but to compromise the quality of its products. Distinctively, H&M markets its products at a very low cost that in turn, affect brand perception. Consumers are exposed to the fact that the items are considered "cheap" and have short life expectancy.

Comparatively, another one of Zara's direct competitor is the British multinational fashion retailer Topshop. Since its launch in 1964, the retailer has become one of fashion's best success stories. With its high-street flair and a legion of devoted international fans, Topshop is a powerhouse that demonstrates similar strengths and aesthetics to Zara. Though Topshop is not nearly as omnipresent as Zara or even H&M, its strength lies in its positive reputation strongly rooted in United Kingdom as well as its well-received expansion into global markets. This has allowed for Topshop to cultivate a strong brand image and establishes trustful relationships with its stakeholders. In addition, Topshop flagship stores offer more than just a shopping destination by providing other experiences such as personal styling options, nail salons, massage parlors, photo booths, and even cafes in their UK locations. What Topshop has done is capitalize on understanding its target demographic by tying its brand with a definitive culture that appeals to what its consumers want.

Additionally, Topshop also utilizes celebrity endorsements (although strictly only British personalities) such as the inimitable Kate Moss and Cara Delevingne to become the faces of its fashion collections. In fact, Kate Moss' presence attracted so much media buzz and attention during Topshop's first collaboration with the supermodel that she was brought back again to help design an entire capsule line for the brand last year. What is most impressive is that Topshop is a pioneer in its fashion class for becoming the very first high street retailer to premiere its collection routinely during London Fashion Week since 2001. Some of the brand's

weaknesses however is that it lacks global appeal in its products because it follows a stricter European aesthetic that does not offer a broad range in terms of sizing. The void of plus-size clothing limits Topshop's consumer-demographic and does not help with its brand association nonetheless. Likewise, although the brand has done well for itself in recent decades in globalizing, even opening a flagship store on 5th Avenue in New York City just in November of last year, Topshop does not have the same footing as its competitors in brand recognition. With the combination of significantly fewer stores than Zara and H&M and not the most formidable advertising scheme also, Topshop truly limits itself by being very British-oriented, in that its exclusivity plays to its strength as well as its disadvantage.

Lastly, Urban Outfitters is a worldwide retailer that sells, markets and develops a varied assortment of products ranging from garments to houseware. While Topshop and H&M often advertise their brands online, in print (magazines and billboards), or on TV (short, chic commercials), Urban Outfitters depends much more so on web and social media buzz than anything else, even resorting to commercial controversies to generate attention. Adopting the philosophy that there is no such thing as bad publicity, the brand has been the target of multiple headlines where their products have not been the most socially and ethically appropriate. Its strengths lie in having a well developed company that also consists of the sister-brand Anthropologie that caters to women's apparel, accessories, and home decor. Additionally, Urban maintains a very loyal customer base, a strong pricing strategy and consisting of strong management strategy that allows it to flourish in its own category. Urban Outfitters is very well-received in the United States and in parts of Europe which keeps their customers secured. Yet, some of its cons includes bad reputation regarding product controversies, and a limited market and lack of global awareness since it has not shown much efforts in diversifying to other countries. In the end, Urban is seen more as a lifestyle brand such as appealing to boho, hipster, or retro culture which further encloses its target demographic.

Unlike its competitors, as previously stated, Zara maintains a surprisingly effective zero-advertising policy. Rather than engaging traditional modes of

advertising, the brand currently relies more heavily on its loyal customers to promote the brand by word of mouth. Our own research (surveys conducted with a small selection of college-aged students, Zara's average demographic) revealed that, indeed, the majority of people who were familiar with the brand had heard of Zara almost exclusively by word of mouth. Additionally, Zara's version of campaigning is particularly dependent on the locations of its storefronts, which are strategically placed in major shopping areas in close vicinity to well-known luxury stores. Arranging their shops in this way suggests to passers-by who might be unaware of the brand that it is in fact in the same ranks as these luxury brands like Prada and Louis Vuitton. Unfortunately for Zara's benefit, our surveys showed that people's placing importance on brand name clothing ranged significantly between being relevant and irrelevant. Furthermore, the configuration of the brand's storefronts does not necessarily indicate that the brand is as accessible to the public as it actually is—certainly consequential to the overall positioning and, therefore, success of the brand. This proves especially problematic considering our research also concluded that price-point, in addition to style and quality, is extremely valuable to the average consumer.

So, in the hopes of creating further brand awareness and really illustrating the brand's position to the greater consumer market, we have chosen to develop a more traditional advertising campaign for Zara's operations. Upon conducting our surveys, we found that most people on average do not put extraordinary emphasis on the relevance of advertising in relation to their preference of a brand. Still, most people agreed that it certainly plays a significant enough of a role in their decision-making process. Zara or any brand's lack of advertising can certainly have an adverse effect on its success if not only consumers' awareness of the brand. After all, establishing brand awareness and extending brand loyalty are the key purposes and goals of advertising. With that said, we felt strongly about repositioning Zara in this way.