



# Branding Strategies in Fashion Marketing — Case Study of ZARA

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**Abstract:** This essay introduces the situation of literature on branding, and then analysis the branding strategies of ZARA as a case study from its business model, cooperation, online and offline shops, and social media. Based on the company's branding strategy, the article gives suggestions as well as solutions to the problem.

**Keywords:** branding strategies, ZARA, fast fashion, co-brand, investment, social media

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## 1. Literature Review

From 2014 to 2024, most of the literature on branding in the fashion industry has focused on co-branding strategy and improving the consumer buying experience. Off-White is no doubt the premium brand that has made the most extensive use of co-branding in recent years. In less than a decade, it has cooperated on over 40 projects, making it the most sought-after fashion name in the world and, most recently, joining the world's largest luxury conglomerate, LVMH[1]. The rise of the internet and digital marketing as means of engaging with and selling to clients has caused substantial changes in branding and brand management. Brands are growing more important, and customers have a direct impact on their success or failure.

A tiny amount of writing is also devoted to the product itself, including tips on how to price a product competitively, enhance the atmosphere of physical stores, and create a more visually appealing brand identity. Fashion brands give sustainability greater thought. Global fashion brands like the Spanish powerhouse ZARA and the Swedish fashion brand H&M have developed fashion product lines using recycled and remanufactured materials[2]. Fashion marketing requires consideration of sustainability.

Additionally, there is considerable literature on the subject of using social media to advertise items and promote businesses. In order to increase brand visibility on Instagram, Jin and Ryu contend that fashionistas — rather than well-established businesses — must carefully select impactful luxury visual image tactics and efficient means of showcasing branded material[3]. When Instagram fashionistas give women who value vanity, opinion leadership, and fashion savvy product-centric visual images, they are more successful in fostering female brand trust.

## 2. Case Study of ZARA

### 2.1 Mature Fast Fashion Model

Fast Moving Consumer items (FMCG) are items that sell swiftly and cheaply. FMCG fashion goods are undoubtedly a significant component of it. Although the actual profit from FMCG items is low, the cumulative profit can be extremely substantial owing to the large number of sales. FMCG items are incredibly diversified and used in all aspects of our life, hence they sell quite well. FMCG's conventional sales models include distributor sales, manufacturer direct sales, channel sales, major account sales, general terminal sales, and group purchasing.

Rapid design, manufacturing, and distribution turnaround times are hallmarks of ZARA's fast fashion business strategy. Every aspect of an organization's operations, including resource allocation and value chain structuring for competitive advantage, is included in a business model. In the epidemic era, merchants are favouring digital business strategies that include social shopping and e-commerce technology[4]. Fast-moving firms with frequent product revisions are better off utilising social media and e-commerce platforms. This keeps the brand's product line up to date and allows it to react swiftly to emerging trends.

### 2.2 Co-branded Limited Editions and Small Batches

ZARA frequently launches a limited number of co-branded collections and limited editions. In the history of fashion labels, ZARA has not partnered frequently. While the rest of the industry has been releasing collaborations like crazy, ZARA just launched a pair of sneakers with Playstation in July 2020 as part of a massive collaboration. However, in 2021, ZARA collaborated with brands such as Everlast in January, Kassl Additions in September, and Charlotte Gainsburg in October[5].

Scarcity of items promotes a sense of urgency among clients, resulting in heightened demand. This demonstrates that the brand will leverage customers' herd and comparison mentalities to encourage consumer behaviour and, as a result, enhance sales beyond expectations.

### **2.3 Low Price In-Store**

Retailers are becoming adept at using vertically integrated businesses to their advantage in their daily operations, allowing them to quickly spot the newest designer trends, translate them without devoting time to the creative process, and then produce and market stylish apparel at competitive prices[6]. The price tag is typically highly visible in a brand's physical stores, and discounts are frequently offered. Low prices and brand discounts can take advantage of customers by capitalising on their perception of cheapness to drive sales while also allowing customers to become accustomed to this mindset and enhance the overall shopping experience.

### **2.4 Lower Investment in Advertising**

ZARA spends less money on advertising than many other fashion brands. Instead, ZARA relies on word-of-mouth, a strong online presence and the rapid introduction of new products to generate consumer interest and sales. Due to the high costs of gaining new customers and the fierce competition, organizations need to develop brand participation and loyalty in order to engage consumers in a marketing discussion and create enduring relationships[7]. It can be seen that advertising and marketing has a much smaller impact on brand sales than the brand's word-of-mouth over time. However, the brand has been in existence for a long time, and even with little advertising it has a certain number of consumers, which makes brand promotion extremely important for a small company that has just been founded.

### **2.5 Leverage E-commerce Platforms And Social Media**

ZARA has a significant online presence. ZARA is among the fashion brands with the most valuable and quantity of Facebook fans. According to Syncapse, a fan of ZARA is estimated to be worth \$405.54; by comparison, a fan of H&M is valued at \$306.08, while a fan of Coca-Cola is only worth \$70.16. ZARA is regarded as an affordable luxury brand and is a pioneer in the fast fashion sector. ZARA offers attractive, well-made, and moderately priced apparel in elegant, luxurious-looking stores, following current trends with less expensive alternatives. Customers have a big say in the lineup of the business since their ideas are included into the production of the apparel. Fashioned to suit the tastes of its customers, ZARA has become the preferred name in middle-class clothing[8]. The brand facilitates an e-commerce platform to allow consumers to browse and purchase products from the comfort of their homes. In addition, the brand showcases its latest products and interacts with consumers through social media platforms.

### **2.6 Flagship Stores**

ZARA frequently invests in flagship stores in key locations, resulting in a visually appealing and engaging shopping experience. Within a metropolitan region, a number of flagship stores located near to one another help to create a "luxury sense of place" for the particular brands. Thus, luxury enterprises improve their brand positioning by developing a "luxury sense of place" through a co-branding strategy that is included into the process of selecting the ideal location for their flagship stores[9]. Fast fashion firms' flagship stores are frequently required to be located in commercial centres with significant foot traffic, comparable to luxury labels, which can only attract more customers if they have a large enough foot traffic. ZARA's flagship shops are generally large in size and are often located on the ground floor of large commercial centers or shopping malls, a location with the most foot traffic and potential consumers. These flagship stores serve as key touchpoints for the brand, reinforcing its image and attracting customers.

## **3. Recommendations to ZARA**

Firstly, Zara should incorporate storytelling into its brand culture. A fundamental component of marketing is narrative. At its core, a brand is a story associated with a product or service. As a consequence of consumer contacts with the company, brand, products, or services, a brand gradually grows. Regular customer interaction with brands creates narratives about them that they subsequently disseminate. This link between consumers and brands is a major theme in the literature on brand storytelling[10]. ZARA should focus on telling stories that humanise and create an emotional connection with consumers. It should focus on telling stories that humanise and create an emotional connection with consumers. Zara can create a more authentic connection with consumers by sharing stories of its design inspiration, manufacturing processes and commitment to ethical practice.

Second, ZARA need to consider its sustainability. Sustainability is important in fashion marketing. Companies like H&M and Zara, whose business strategies revolve around cheap garments from efficient manufacturing lines, use this

knowledge to create more stylish and seasonal designs that are aggressively marketed to fashion-conscious consumers. This rapid replacement rate, increase in purchases, and deterioration in quality result in a large amount of waste in the apparel industry. Fast fashion's quick and inexpensive manufacturing methods also contribute to increased pollution and other negative environmental and societal effects, such as the use of pesticides in the industrial cotton industry, the extraction of fossil fuels for synthetic materials, and the exploitation of slave labour in sweatshops[11]. In order to meet the growing demand for sustainable fashion, Zara should develop and make public a clear sustainability plan. This includes encouraging fair labour conditions, using eco-friendly materials and reducing negative impacts on the environment.

In addition, it is critical to use digital platforms to enable interactive and customised experiences, and ZARA should look for new ways to interact with its customers on the Internet, such as virtual fitting experiences, exclusive online content and encouraging users to participate in social media activities. Virtual fitting rooms, or VFRs, are a new kind of virtual reality technology that lets internet consumers visually try on clothing[12]. ZARA can use this technology to increase interaction with consumers, for example, by applying this technology to its official sales platform. When consumers buy clothes, they can see the virtual image of what they look like wearing the clothes so as to judge whether the clothes are suitable for them or not, which allows consumers to shop for their own clothes without having to leave their homes.

#### 4. Conclusion

ZARA's brand strategy should follow the theory of an evolving fashion brand in order to consolidate its market position and foster long-term customer loyalty. It would be beneficial to create a more holistic and modern brand image through authentic, sustainable and digital engagement.

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