ZARA

MK 487 Team One:

Keying Cai, Ryan Cai, Yi Chieh Lo,
Kaiwen Wang, Xiangxin Zhang

Customer Analysis

ZARA's target market is composed of **men and women, 18-40 years of age,** with **mid-range incomes**. The target customer is **very fashion forward and trend conscious, residing in an urban area.**

Values & Goals:

▪ Shop for oneself or for family (children)

Needs:

▪ Affordable clothing and accessories with the most up-to-date design

Objections:

▪ Too expensive
▪ Untrendy/monotonous

Experience wanted:

▪ Able to choose from a large variety of options
▪ Fashion forward and trendy conscious look
▪ Easy return & refund process
▪ Easy access in the urban area

Info sources:

▪ Social Media (Twitter; Facebook; Instragram; YouTube)
▪ Reference Groups (Influencers; Celebrities)
▪ Print Ads (Magazines; Billboards)
▪ Word of Mouth (friends; family)

Operative Experience Motif

ZARA

	Attraction	Intimicy	Understanding	Stability	Commitment
Strategy	Fast product turnover rate Physical stores in prime locations	Pull Marekting Strategy Technology and Mobile Connectivity	Highly-engaged workforce→ highly engaged customer interactions	Put Emphasize on Customer Experience Continual Improvement of Product and Services	Mutually beneficial relationships with customers Product Exclusivity
Feelings, sense of emotion	Stylish, modern, trendy Luxury shopping experience	Curiosity Convenient; easy to navigate through stores	Being taken seriously Satisfaction	Sense of belonging Comfort	Loyalty to the brand

Customer Touchpoints

AWARENESS	CONSIDERATION	PURCHASE	POST-PURCHASE	RETENTION
01	02	03	04	05

Display Ads:
1. Banners
2. Rich Media (videos)
3. Sponsorships

Targets:
1. Database Match
2. Look-a-like
3. Behavioral
4. Retargeting

Natural/Paid Search:
1. Ranking
2. Key-word search
3. Information Seeking

Results:
1. Official Website
2. Press
3. Brand mentions

Retail Stores

E-commerce:
1. Company Website
2. 3rd Party Carriers
3. Resale

Reviews

Online Communities

Customer Service:
1. Return & Refund
2. Complaints
3. Service Request

Affiliate programs:
1. Promotions
2. Influencer Marketing
3. Content
4. Email/Newsletter

Social Media:
1. Influencer Marketing
2. Blog Posts
3. Brand Interactions

ZARA's Customer Journey Map

AWARENESS 💬

Display Ads:
ZARA spends little on its advertising: less than 0.5% of the company's revenue.

ZARA generates awareness mostly by WOM.

Customers actively seeks for new information due to the exclusivity, scarcity, and urgency of ZARA's product offerings.
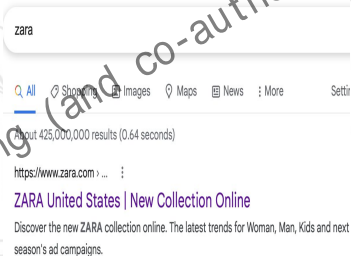
CONSIDERATION 🔍

Natural Search:
ZARA's official website ranked No.1 in natural search.
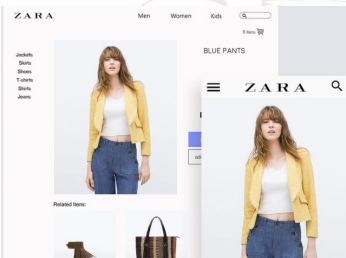
Paid Search:
ZARA does not have paid search.

PURCHASE 🏷️

Retail Stores:
ZARA stores are located mainly in high-traffic urban areas.

E-commerce:
Company Website is often viewed as confusing and hard to navigate.

POST-PURCHASE 💰

Customer Service:
ZARA receives lots of criticisms regarding its customer service. Many complain about deficiencies in their return & refund process.

Reviews:
Negative reviews on brand online purchase experience.

Online Communities:
Very Active

RETENTION 🧳

Affiliate Programs:
ZARA currently does not have an affiliate program.

Social Media:
Facebook: 29.7M followers

Instagram: 43M followers; 41.3M #zara tag

YouTube: 'ZARA Haul + Try on' videos attracts tens of thousands of views, likes, and comments.

Mystery Shopper Analysis

Offline Store

- Minimalist & stylish design
- Pleasant sensory
  - lighting
  - scents
  - music
- Organized placement
- High-traffic & convenient location
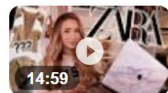- Passive shopping assistant

Online Store

- Minimalist aesthetic
- Simple navigation
- Minor usability issue
  - frustrating layouts
  - small fonts
  - too many/similar choices could bring confuse
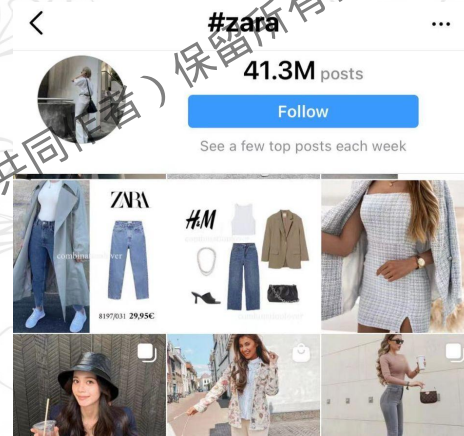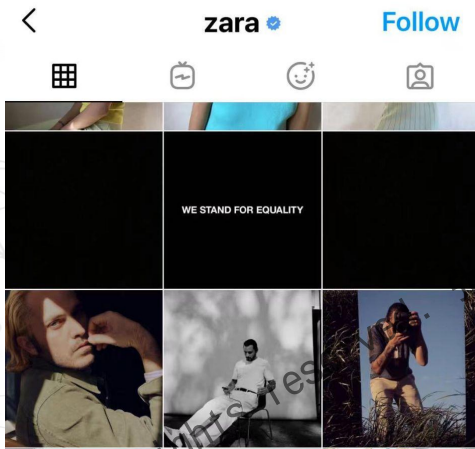 - unclear product size
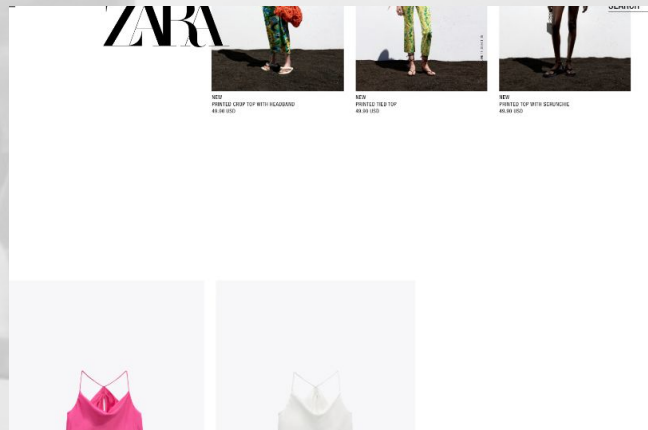
Online/Social Media Experience

Online Store

- Unorganized layout and minor usability issue

- Non-efficient customer service

Social media

- Visually appealing pictures & videos

- Product-focused content shows latest collections and direct-to-purchase

- Stays relevant to social causes

Brand community

- Fanbase mainly composed of young females (facebook)

- Highly active online community (ex. instagram: 49.3m posts on top 3 tags)

- Highly-engaging Influencer posts

Experience Gap

Offline store

What is working
- minimalist and stylish design

- organized product placement
  - few needs for shopping guide
- pleasant in-store experience design
  - lighting
  - music
  - scents

Online store

What is working
- minimalist and stylish design

Problems
- unorganized layout
  - need more guidence
- unpleasant experience
  - time consuming
  - hard to read (small fonts)
  - inefficient customer service

Social media

What is working
- stylish product-based posts
- active brand community

Problems
- lack of solid action on social causes

Competitive Insights

Insights against Zara's major competitor - H&M

- H&M has adopted a more conservative website design that is more user-friendly
- Majority of Zara's products are designed as "fashionable" while H&M sells a lot of "basic-style"
- H&M has sale racks all over the store, which reflects its poor shelf management and possibly ineffective inventory management
- ZARA's shopping experience and product offerings give credits to its brand equity
  - Retail store experience: efficient and easy to navigate
- Zara has a much more active online brand community

Minimalistic and organized placememt at ZARA

Cluttered placememt at H&M

" *ZARA* creates *beauty* from stylish and rich product selections;

presents *clarity* by delivering consistent and assured messages;

enhances *functionality* with luxurious but affordable shopping experience;

practices *sustainability* through effective corporate social responsibilities. "

The brand owns the privilege of a highly-engaged and loyal customer base by having a prominent retail presence, generating senses of exclusivity, scarcity, and urgency.

Brand Recommendations

1. **Construct intuitive and user-friendly webpage**
   - Better layout
   - Larger fonts
   - Clearer guidance

2. **Improve product delivery management**
   - Employee training
   - Strengthen logistics management

3. **Maintain effective and efficient customer service**
   - Employee training
   - Enhance internal communication across all departments
   - Customer callback post service

4. **Address social causes with concrete actions**
   - ex. continues to post related resources
   - Promote diversity program
   - More community support (financial, etc.)

Thank You

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