

ZARA

Integrated Marketing Campaign

PRAD 362

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Situation Analysis

Zara is a Spanish retail company specializing in clothing, shoes, and accessories for men, women, and children. The company was founded in 1975 and is headquartered in Arteixo, Spain. With over 2,000 stores, Zara has become an international brand that can be found in 88 countries and it also has an e-commerce presence in 25 markets. It belongs to Inditex, which is one of the world's largest distribution groups and in 2009, it reported that Zara had a revenue of €7.071 billion (Zara).

In such a saturated industry, its main competitors are: H&M, UNIQLO, Mango, and Forever 21, with H&M being its toughest competitor. Both H&M and Zara have “outperformed the wider clothing market in recent years, helped by their focus on fast-changing fashions and low prices, with the Spanish firm having the edge thanks in part to its greater presence in developing economies” (Reuters). In June, both companies reported strong sales growth, with H&M reporting a 19 percent increase, and Zara reporting an 11% increase (Reuters).

Unlike its competitors, Zara currently does not use traditional advertising and relies on free media coverage in order to promote their products, which limits its exposure to certain markets. Zara currently targets fashionable men, women, and their children, but do not target specific demographics.

In the past, Zara has been criticized for its environmental impacts due to its production of clothing. In 2012, Greenpeace brought forth Zara's use of hazardous chemicals and highlighted the company as one of the worst. In response, Inditex

teamed up with Greenpeace to deliver a detox pledge and “reaffirm its environmental commitment and its public transparency and communication policy” (Business Green). Today, Zara has become a more ethical company, which has put it ahead of H&M in efforts of social responsibility.

SWOT

Strengths	Weaknesses
<ul style="list-style-type: none">• Strategic locations• Minimalist store image• Changing collections• Word of mouth carries quickly among Latinos	<ul style="list-style-type: none">• Demand for high fashion at affordable prices• Men’s lines are often considered overly feminine• No specific targeted demographics

Opportunities	Threats
<ul style="list-style-type: none"> • Limited stocks • Financially able to reach out to niche market of Latinos in order to reflect the diversity in its consumers. • Creation of new line by Zara 	<ul style="list-style-type: none"> • Many competitors in an oversaturated market • Lack of marketing communications • Imitation of campaign strategies • Sweatshop and environmental related lawsuits

Problem?

As a Spanish brand, Zara uses very European looking models in their online print ads and billboards, which do not represent many of its customers. Since Zara is located internationally, it has a numerous amount of stores in Latin American countries and within in the United States, which has a growing population of Latinos. The brand name already resonates with Latino consumers, as they know how to exactly pronounce the brand, but Zara itself does not target this demographic within the United States.

With an increasing amount of Latinos attending college and developing professional careers, along with the Latino's interest in looking the part, it would be extremely beneficial for Zara to specifically target a new demographic.

This market is found in every major city of the United States and the population is continually growing which in turn means this target is very broad and diverse.

Target Audience



For this specific campaign we will be targeting Latino Millennials between the ages of 22-35 who have a mid-range income and are interested

in fashion trends. This Latino Millennial has a hectic lifestyle between school, work, and their social life, and is very connected by being tech savvy. We would like to begin reaching this target audience in the Chicago market. According to the Census Bureau, there are currently

According to AHAA, a Hispanic Marketing firm, Hispanic estimated purchasing power is predicted to grow from \$1.2 trillion in 2012 to \$1.5 trillion in 2015 and 65% of U.S. Hispanics are Millennials, ages 22-35 (AHAA.org). We also found that American Millennials are more interested in shopping than previous generations according to the Boston Consulting Group. Half of millennial females shop for apparel more than twice a month, versus 36 percent of older females, and 40 percent of millennial males shop for clothes twice a month, compared to just 10 percent of older males. This research shows that Latino Millennials would be a great market to target for Zara.

Creative strategy

We have created a new line for Zara to directly market to Latino millennials. We would like to introduce “Apellido x”, which hones in on the pride Latinos have of their last names. “Apellido” is a Spanish word that translates to “last name”. With the Latino population being extremely diverse as an ethnicity, physical features, hair textures, skin tone, and body sizes, sometime the only way you can tell someone is a Latino is by their last name.



Print ads/ Digital advertising

Although Zara doesn't usually invest in traditional advertising, we believe it would be beneficial for Zara to use advertising towards Latino millennials in the release of "Apellido x". The copy for the ads will be bilingual and speak to the audience's lifestyle and pride. The ads will work both in traditional formats, such as billboards and magazine placements, as well as on the digital platform.



Fashion show/ Partnership

We would like to put on a fashion show at the grand opening or “coming out” of an LEED Zara store in Chicago. We feel that the high cost of this event can be leveraged with a partnership. A partnership with Starbucks for the fashion show would save us money and be a good move for Zara because Starbucks has been a leader in the development and implementation of scalable green building program.



- Starbucks joined U.S. Green Building Council

How to leverage the partnership idea with Starbucks?

- Leverage the opportunity for good media coverage at the event for involvement with the grand opening of an LEED store
- Leverage the access to fashionistas and tying the idea of people who wear Zara, drink Starbucks coffee in the eyes of consumers
- Being a part of a new Latino clothing line (reaching the Latino consumer for Starbucks)

In 2011, Zara was accused of several things that related to slave labor. These included children working at the factories, underpaid employees in marginalized countries, and a potentially harmful work environment. Once Zara was first accused

of allegedly using slave like conditions, more accusations began to support the theme. As mentioned earlier, Zara also was a part of a toxins controversy, that redirected Zara's position in its environmental responsibility

In order to create positive publicity in the midst of Zara's recovery we would like to acknowledge our environmental initiatives. Our line should try its best not only to be created in an authentic atmosphere with safe and ethical working conditions but also include efficient means in regards to producing, distributing, and recycling. Throughout the first year of our clothing line's release we would like to emphasize LEED certified Zara locations with grand openings that display "Appellido x" in a fashion show.

Chicago Universities collaborations

For Apellido X, we would like to collaborate with schools in the area surrounding a grand opening of a LEED certified store. In Chicago, we would collaborate with schools like Columbia, DePaul, Loyola, and School of the Art Institute of Chicago. Latino students will be encouraged to participate in an advertising/marketing/artistic production contest for "Apellido x" where winners

will have their finished projects broadcasted by Zara at the store.



Social media

Twitter/Instagram Contest:

- Participants can post a picture of themselves to Twitter and Instagram in Zara clothing
- The hashtag for the contest will be #castmezara
- Other hashtag that will be encouraged are #appellidox for our new line and #mirasumejor for on of our taglines “look your best”
- Zara will choose the model for the “new face” of Zara for the Twitter contest
- The winner will be announced at the Fashion show/new LEED opening



Example of contest submission.

Facebook

A screenshot of a Facebook post from the account 'zarausa'. The post features a promotional image of a woman in a red hooded top with the text 'SALE STARTS TONIGHT AT 00.00'. The post text says 'Sale starts tonight at 00.00!'. Below the post, there are several comments from users, including '@traceyelle @mrs__k', '@vickytemaire', '@katerina_mitso', '@sowweetpotapie', '@hjordana', '@mcvelaya', '@donetting', and '@magdalene_b'. The interface shows a 'Follow' button and a 'Leave a comment...' input field.

Zara will use its social media outlets like Facebook, Twitter, and Instagram to continuously promote environmentally friendly relevance and the new “Apellido x” line for the desired target audience.