

A marketing plan as a marketing management tool

Defined business document	Marketing plan
Brand	Zara (Inditex Group)
Market	Fashion
Marketing challenge	Introducing a new styling and relooking in-store service as a pilot in one location
Geographical focus	Barcelona, Spain
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Meeting point of the authors with Danny Abramovich	INSEEC U Business School, Lyon, France Master in International Marketing
Content covered	Chapter 1, Marketing analysis ✓ Chapter 2, Strategy & objectives ✓ Chapter 3, Budgeted action plan ✓ Chapter 4, Control procedures ✗
Methodology used	The MODE - doing your marketing more effectively
Number of slides	45
Presentation format	pdf

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ZARA

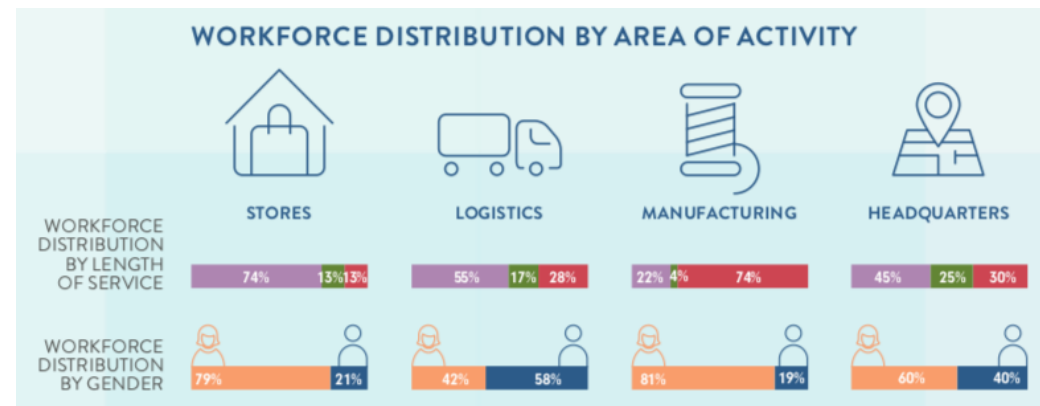
Marketing plan

Our project is to launch a new service in **our Barcelona outlets**, the customer solicits the ZARA stylist to **makeover** him according to his body, his style and the occasion. We want to launch **on June 2019**. This is a part of service development strategy.

Ani Tovmassian, Julien Pinard & Chloé Andrieu - 2019

COMPANY PROFILE

- A Spanish clothing and accessories retailer (Int'l retailer of the year 2018)
- Founded the 24th May ,1975 by Amancio Ortega and Rosalía Mer.
- Headquarters : Arteixo, Spain.
- One of the world's largest international fashion retailers.
- Belongs to Inditex, the world's biggest fashion group.
- More than 2,200 stores in 96 countries (2018)
- First half of 2018 : €12 billion in sales,
- 3% increase since 2017
- Yielding net profit of €1.41 billion.



COMPANY PROFILE

- **Vision:** ZARA is committed to satisfying the desires of its customers. As a result they pledge **to continuously innovate their business to improve customer's experience**. They promise to provide new designs made from quality materials at an affordable price.
- **Mission:** They aim to contribute to **the sustainable development of society** and that of the environment with which they interacts.

- **Sources :**

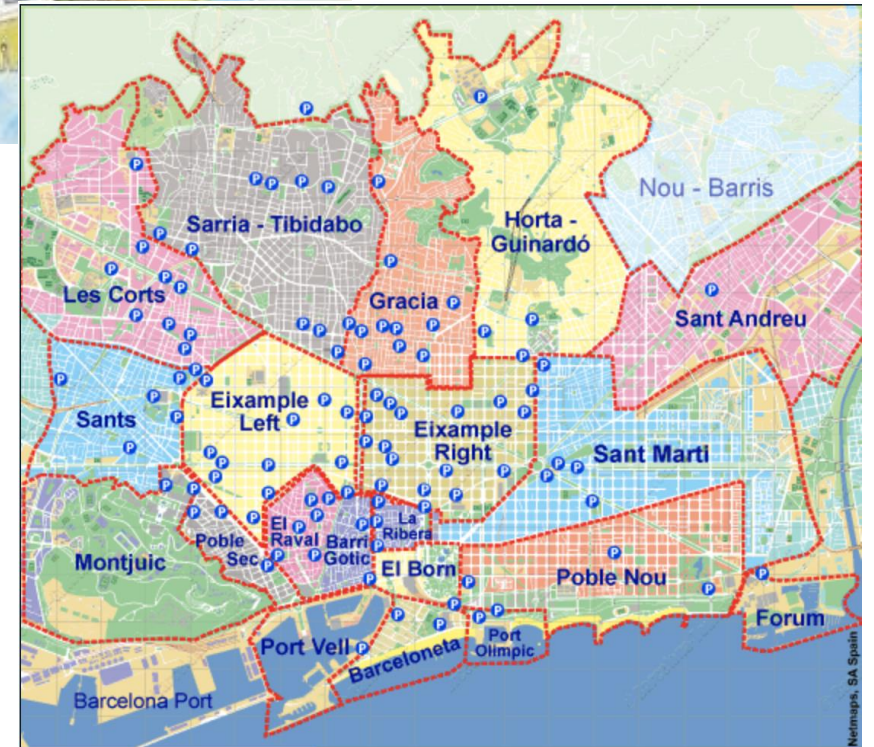
<https://www.inditex.com/about-us/our-brands/zara>

<https://www.businessoffashion.com/organisations/zara>

<https://www.forbes.com/companies/zara/#51893cob7487>

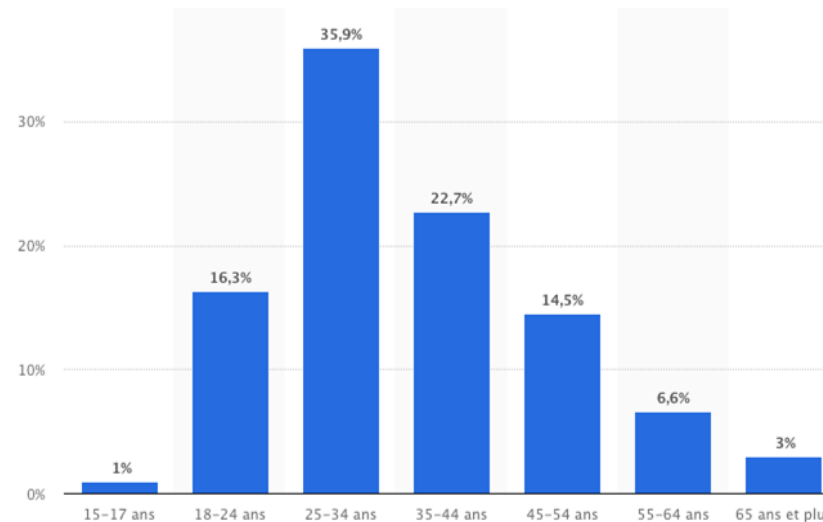
GEOGRAPHICAL FACT SHEET

BARCELONA



GEOGRAPHICAL FACT SHEET

- Fashion and design hub.
- Capital city, multicultural and trendy.
- Very touristic city, so being in Barcelona can be a real capital gain for us: we can target a larger group.
- Population (2017) : 1,7 million.
- Average salary : 1440,18 euros.
- 1,700 fashion businesses that employed 100,000 people and generated 13 billion euros per year.
- Barcelona's population according to ages :



Source: https://www.spain.info/fr_FR/narrativas/El_diseno_en_el_Centro.html#

I) MARKETING ANALYSIS

- Fashion imitator.
- **Off the rack textile clothing for men, women and kids.**
- Mass production for a global market.
- **2 weeks** max between conception and realisation.
- Extremely efficient logistics.
- Cost and time control.
- Great number of retail outlets (more than 2000 worldwide).

CHAPTER 1: ANALYSIS OF THE CURRENT SITUATION



1.1 BUSINESS TRENDS



- Ever changing trends.
- Growing trend of social marketing especially in this business.
- Strong influence of company culture on purchasing habits.
- Zara researches cultural trends and adapts its products.
- Zara sells fashion that is acceptable for local people.

• **Source :**

<https://thoughteconomics.com/the-role-of-fashion-in-human-culture/>

<https://pestleanalysis.com/pestle-analysis-of-the-fashion-industry/>

1.2 MARKET ANALYSIS

- Markets in which the company is involved in :

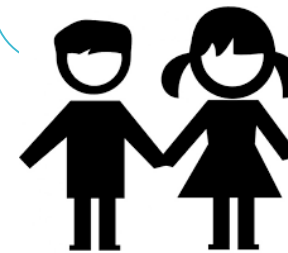
Women



Men



Children

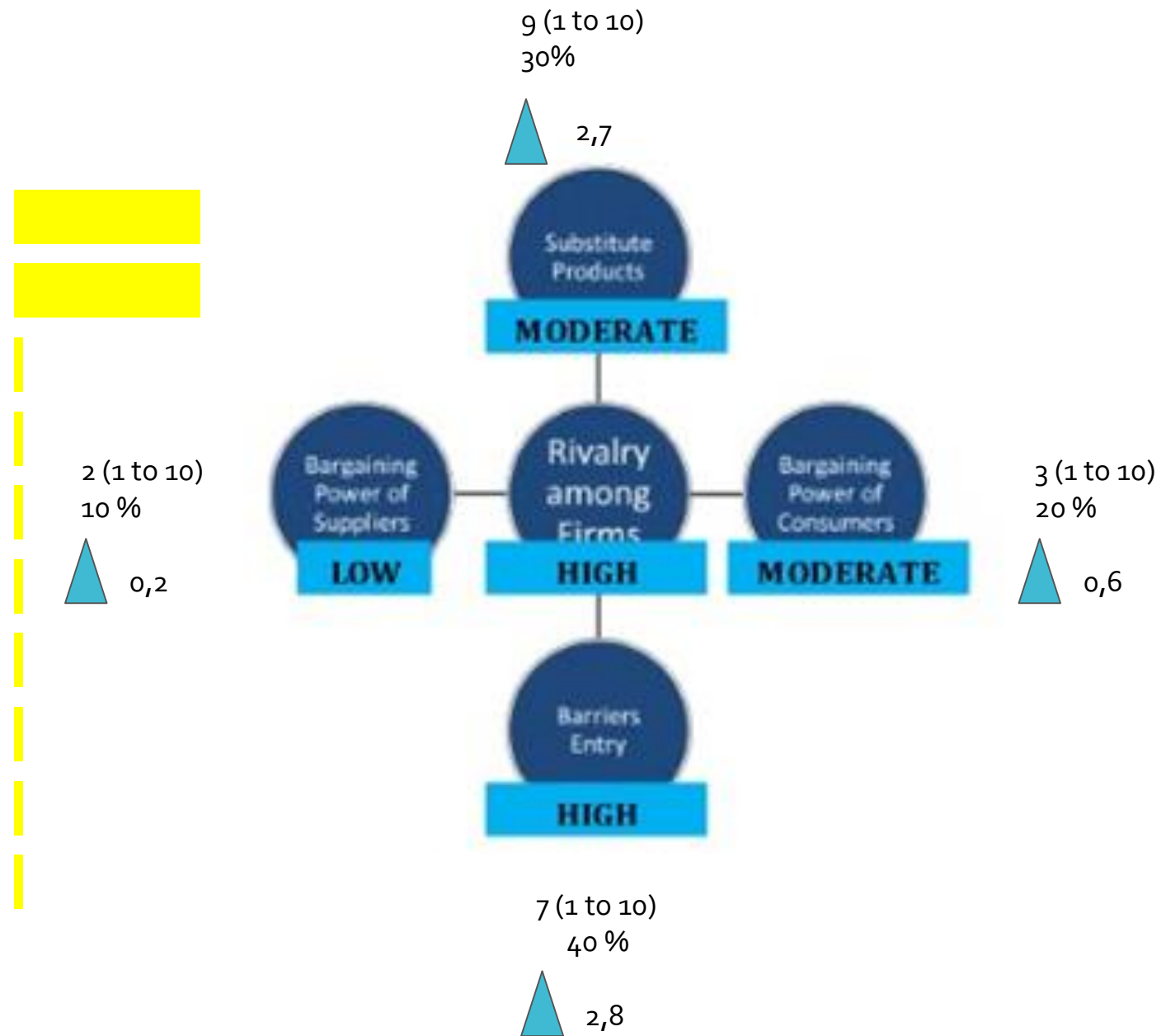


Home



2) MARKET ANALYSIS

Level of competition :
6,3 (rate).



1.3 COMPETITIVE ANALYSIS

- The fashion clothing retail industry is **highly competitive**.

ZARA	MANGO	H&M	GAP
<ul style="list-style-type: none">- Male, female, kids products.- Designer style at non-designer prices- Higher prices.	<ul style="list-style-type: none">- Male & female products.- Trendy and practical wear.- Higher prices.	<ul style="list-style-type: none">- Male, female, kids urban casual wear.- Fashionable and practical designs.- Price lower	<ul style="list-style-type: none">- Male, female, kids trendy clothes.- Higher prices.

1.3 COMPETITIVE ANALYSIS

Zara Positioning Map (Price V/s Trendy)



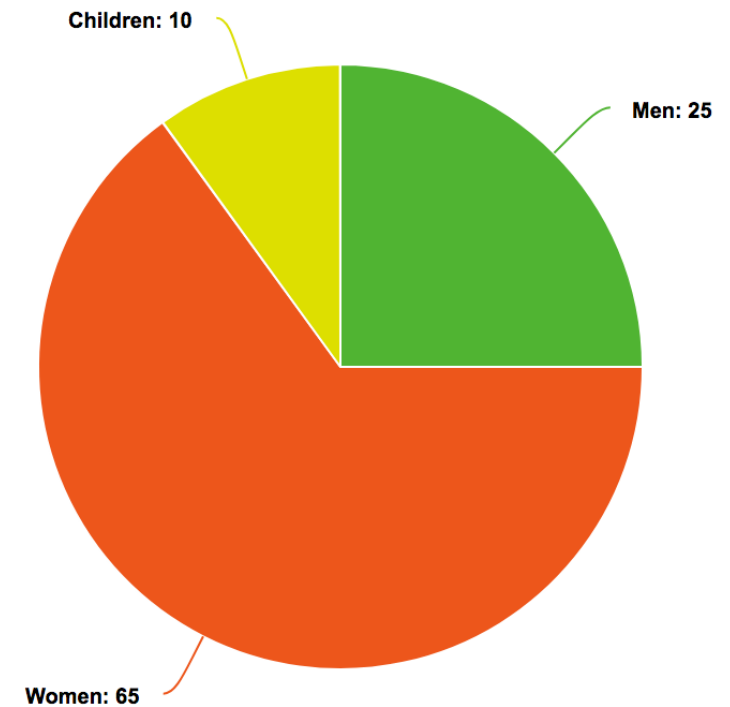
1.4 MARKET SEGMENTATION

SEGMENTATION BY NEEDS :

Zara client looking to look glamorous at all times

Fashionistas

Customers in a rush



1.5 MARKETING OFFER

- **Quality of service** : Good reputation of garments but sellers don't focus on helping customer.
- **Brand** : International recognition. Zara focus on the store experience by continuously offering reasons for customers to visit the stores and catch the hottest trends at affordable prices.
- **Price** : Affordable prices. A pricing strategy of giving a value based pricing approaches. Zara uses a process called psychological pricing where they would set a price of \$4,99 instead of \$5.
- **Physical features** : building, interior, packaging, internet, good quality product.



1.6 MARKETING PROMOTION

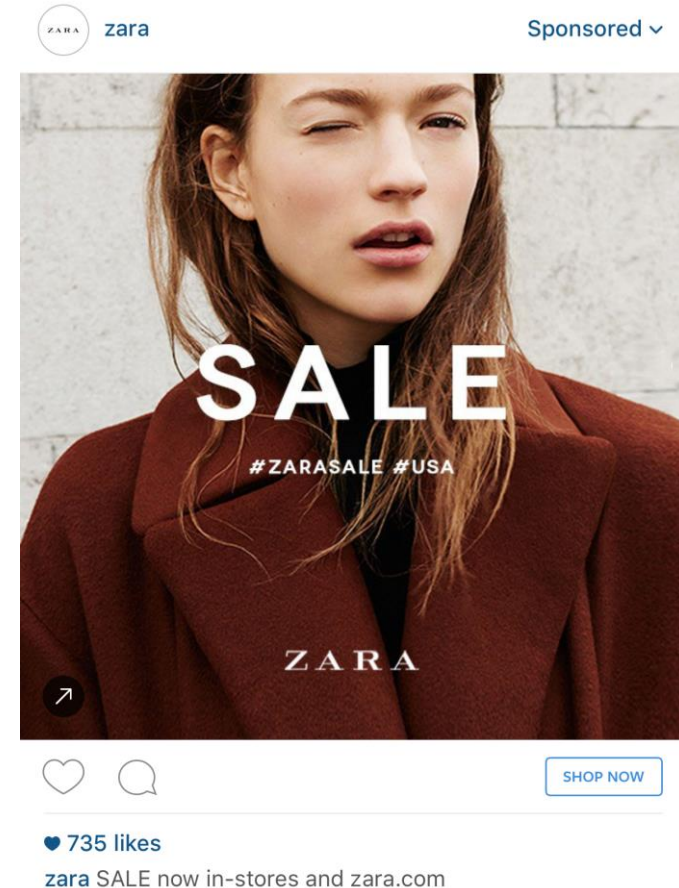
DISTRIBUTION MIX :

- **Direct marketing** : database through the website, word of mouth.
- **Indirect marketing** : They only sell in their own stores and on their official website.

1.6 MARKETING PROMOTION

MARKETING/ COMMUNICATION MIX :

- **Advertising** : a zero advertising and endorsement policy. the company relies heavily on the word of mouth advertising more than anything else does.
- **Sponsorship/ partners** : Efficient product placement in magazines.
- **Website & social media** : Facebook, Twitter, Instagram & Pinterest.
- **Sales promotion**: Zara relies a lot on sales promotions to attract price conscious consumers.



1.7 ACTUAL STRENGTHS & WEAKNESSES

COMPETITIVE ADVANTAGES :

- Zara offers extremely trendy, well designed and quickly delivered products.
- Clothes are produced at a competitive price with the most innovative and fashionable designs.
- Zara offers perfect combination of high end, chic clothing at premium prices.
- Numerous collections each year to avoid going out of style.

1.7 ACTUAL STRENGTHS & WEAKNESSES

MAIN WEAKNESSES :

- Low safety stock.
- Strong competition on prices.
- High yielding production means less flexibility and less unique products.
- Raising prices is not possible.
- Customers may be disoriented in the huge number of products.

1.8 ACTUAL PERCEPTIONS : POSITIONING

- Zara highlights its customer centric approach to **satisfy the changing fad needs of the customers** around the globe. Zara knows that its customers want **new and updated trends** and accordingly it targets customers based exclusively on its designs.

CHAPTER 2 : MARKETING STRATEGY & OBJECTIVES



2.1 MARKETING STRATEGY

2.2 VALUE PROPOSITION

- Our project is to launch a new service **in Barcelona**, where the customer lets the employee dress him according to his body, his style and the occasion he would dress for. We want to start it **on June 2019**. This is a part of service development strategy.

See annex no.1

- We satisfies our customers' specific wants, allowing them to **find their own style and their clothes combination** among the thousands of items that are sold by Zara.

2.3 TARGETING

Zara targets **Barcelona citizen** which come to the shop.

SEGMENTATION BY NEED :

- People who want a relooking.
- to have perfect fitting clothes.
- to gain self confidence.
- People who can not get their bearings because there are too many products

See slide 1.4.

2.4 OFFER MIX

- Base on our current situation, we are going to increase our **quality of service**. We want to improve the customer experience with our certified stylists who will guide customers in their choices.

See annex no. 2

2.5 MARKETING PROMOTION

- In order to promote our new service, we are going to focus on **digital PR and direct marketing.**
- Our community is really active on social media & internet.
- Efficient product placement in magazines.
- Zara has a zero advertising and endorsement policy.

See annex no 3

2.6

STRENGTHS & WEAKNESSES

- Thanks to our new service, disoriented customers will waste less time searching in the boutique.
- More choices means higher chance of fitting with consumers tastes and shapes.

See slide 1.7 and [annex no.4](#)

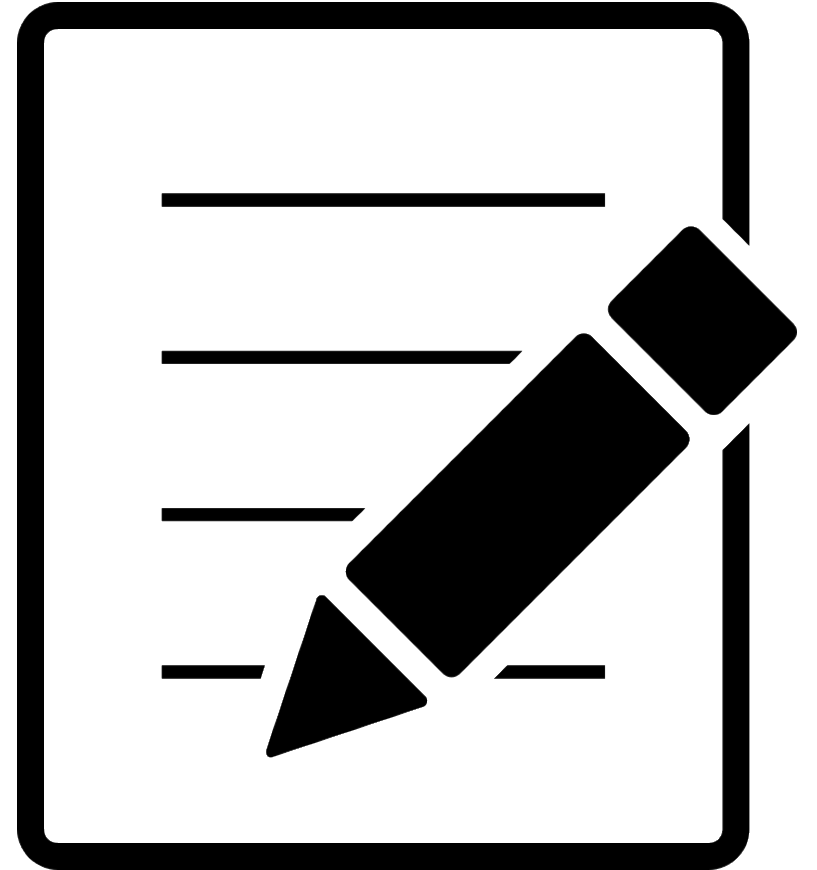
2.8 SALES FORECAST

- Our sales forecast is **270,720 euros.**

See annex no. 5

See annex no. 6

CHAPTER 3 : MARKETING ACTION PLAN & BUDGET



3.1 PARTNERSHIP

- To collaborate with **Annabelle Hardie**, a jewellery and accessories (headpieces, bags) brand based in Madrid.

[See annex no. 7](#)



Annabelle Hardie



3.2 MARKETING ACTIVITIES

- To continue our success we will promote our new service and partnership through our website and social media (**Digital PR**).
- To be more efficient, we will communicate on fashion **magazines** (like Vogue and Bazaar).

3.3 MARKETING OFFER

- To adjust our offer, we would like to increase our **quality of service**.
- In response to this objective, we need :
 - to train employees or hire people with stylist skills.
 - to create and revise standards.
 - to control our actions through a customer satisfaction survey.

3.4 TO PROMOTE MARKETING ACTIVITIES

- We are going to focus on **Digital PR, Direct marketing and communication through magazines** in order to promote our new service.

See annex no. 8

3.5 PROJECT MANAGEMENT TOOL

WHAT ?	BY WHO ?	WHEN ?	COMMENTS
Showroom.	Marketing department	3/06/19	An event during the evening to launch our new service. Make demonstration/ display.
To discuss with the online Zara community through Twitter, Facebook and our website. See Annex no. 9	Community manager	From 3/06/19 and do it constantly.	To discuss with the online Zara community through Twitter, Facebook and our website. Reply to comments, complaints and give advices on how to match outfit
To post photo, video, live video.	Community manager	From 3/06/19 and do it constantly.	To post photos, videos of people who have been relooking by us (On our website, Instagram, Facebook and Youtube).
To organize contest on facebook.	Community manager	From 12/06/19 to 12/07/19. Do it often.	To organize contest on facebook to win a relooking. During one month, people will post pictures of their best outfit and then someone will win a relooking.
To create an hashtag.	Community manager	3/06/19	To promote and spread our new service through an hashtag #Zararelooking #Zarachangedme #feelbetter. I will be use on Instagram, Facebook and Twitter.
World of mouth advertising.	Community manager, sellers.	From 3/06/19 and do it constantly.	To promote world of mouth advertising through social networking sites. Sellers can also talk about our new service.

3.5 PROJECT MANAGEMENT TOOL

TO CONTINUE :

WHAT ?	BY WHO ?	WHEN ?	COMMENTS
To create cookies and other such software to collect data through the website.	Community manager and Webmaster.	4/06/19 to 7/06/19.	Cookies and other such software may be used to store data on specific customers, later relaying this data throughout the website to personalise experience and propose a discount on the first relooking (like 10 % discount).
To put banner ads.	Community manager and webmaster.	28/05/19 to 31/05/19.	To promote the new service, put banner ads on website and social media (facebook, instagram and twitter).
To create e-newsletter.	Communication department.	24/06/19 to 27/06/19. Do it often.	E-newsletter dedicate on the relooking service. It can talk about our new service, relate customer's experience and pictures.
Sponsorship through product placement.	Agency.	3/06/19 to 7/06/19.	Contact 4 magazines like Vogue and Bazaar. They will show new garments and relooking. Pictures of relooking and relate customer's experience.
Influencer.	Communication department and agency.	26/06/19 to 3/07/19.	They will talk about our new service and generate sales and brand awareness. We can contact 3 spanish influencers.

3.6 MARKETING BUDGET

- The budget represents **21657 euros**.
- We took 8% of our forecast sales.

[See annex no. 10](#)

ANNEXES



Annex no. 1

MARKETING STRATEGY :



Annex no.2

MARKETING OFFER :

	Quality of service	Brand	Price	Physical features
Past year	10 %	50 %	10 %	30 %
Next year	30 %	40 %	10 %	20 %

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Annex no. 3

MARKETING PROMOTION :

	Direct marketing	PR	Sales promotion	Sponsorship
Past year	30 %	20 %	40 %	10 %
Next year	35 %	35 %	15 %	15 %

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Annex no. 4

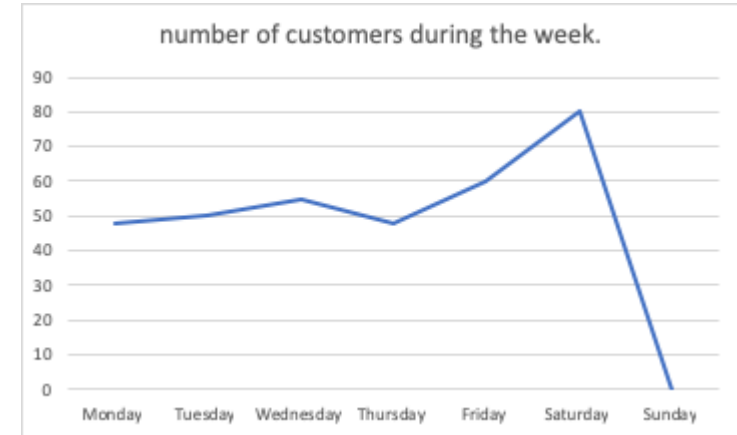
TRANSFORMING STRENGTHS & WEAKNESSES INTO OBJECTIVES :

	STRENGTHS	WEAKNESSES
OPPORTUNITIES	Zara produces a lot of different styles and sizes. More choices means higher chance of fitting with consumers tastes. This is an opportunity for our new service because we will be able to help everyone to find their own style according to their tastes and shapes.	Customers may be disoriented in the huge number of products. Our new service will help them to waste less time searching in the boutique.
THREATS	Zara offers extremely trendy clothes, the customer might think that our stylist won't be able help him to find his own style but only follow the trend.	Zara has a low safety stock strategy so it can be a threat for our new service because we won't be able to offer the perfect product for our customer.

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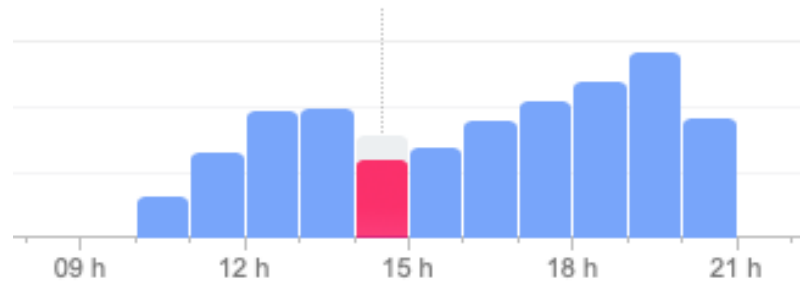
Annex no. 5

SEASONALITY :



- Clearance sales on January and on July.
- Sales per hours.

During the week



On Saturday



Annex no. 6

FACT ASSUMPTIONS & CALCULATIONS

number of working days (without holidays and weekends)	235
average time spent with a client	1 hour
number of employees	3
daily working hours	8

- 3 stylists per shop.
- we forecast that we can double the average customer basket value from **48 euros to 96 euros** .
- $3 \times 8 \times 48 \times 235 = 270720$ euros.
- the 19% IVA tax.

=> $235 \times 8 \times 3 = 5640$ => **number of clients handled with in a year.**

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Annex no. 7

POTENTIAL PARTNERSHIP :

ZARA

STRENGTHS	WEAKNESSES
<p>Trend products, well designed and quickly delivered products.</p> <p>Clothes are produced at a competitive price with the most innovative and fashionable designs.</p> <p>Zara offers perfect combination of high end, chic clothing at premium prices.</p> <p>Numerous collections each year to avoid going out of style.</p>	<p>Low safety stock.</p> <p>Strong competition on prices.</p> <p>High yielding production means less flexibility and less unique products.</p> <p>Raising prices is not possible.</p> <p>Customers may be disoriented in the huge number of products.</p>

Annabelle Hardie

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">- Safety stock.- Unique items.- Affordable price.- Original items	<ul style="list-style-type: none">- It does not have a spanish store.- It has not a fast collection.- The brand is unknow.

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Annex no. 8

PROMOTION :

PR (mostly digital).	<ul style="list-style-type: none">- To organize a showroom to launch our new service.- To discuss with the online Zara community through Twitter, Facebook and our website.- To post photo, video, live video of people who have been relooking by us. (On our website, Instagram, Facebook and Youtube).- To organize contest on facebook to win a relooking.- To promote and spread our new service through an hashtag #Zararelooking.
Direct Marketing.	<ul style="list-style-type: none">- To promote word of mouth advertising through social networking sites.- To develop strategic relationship with individuals : Cookies and other softwares may be used to store data on specific customers, later relaying this data throughout the website to personalise experience and propose a discount on the first relooking.- To promote the new service, put banner ads.- To create an e-newsletter dedicate on the relooking service.
Sponsorship.	<ul style="list-style-type: none">- To spread brand awareness and promote our new service, magazines like Vogue and Bazaar can be choose to show new garments and relooking. Pictures, customer's experience.- To talk about our new service, we can work with influencer. They will talk about our new service and generate sales and brand awareness.

Annex no. 9

PROMOTION :

SOCIAL MEDIA NEWSLETTER



Zara espana

Zara is proud to launch our new customer centric concept: the Zara stylist. Ever struggled to find the perfect fitting clothes? Having trouble to find exactly what you're looking for? Maybe you are simply in a rush and can't lose time idling in our shop. Starting monday, in Barcelona our customers will have a fully accompanied shopping experience. Do not hesitate to contact us if you have questions or visit the website at <https://www.zara.com/fr/en/>.

Like · Comment · 9 minutes ago · 🌐

👍 400 000 000 people like this.



Karl Lagerfeld Oh wow, tres chic, I love it! 😊

11 minutes ago · Like



Write a comment ...

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Annex no. 10

MARKETING BUDGET :

RESOURCES			EXPENSES		
Capital	12,994	60%	Quality of service	5,847	27%
Loan	6,497	30%	PR	4,765	22%
Partnership	2,165	10%	Direct marketing	2,382	11%
			Sponsorship	3,249	15%
			Marketing research	1,083	5%
			Non allocated budget	4,330	20%
TOTAL	<u>21,656</u>	100%	TOTAL	<u>21,656</u>	100%