

Q1: Identify and explain which parts of Zara's supply chain operate on a push basis and which parts operate on a pull basis?

A1: Zara's supply chain operates on a push basis for the production of some basic clothing items, which are manufactured in advance based on forecasts to ensure a steady supply. It operates on a pull basis for trendy and fashionable items, which are produced after orders are placed by stores, relying on real-time consumer demand data collected from stores to guide production decisions.

Q2: Discuss how the combination of push and pull strategies contributes to Zara's competitive advantage?

A2: The integration of push and pull strategies enables Zara to maintain efficiency by producing basic items ahead of time while staying agile with pull strategies to quickly adapt to emerging

trends. This dual approach supports Zara's fast-fashion model, minimizes waste through limited production runs, and ensures responsiveness to customer preferences, significantly boosting its competitive advantage in the global market.

Q3: What are the potential risks associated with Zara's pull-driven supply chain?

A3: Potential risks include the possibility of misjudging demand, which could lead to stockouts or excess inventory, disruptions in the supply chain due to reliance on real-time adjustments, and increased operational costs associated with the rapid production and distribution required to meet changing consumer trends.

Q4: How could Zara adjust its push-pull boundary if it decides to expand into more price-sensitive

markets?

A4: To cater to price-sensitive markets, Zara could adjust its push-pull boundary by increasing the push component, producing larger quantities of affordable basic items in advance to reduce costs through economies of scale. Simultaneously, it could retain a pull strategy for trendy items to address local fashion preferences, ensuring a balance between cost efficiency and market responsiveness.