Name: Siyabonga Mngadi

Assignment: Zara

Student number: 220784205

**Zara**

* Zara overtook companies that were already in the industry by using technology effectively and strategically, even though it was a late comer.
* Zara uses technology platforms to reach out to their customer and gather enough information to make clothing that they will like and be able to accommodate the fast change in people fashion sense as the times changes and people tastes and likes changes, this approach has been beneficial to their growth and dominance. The information is then passed on to their designers who are young and ambitious that come out with different ideas to meet the customer’s needs (Gallaugher, 2020).
* Zara have strength their value-chain by owning several layers of their value-chain making it hard for competitors to imitate it because they outsource most of their layers in the value-chain. This ownership of a big part of their value-chain makes it possible to the clothing at a shorter time than in the industry. Using technology to get their product from concept to customers, like the use of RFID (radio frequency identification) technology to keep track of their inventory (Gallaugher, 2020).
* The blend of online and offline sales gives value to the customers because they can waste less time and money looking for their preferred clothing when they can shop online and still go to the physical shop for collection or to do shopping the traditional way.
* Zara is Spain-centric meaning it has limitation to what it can offer, this leaves the company vulnerable to different aspect of the business, such as financial due to exchange rate, geographically. It can be vulnerable to changes it exchange rates making goods cheaper in other countries and expensive in other countries. Geographically Zara is vulnerable due to possible disasters, as they may leave them unable to meet the demands of their market.
* Zara is a late comers in the fashion industry but their use of technology to gain a competitive advantage is the true meaning of the concept timing and technology to gaining competitive advantage, as they lead in doing things differently by incorporating technology to strategic operations.
* The use of technology to reach out to their customers and gather information about what they might want has increase their brand, as customer know that they are more likely to find what they are looking for at Zara than anywhere else. The vibrant fashion that they continuously produce, has increased their global footprint (Gallaugher, 2020).
* Technology has allowed them to strategically position themselves in the industry and they can quicky produce their clothing since most of their product is produced internally given them control at ensuring that customers get what they want and at the shortest possible time.
* The fact that Zara is Spain-centric can be a problem for its continued dominance because if anything happens in Spain that might halt their production customer will not hesitate to go to other fashion stores as they have been well-established before, even though they will be compromising on the vibrant fashion of Zara they can still change if the competitor can provide just enough to meet their needs. Zara might have low switching cost because is Spain-centric.
* The blend of online and offline has increased the scale of Zara because customers can find what they want through the online platform or the can physically go to the store.

1. Zara’s counterintuitive practice of making limited production is effective because first the company limit the waste that might happened if the certain products are not bought or were not that in demand therefore, they make a small loss on unsold products than the industry. The limited production argues customer to quickly buy the product while they are available because they might run out with no other same production of clothing coming to the store again, this can increase sales and as a result more profit for the company. This limited productions leads to many Zara stores not to offer discounts to boost sales or revenue which result in less loss on revenue. This has given Zara a competitive advantage because of the different range of clothing that they have to offer compared to traditional retailers who still must stock up three months in advance if they suspect a change in fashion. This lag by traditional fashion retailer was an opportunity that Zara saw and exploited. Because Zara gathers information from the people about what they might like, they are able to choose the limited clothing that they want to produce at that time with the high probabilities that they might be sold out. Zara ever changing vibrant fashion on their stores encourages fashion lovers who might already have what they want to continuously go back to the Zara to see what new clothing they might like; it acts as a magnet to fashion lovers because they know that if you noose you lose or miss out on new fashion at Zara.

# References

* Gallaugher, J. (2018). *Information systems*: *a manager’s guide to harnessing technology*. Boston, Ma: Flat World.

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