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Diploma Thesis Abstract

**Branding and Brand Strategy:
The Case Study of Zara**

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Souhrn

Hlavním cílem této diplomové práce je poskytnutí návrhů, které přispívají k budování hodnoty značky a následně k vytvoření úspěšné značky, a to pomocí efektivního brandingů a strategie značky.

Pro tento účel byla zvolena případová studie společnosti Zara, která je dobrou ukázkou, jak lze značku rozvíjet k tomu, aby se stala účinným nástrojem v oblasti módního businessu.

Teoretická část shrnuje literaturu vztahující se k tématu této diplomové práce. Jsou v ní přiblíženy hlavní koncepty týkající se značky, jako je strategie značky, identita a osobnost značky, positioning značky, hodnota značky a komunikace značky. Praktickou část tvoří analýza strategie značky Zara, hodnoty značky, umístění značky a kvantitativní výzkum provedený na zákaznících Zara. Na základě získaných informací jsou navržena užitečná doporučení a formulována strategie značky, kterou by bylo možno použít k přilákání většího množství zákazníků značce Zara a zároveň také k podpoře dalších značek v maloobchodě.

Klíčová slova: Branding, Strategie Značky, Zara, Hodnota Značky, Postavení Značky, Marketing Značky, Výkon Značky, Spravedlnost Značky.

The Objectives of Thesis

Getting active application, branding starts its story from the Middle Ages, when the guild artisans and bakers labeled their products by special stamp. But the “rise” of branding came in the second half of the twentieth century, due to the fact of the market for a large number of similar products. Branding has become marketing priority. Marketers of successful brands must excel at the strategic brand management process. It involves the design and implementation of marketing activities and programs to create the brand equity. The research part of this diploma thesis is based on a case study of Spanish clothing and accessories retailer brand Zara.

The main aim of this diploma thesis is:

- To study and analyze how to build, measure, and manage brands to maximize their value through the case study of Zara

The following objectives with regard to main aim are:

- To study how to identify and establish brand positioning
- To study how to plan and implement brand marketing
- To study how to measure and interpret the brand performance
- To suggest appropriate recommendations and develop a model for successful brand strategy based on the research findings

The research questions are:

- How thoroughly is Zara implementing the brand strategy practices, such as growing and sustaining brand value?
- How is Zara's brand equity built, measured and managed?

Methodology

The researcher considers the case study method as appropriate to understand and examine in depth the key steps in creating a successful brand, as case studies intend to focus on a particular issue and are concerned with how and why things happen. The study case of Zara is chosen as a good example to demonstrate how effective brand strategy and brand communication contribute to build brand equity, being brand equity a very important tool in creating a strong brand, which delivers value to both, the customer and to the company. The researcher conducts an in-depth analysis of documentary sources, which is collected from the company reports, company newsletter and other printed materials (e.g. newspaper cuttings, journals, text books, official reports, articles) that are made available for the purpose of the research.

Therefore, in order to provide evidences that Zara has high brand value and thus has a high brand equity level, the researcher used secondary quantitative data, based on a study, conducted by the global research agency Millward Brown and the advertising agency Young and Rubicam.

Additionally, in order to gain accurate statistical insights into Zara's brand performance and brand equity, primary quantitative research is provided based on an interview among Zara's customers. Within the quantitative research Zara's potential customers are surveyed through

online sources, while real customers are interviewed face-to-face in front of the store of Zara in Prague. In total 127 respondents were interviewed. The objective of questionnaire was to identify general behavior of the customers: their recognition, loyalty and awareness towards Zara.

The main Findings of Research

Zara's success offers us some instructive lessons in how to create and sustain market positioning through strategy. Zara has appointed into the power of fashion through clear focus and mission. Zara's fast fashion formula stimulates customers not to wait next seasons for new collections, but new fashion. Its product inventories always fresh and scarce push customers to visit the stores frequently and search what is new to buy now. New items delivered twice a week consumers constantly force to return in the stores and browse new fashion.

The exclusive factor of Zara's competitive advantage of planning and implementing the brand marketing is market oriented strategy. Mostly, its apparels are designed bases on the latest trends. But they are changing according to the immediate feedback of the customers. Zara's retail managers provide word-of-mouth information, which means understand customer needs and wants and their preferences. Based on that, the brand quickly adapt on customers, it removes the items that are not selling and replenish popular ones.

To measure and interpret brand equity and brand outcomes the researcher used quantitative research and interviewed Zara's customers. Based on quantitative research findings in terms of brand awareness, Zara has high recall and recognition. Zara's brand name and logo as the basic characteristic of brand is highly recognized by the customers. Following the experience of Zara, such a quality product, based on the survey finding, customers found difficulty to consider Zara to high quality brand. It can be explained by the fact that the guesses about the brand includes offering the most stylish and fashionable clothes. This reason could possibly consider that Zara is not associated with the quality. The respondents mostly associated Zara with "uniqueness", "fast fashion", "exclusivity" and not with "high quality".

When it comes to brand differentiation, it can be said that the survey conducted by the researcher, customers found Zara as different form its competitors. In regards of personality, it

is clear from responses that the brand has proven strong personality in the eyes of customers. According to the case study of Zara, the brand's personality stands for innovation, prestige, professionalism, power and consistency.

The recommended model for successful brand strategy model through the case study of Zara, in general, should support other brands to become competitive on the global market and therefore utilize its potential in terms of retail industry. Implementation of Zara's strategy should play important role for other brands' promotion, should increase awareness and accordingly attract higher number of customers.

Selected Literature

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