ZARA QUESTIONS

1. Was Galicia/Spain a good place to start a company like ZARA? How well does ZARA’s advantage travel globally?
2. What do you think of ZARA’s past international strategy?
   1. Past strategy for product/market selection
   2. Mode of entry
   3. Standardized marketing
3. With which international competitors should we compare ZARA’s financial results? Why? What do comparisons tell us about Inditex’s relative operating economics? Relative capital efficiency?
4. How specifically do the distinctive features of ZARA’s business model affect its operating economics? Specifically compare ZARA with an average retailer with similar posted prices.
   1. You can make the simplifying assumption that on average retail selling prices are twice manufacturers’ prices
5. Why might ZARA fail? How sustainable is its competitive advantage relative to those pursued by other apparel retailers? In Resource-Based View of the firm, terms, what is its
   1. Durability over time
   2. Replicability by other companies
   3. Transferability to other situations
6. What is the best way to grow the ZARA chain? Construct a SWOT-TOWS Matrix to support your position.
   1. How do you see prospects in the Italian market?
   2. What do you think about focusing on Europe vs. making a commitment to a second region?
7. What advice would you give to CEO Castellano?