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BRAND MANAGEMENT THAT CREATES VALUE TO CUSTOMERS. THE CASE OF ZARA BRAND

Master Thesis

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ABSTRACT

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The aim of the master paper is to provide recommendations for the brand management that creates value to customers in the case of Zara brand.

The work consists of three main parts – the theoretical, the analytical and practical. The first part of this work overviews theoretical aspects of brand management that creates value to customers. In this part, the definition of brand management, brand value to components, brand management process creating customer value, management of global brands. The second part of the master paper devotes to the empirical research of Zara brand management, the research is carried to the creating value to the customers and doing the research methodology, presenting the Zara brand, empirical research results, results of qualitative analysis, results of customer survey and concluding notes on empirical research results. The third part of recommendations for Zara brand management to aid the value creation for the customers of Zara brand.
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GLOSSARY

**Brand** - is a "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (AMA, 2014)

**Brand awareness** - can be defined as the extent to which customers are able to recall or recognize a brand (Dictionary B. , 2018)

**Brand management** - is the analysis and planning on how that brand is perceived in the market. Developing a good relationship with the target market is essential for brand management (Nielsen, 2015)

**Brand personality** - refers to the psychological nature of a particular brand as intended by its sellers, though persons in the marketplace may see the brand otherwise (called brand image). These two perspectives compare to the personalities of individual humans: what we intend or desire, and what others see or believe (AMA, 2016).

**Brand value** - is considered to be the net present value of the estimated future cash flows attributable to the Brand (finance, 2018).

**Brand identity** - The outward expression of a brand – including its name, trademark, communications, and visual appearance – is the brand identity (Marty, 2004).

**Brand equity** – a product can be quickly outdated, a successful brand is timeless (Aaker D. A., 1991)

**Brand loyalty** - is a situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category. That is, the degree to which a consumer consistently purchases the same brand within a product class (AMA, Common Language Marketing Dictionary, 2017)

**Customer** – client, buyer, purchaser (Reizenstein & Richard, 2004).

**Product** – Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or a need.

**Positioning** - Arranging a product to occupy a clear, distinctive and desirable place relative to competing for products in the minds of the target customers.

**Prospect** – A potential customer that has been qualified as fitting certain criteria.

**Perception** - The ability to see, hear or become aware of something through the senses (Dictionaries, 2018)

**Perceived quality** - is a measure of attitude involving consumer rating—often on a scale of 1–5 or 1–7—of a brand’s product compared to others in its category or market (Farris, Bendle, Pfeifer, & Reibstein, 2010)
Social Media – Internet-based software and interfaces that allow individuals to interact with one another, exchanging details about their lives such as biographical data, professional information, personal photos and up to the minute thoughts.

Segmentation – A process of splitting customers or potential customers within a market into different groups (McDonald & Dunbar, 2004)

Target Market - A specific group of consumers at which a company aims its products and services (Staff, 2018).

Logo - is a graphic design that is used as a continuing symbol for a company, organization, or brand. It is often in the form of an adaptation of the company name or brand name or used in conjunction with the name (Association, 2014).
INTRODUCTION

Most of the international fashion industry in international market focused on marketing concept instead focusing traditional products and hence to achieve success, brand has becoming important tool. According American marketing association, brand is defined as “a name, sign, term, symbol, design or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them of from those of competitors”. Companies to gain competitive advantage needs to build strong competitive strategy around their brand rather than product. In brand management, brand value is created when attributes that customer aspire relates to the products and through differentiation, builds strong relation between brand and customers.

Changing environmental conditions and strong fierce competition in all area of activities, forces the company leaders evaluate their possibilities very seriously and provide further ways of developing activities in brand management, thus, brand management give an opportunity to explore business activities that creates value to the customers. In brand management Flexibility and adaptability, provides a competitive advantage, to serve rapid changes in the market. many scientists had suggested that brand success hinges on creating uncontested market space. Brand management helps to develop a strong customer relationship when it provides value to customers, company should meet customer needs, wants and goals so that those values and reach customers benefits.

Brand management can be defined as an art of creating a brand and maintaining it. It helps in building up a guarantee to the customer, maintaining guarantee and products and a group of items, or services. Tangibility and intangibility of the brand management include building brand characteristic and it can deal with the brand management process and hence the main aim of brand management is to increase the number of customers as well as sales of the brand. For a brand to attract the loyal customer, and to engross those customers is a top concern and challenge for the most organization. Brand that provide benefits to the customers and make them happy, proud, inspired, connected and validated remains loyal to those brands and hence brand management is important in the case of Zara. It is essential for Zara to focus and manage their products and use it as a tool of competitiveness that in what capacity should create value to their customers.

Therefore, the problem of this research is how to manage the brand that creates value to customers.

The object of research - brand management that creates value for customers.

The aim of the research- after theoretical and empirical research on brand management that creates value to customers to provide practical solutions for the Zara brand on how it can create value to its customers.
The objectives of the paper:

- To make a theoretical analysis of brand management that creates value to the customer.
- To prepare research methodology and conduct empirical research on Zara brand management.
- To analyze results of empirical research and provide conclusions.
- To provide recommendations for Zara brand management to provide more value to its customers.

Logic of the paper: the first part of this paper is a theoretical analysis of brand management that creates value to the customer. Definition of brand management, brand value components, brand management process creating customers values, management of global brand is analyzed in this part. The second paper of master paper presents the empirical research of Zara brand. Research methodology is prepared, presentation of Zara brand is provided, and empirical research results (results of qualitative method and results of customer survey) are provided. In the third part of the master paper recommendation for Zara, brand management is presented.

Research methodology is conducted on the basis of online books, online databases, articles, and journal. Quantitative and qualitative methods, primary data collections are used, customer survey (questionnaire), and face to face interview.
I. THEORETICAL ANALYSIS OF BRAND MANAGEMENT THAT CREATES VALUE TO CUSTOMERS

In this part of the diploma paper, the scientific literature is reviewed in order to analyze the key issues which concern brand management that creates value to customers. Theoretical analysis begins with a definition of brand management and brand value components. It continues with brand management process creating customer value and management the global brand which it assessed among customers.

1.1. Definition of brand management:

Today in the world of marketing there is much fun that they issued of branding and brand management many theories. The researchers and directors say that the world of future marketing is the brand management world or other activities on branding and brand management in the world. The brand management becomes more significant because of intense competition between firms and drastic changes in worldwide markets. The market share depends on consumer’s constancy and preferences, the strong brand management causes clear differentiation between same product classes. The brand allows emotional differentiation and a vendor’s range of services, in the form of creation of trust and orientation, basically, a brand signifies a perception anchored in the realization of the customer which the company can distinguished offering from others (Strauss, 2009). According to Aaker (1991), companies should pay attention to establish and manage brands and use it as a tool of competitiveness. In another word, only value-added brands are capable to compete effectively with different brands in the market.

The concept of brand and brand management are made by many researchers according to them a certain competitive advantage is acquired only by using, developing, and maintaining the brands and brands management (Aaker & Keller, 1991). As well as for the most businesses, the brands are measured as the important sources of capital. the tangible and intangible features are attached to the brand that makes to a business. frequently, the consumers and customer-based brand have been measured, using lots of the local, and international brands of products. States that the branding and brand management is the easiest way to well-known and differentiate the brand in their client’s mind (Aaker & Keller, 1991).

According to Riley, the study of brands and brand management has verifiably pulled in a lot of enthusiasm among experts and scholastics. Early, fundamental research on brands incorporates the studies by Gardner and Levy (1955), Levy (1959), Martineau (1959) and Allison and Uhl (1964).
Brand is a design, image, name, term, and sign or the blend of them expected that would recognize the products and ventures services of one merchant or gathering of vendors and to isolate them from those of competition, at whatever marketer, they make the new name, image, and logo for another product and he/she has made a brand, and the brand has been defined in many ways over the years, contingent upon the perspective from which the brand is perceived (Heding & Charlotte, 2009). In the traditional definition, the brands may be connected of the ID number of an item and the separation starting with its competitors, through the utilization of a sure name, logo, design or different visual signs also symbols.

The other newer definitions of branding also include internal and organizational processes and a number brand management researchers today characteristic greatly broad definition, in the light, they point in coating every one of diverse parts and facets of the brand and how it developed over time. According to Keller (1993), he established a totally new approach to the brand management. The brand is found out as an intellectual construal in the mind of customers and consumers. It is accepted that a solid brand holds strong, one of a kind and associations relationship in the mind of customers. The consideration shifts from the sender towards and the receiver is ended with the brand communication and consumers or customers owner of the brand approach, yet presumption of direct communication applies. This thought has since turned into the most prevailing one in brand management (Keller, 1993).

According to Kapferer (1992), for the marketing communication staff, the branding become exclusive prerogative and undervalue the importance of further common function for successful the brand management (Kapferer, 1992). Some of the researchers are talked clear distinction between the brand identity, images, and reputation. The latest belief about brand or company in the term of the public is the corporate image or with the public entity makes the total impression. According to De Chernatony (1999), that brand management could help conquer the gap between a brand's image/character and brand’s reputation (Chernatony, 1999). Creating, coordinating and monitoring interaction is the process of brand management which it happens between the organization and its partners Schultz and Barnes (1999), there is the consistency between an organization's vision and partners' beliefs about a brand (Schulz & Barnes, 1999). It is important that organizations initially focus their efforts on creating an appropriate brand image that has a niche in the marketplace. In the field of brand management, analysts have hugely emphasized few terms, for example, brand personality, brand image, brand equity, brand value and brand identity of life as a fundamental part of brand building process; where solid brand identity and identity are significant to assemble brand value and again, brand personality is the important element which it can define the brand Image and brand identity (GEUNES, WEITERS, & WULF, 2009).
1.2. Brand value components

According to (K.Baisya, 2013), the brand value as the totality of the brand’s perception, including the relative quality of goods and services, financial performance, buyer loyalty, satisfaction and overall value toward the brand. It is all about how consumers, employees and all stakeholders feel about the brand.

According to the Aaker (1992), the brand value is among the few strategic resources accessible to the organizations that give a long-term competitive advantage to the organization (Aaker, 1992). Brand value constitutes the benefits and the liabilities that is the connection to a brand, like a name, or logo. It contains brand awareness, loyalty, association, brand assets, and brand perceived quality. creating solid, unique and the favorable brand association is the real change for business sectors, but it is fundamental in building a strong brand and the strong brands ordinarily have family established strong, unique and favorable brand association with customers (Aaker, 1992). Aaker (1992), recognize that brand value is a set of asset and legal responsibilities associated with the brand's name and assume that add to (take away from) the esteem presented by the products or services to an organization and additionally that organization's clients, as indicated by (Aaker, 1992), the components of brand value in the followings: -

- Brand awareness
- Perceived quality
- Brand association
- Brand loyalty

Keller recognized that solid brand can order price premiums; from another side, a solid brand can’t an excessive cost premium (Keller,1998). brand value recommends that it happens when buyer response to marketing activity varies when the buyer knows the brand from what they don't (Keller, 1998).

According to Mallik (2009) definition of brand value, “brand value is the esteem developed in a brand” it can be figured by comparing the anticipated potential or future salary from the branded item with the expected or future income from the non-branded comparable product (Mallik, 2009). The brand value could be negative, positive but positive brand value is frequently when a company exceeds their client desire. Negative brand value is made by usually bad management. And the positive brand procedure is a solid barrier to the section for potential opponent and competitors.
1.2.1. Brand awareness

One of the key components of brand value is brand awareness, frequently observed as essentials of a group of peoples’ buying decision (Kotler & Keller, 2016). Creating and keeping up brand awareness has long been held one of the fundamental goals of marketing, and the arrangement of brands likewise characterized as buyer's thought set, to which a purchaser gives a genuine consideration when settling on a buying choice. The brands that enter purchaser's thought set, is unequivocally influenced by the brand mindfulness.

According to Christodoulides and Chernatony, (2014), the customer-based brand value looks the value of brand from the point of view of customers because it provides behavioral insights that can be changed into significant brand management strategies. Christodoulides et al., (2015), explain brand awareness is that it is necessary for higher-arrange builds such as brand image, to develop. According to Assael and Day (1968), brand awareness, the customers know about the brand as a member of the category and encapsulated by the connection between the brand and the classification prompt (Assael, 1968).

The brand awareness is one of the simplest and best approaches to promote item related products because they have moderately fewer differentiation, which it makes more competitive that it has a solid and unmistakable brand. Purchasers turn to decide rapidly about an item if they know the brand. The most clients can recognize and retain and recall firms brand the likely certainty that they will shop, and that firm is more prominent than shopping somewhere else. This is despite competitors as clients overlook at the cost and other quality when the trust and know a brand, become the client's life to shop where they are utilized to and have believed in the brand. (Keller, 2004).

Brand awareness is related to the capacity of brand identities in buyer' memory and can be reflected by how well the customers can distinguish the brand under different conditions. Brand mindfulness incorporates brand recognition and brand recall performance and as well as brand acknowledgment ability to the capacity of the purchasers to effectively comprehend the brand they already have been presented to (Manjunath, 2015).

1.2.2. Perceived quality

According to Grunert et al (2001), perceived quality of a product as becomes “the estimation made by the consumer relying on the whole set of basic as well as the outer dimension of the product or the service” (Saleem, 2015). In this way, the overall assessment of perceived quality based on client perception that what creates quantity product and how the brand well rate of that dimensions. Seen nature of client's impression of the general quality or predominance of an item or administration
with respect to another and as for its expected reason. In this way, saw quality is a general evaluation considering client view of what constitutes quality item and how well the brand rates on those measurements.

The connection between perceived quality and the brand value was first settled by Aaker (1991). According to him, brand value measurements comprise four elements, i.e. brand awareness, brand loyalty, brand association and perceived quality (Aaker, 1991). The product and service perceived by the shoppers to be of top quality constantly contribute to customer fulfillment towards that products and services (Shlash Mohammad, 2011). Perceived quality of solid brands increases the value of customers' buy assessments. Perceived quality can be called as a never-ending outcome created from processing the item traits that lead the purchasers to decide about the quality of the product (Chatrattikorn, 2014).

Perceived quality is known as brand association, however, because of its significance, and perceived quality is the perception of the client about the all quality and nature of a brand. The pricing decision of firms influenced the quality perception and the better-quality items can be charged a value premium. Quality is one of the fundamental purposes of shopper preference for a brand in any item classification. Therefore, unrivaled perceived quality can also be utilized to position the brand. The creating of the rational ruling of quality can be difficult for the clients, and they are using the quality of characteristics like color, flavor, from the appearance of the items and availability of manufacture information (Chai & Fayrene, 2011).

1.2.3. Brand association

The brand association has been shown to affect the brand rating, such as quality of brand (Dillon, 2001). Brand associations it’s a key building solid brands since they represent what the brand remains for in the client's mind (Aaker, 1996). Basically, the brand association helps process and recovers information about the brand and makes a positive attitude and views about the brand. Brand associations are generally assembled into an item related characteristic like brand performance and nonproduct related characteristics like brand personality and organizational associations (Chai & Fayrene, 2011). Accomplishing the correct brand identity includes making brand awareness, which originally includes connecting the brand – brand name, logo, image et cetera – memories of certain association. Brand components can be chosen brand awareness; facilitate the development of solid, great and special brand associations; or elicit positive brand judgments and emotions (Farhana, 2012).
However there has not generally been agreement on how to quantify brand image, one of the acknowledged views is that reliable with an associative system memory model, the brand image can be characterized as discernments about a brand as reflected by the cluster associations that customers interface with the brand name in memory (Lee, Jeffrey, & Kim, 2014). Along these lines, the brand association is the other instructive nodes connected to the brand node in memory and contain the sense of brand for customers. According to Keller (1993), he says the brand association is the label of brand image “a set of associations connected to the brand that buyers hold in memory”. A brand image is made of a set of associations with respect to the brand in the mind of the purchaser (Zhang, 2015).

1.2.4. Brand loyalty

According to Jacob and David, they explained brand loyalty expressed into six necessary and collectively sufficient condition, the brand loyalty is 1st the biased which is non-random, 2nd behavioral response which is responsible, 3rd expressed over time, 4th decision-making units, 5th respect of the brand, and the last one is psychology which is decision making and evaluative process (Sritharan, et al., 2008). The current customers of brand loyalty represent the strategic resource and when appropriately managed would give the firms with several esteems. The brand loyalty is related more closely to the client experience, in the sense that it doesn't exist without prior buy and utilize experience (Fayrene & Chai, 2011).

Brand loyalty is mostly attached to a behavioral sense through the number of repeat purchases, it involves purchaser staying with the brand and reject the suggestion of competitors. The strong brand value holds customer loyalty because purchaser esteems the brand based on what it is and what it speaks to and the brand loyalty is ascribed to brand image and brand value. It is also important that brand commitment is the considerable expression of brand preference and brand loyalty (Chaudhuri, 1999). Strong brands must be solid if they have a strong supply of loyal clients. Where the function of brand equity is the financial brand value and the loyalty decline the risk of expected future returns. loyal clients spend extra and their investing could easily raise over time because of dutiful programs.

According to Oliver (1997), brand loyalty is a deeply held responsibility to rebuy – patronize favored products and service reliably in the future, cause some brand repetitive or some brand of set buying despite situational effects and promoting endeavors having the capacity to cause switching behavior (Alhaddad, 2015).
Buying actions for each level of the brand loyalty and contest faced by marketing professionals in their efforts to lift buyer to a sophisticated level: 1st the proud user of the brand is the committed buyer, and they are buying these brand because of carefully tie and personal value, 2nd brand liker they are the buyer which have more experience and know about the brand, 3rd satisfied buyer to have satisfaction with perceived quality of the brand, 4th habitual buyer buying the brand on habit, the last one is the switcher this kind of the customer is not looking for the brand they are looking for the purchase behavior (Aaker D. , 2009).

1.3. Brand management process creating customer value

The brand management process which is making customers esteem is key to building solid brands and comprehend the pith of brands customer value and recognizing its key areas are basic for the improvement of a practical brand strategy and processing. At the brand management process, we can see the idea of customer value which mirrors the value of the offering to its objective customers and appraisal of capacity to satisfy certain necessities. The process of branding and brand accomplishment through incorporating market assets, brand development, the value of the brand to producers, brand arranging, potential, wholesaler, shopper, and customers.
For creating and sustaining brand equity the strategic brand management process is important, to build a strategy that successfully sustains or to better brand awareness, build up the brand association, indicate the brand equality and utilization. These are the part of brand management. The permanent investment in research and development and customer services is the brand strategy. The effects of brand activities of measuring and controlling also important.

Brand management purposes can give basic information that effects brand procedure. The brand valuation process rises the amount of data held by the firm about its brand and it must be established with the goal that it can be utilized as a management device for value creation (Fernández, 2001).

According to Keller (2008), the strategic brand management includes the outline and execution of the marketing programs and exercises to assemble, measure, and oversee brand value (Keller, 2008). In this content, we characterize the strategy of brand management process as having four fundamental advances steps:

- Identify and establish brand positioning and values.
- Planning and implement brand marketing programs.
- Measure and interpret brand performance.
- Grow and sustain brand equity.
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*Figure 2. Strategic Brand Management Process*

Source: Created by the author, based on Kevin Lane Keller (2008).
1. **Identify and establish brand positioning and values:**

   Keller (2008), he clarifies the strategic brand management process begins with a reasonable understanding as to what represented by brand and how should be competitors position with respect (Keller, 2008). Brand Positioning as “the act of designing the company’s offer and image so that it occupies a distinctive and valued place in the targeted customer’s mind” (Kotler & Keller, 2006). The objective or goal is to pinpoint the brand in the mind of the shopper such that the potential advantage to the firm is maximized. The brand positioning introduces to target customer’s motivation to purchase your brand in preference to others.

   The sum of all activities is the brand positioning which it can position the brand in the mind of the client relative and to its competition. Positioning isn’t about making something new or extraordinary, however, to control the attitude and to retire existing connections (Ries & Trout, 2001). Positioning is basically a strategy to positions against different brands (Haaften R. V., 2017). Therefore, positioning desire a balance of ideal purpose of quality and purpose of different brand associations inside the given market and competitive advantage. The development brand positioning is beginning with identifying which is: the target market, the nature of competition, the purpose of quality, and the purpose of difference (Kotler & Keller, 2006).

2. **Planning and implement brand marketing programs:**

   Building brand value requires making a brand that buyers are adequately aware of and with which they have solid, favorable, and exclusive brand associations. In general, the process of this knowledge creating and can depend on three factors. The 1st factor is initial choice for the brand components or recognizes making up the brand. 2nd the marketing events and supportive marketing program and the way by which brand combined into them. 3rd another association indirectly shifted to the brand by connecting it to other entity; for example: (the organization, nation of the origin, the channel of distribution, or another brand). brand marketing programs and accomplishing as much brand sonority as possible (Keller, 2008).

   The brand manager and marketing could utilize the discoveries in tailoring context-specific marketing strategies for their brand, particularly in the setting of economic and purchaser attributes. For the best realization of customer support and loyalty results, there is a requirement for companies seeking to enter developing markets to have a mixture of all brand marketing program and each approach creates noteworthy contribution towards causing different loyalty level (Odoom, 2016).
3. **Measure and interpret brand performance:**

After determining the brand positioning strategy, the marketing effort to make, brand association maintain and strengthen, and it can be put into place, as well comprehend the impacts of such battle, it is important to measure and interpret brand performance (Keller & Tony Aperia, 2008). The measurement procedure utilizing semantic differentiation materials for the related item group has been proposed for measuring the brand image (George & Charles, 2000).

![Measuring Customer based Brand Equity](image)

**Figure 3. Measuring Customer-based Brand Equity**

Source: Created by the author, based on S. Negam (2012).

4. **Grow and sustain brand equity:**

The brand management concern those events that take a more extensive and more differing view of the brand's value or brand equity – seeing how the branding methodologies reflect by corporate concerns and are balanced, if by any stretch of the imagination, over time, topographical boundaries or market fragment. Also, and additionally develop and support brand value overseeing brands over numerous categories: the building brand technique, to managing brand value over time, geographic boundaries, cultural/social and marketing segments (Georgson, 2008).
According to Keller (1998), the important part of the brand building considered the building brand equity, and brand equity is supposed to carry several advantages to a firm. e.g., the customer preferences and purchases intention can be known as higher level of brand equity (Mohamed, Kumaresan, Aruna, & Charles, 2014). Keller (1993), defined the brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers” (Isabel Buil & Leslie de, 2013).

Kotler and Keller contend that the estimation of a brand is directly related with the observation and attitude of prospects and clients, and it reproduces direct and indirect brand understanding of what they have seen, heard, learned, thought and felt after some time (Haaften R. v., 2017).

1.4. Management of global brand

We begin by painting the background that put global brands in the center stage. Developments animating the trend toward global market combination include the emergence of global media, the Internet, and mobile communications, the free growth of capital and goods promoting overall speculation and generation systems, rapid upgrading and standardization of manufacturing techniques in the developed world but also in emerging economies, growing urbanization, rapid increase in direction and education levels, and delay of world travel and movement (Özsomer, Batra, Hofstede, & Chattopadhyay, 2012).

The strategic issues for global branding often create the different marketing programs to satisfy changed market segments, so therefore focus to these two steps the 1st step to identify inferences in purchaser behavior, - how customers buy and utilize items and what they know and feel about brands in each market; second adjust the branding program as needs be through the decision of brand components, the nature of the real marketing system and events, and the utilizing of optional associations (Keller, 2013).

The global brand has risen as a key instrument for upgrading competitiveness crosswise over worldwide markets. Where the value of the different source of competitive advantage can be reliant on neighborhood market characteristics, across the global market the source of competitive advantage remains powerful and it can become clear and strong brand equity (Van Gelder, 2005).

The strategy of global branding is often focused on providing guidance, structure, and the manager have inspiration and time then he can control the brand in different places around the world (Van Gelder, 2008). Besides, global branding likewise allows companies to the growth of market potential through the construction of economies of scale and the exploitation of shopper preference (Pitta, Dannis, Fank, & Franzak, 2008).
According to John Price (2012), he said about GBM, a global brand management arrangement fueled by OpenText empowers organizations to better defend and deal with their image resources and brand involvement with a unified source, the assets management of marketing, and sophisticated analytics (Price, 2012).

Wang (2008), says the globalization has taken into consideration the increased convergence of shopper tastes and values, accordingly making global markets that can be effectively focused on utilizing a global branding strategy (Wang, 2008).

The global brand is ending up more prevalent as the firm center around center brands, and progressively execute unambiguous universal brand structures as a strategic method for encouraging brand consistency crosswise over global markets (Janell, Yeniyurt, & Talay, 2009). According to (Saxena, 2012), the disadvantages of a global brand is the differences in customer needs, wants, and usage designs for items, customer reaction to the marketing mix components, item improvement and the competitive environment and brand difference, legal environment difference, differences of the marketing organization, differences in the administration techniques.

The global brand groups commonly consist of brand representatives from various parts of the world and from various phases of brand growth as well as from the distinctive competitive settings (Aaker & Joachimsthe lar, 1999).

Global brand management or global brand building is an extremely tricky task to do. It turns out to be much more difficult when the formation of a B2C shopper group leads an organization's loss of control to the advantage of its clients, the influence its building and image can actively take part in producing content about the brand (Arnone, Colot, Croquet, Geerts, & Laetitia, 2010). TO understanding the requirements of global businesses to secure and deal with their image or brand and global brand management arrangement that incorporates the three most imperative elements which is, the 1st the management of productions, 2nd the marketing assets management and distribution, and 3rd one is to analyzed brand execution and viability (Haig, 2012).
1.3. Conclusions on theoretical analysis

After the theoretical analysis of brand management that creates value to customer, it appears that brand management is analyzed by many researchers, according to them certain competitive advantage is acquired only by using, developing, and maintaining the branding and brand management, also most of the companies and its brands are considered as the important sources of capital. The tangible and intangible attributes are attached to the brand that creates up to a business. the consumer and customer-based have been measured and using lots of the local and international brands of products which states that the branding and brand management is the easiest method to established and differentiate the brand in their customer’s mind.

The brand value among the few strategic resources accessible to the organization that gives a long-term competitive advantage. Brand value constitutes the benefits and liabilities it is the connection to a brand like a name, logo, and it contains brand awareness, loyalty, association, assets, and brand perceived quality. And the value presented by the products and services companies and additionally to the companies’ clients. The brand value recommends that it happens when the customer response to marketing activity varies when the customer knows the brand from what they don’t. The brand management process that creates value to the customer can give basic information that affects the brand procedure, the brand valuation process raises the amount of data held by the firm about its brand and it established with the goal that is can be utilized as a management device for value creation.

Brand management process following the four steps to create the value for the customers. 1st identify and establish brand positioning and value, “the act of designing the company’s offer and image so that it occupies a distinctive and valued place in the targeted customer’s mind” (Kotler & Keller, 2006). 2nd planning and implement brand marketing programs, this process creating the knowledge and it can depend on some factors: initial choice for the brand components or recognizes making up the brand, the marketing events and supportive marketing program and the way by which brand combined into them, and association indirectly shifted to the brand by connecting it to other entity. 3rd measure and interpret brand performance, utilizing semantic differentiation materials for the related item group has been proposed for measuring the brand image. 4th Grow and sustain brand equity, building brand technique, to managing brand value over time, geographic boundaries, cultural/social and marketing segments.

The global brand management often creating the different marketing programs to satisfy changed market segments. GBM to identify inferences in purchaser behavior, how customers buy and use the product, what they know, and how they feel about brands in each market. Also adjust the branding program as needs be through the decision of brand components, the nature of the real
marketing system and events, and utilizing of optional associations. Global brand management deal with their image resources, brand involvement with a unified source, the assets management of marketing, and sophisticated analytics. The global brand building is an extremely tricky task to do. To understand requirements of the global business to secure and deal with their image or GBM arrangement that incorporate the three most imperative elements; management of production, market asset management and distribution, and analysis brand execution.
II. EMPIRICAL RESEARCH OF ZARA BRAND MANAGEMENT

This part grounds the selection of the research methodology. It includes the aim of the study and the research questions the study attempts to answer. This part goes into details regarding the brand management that creates value to the customer in case of Zara brand. This part of the thesis provides results of the qualitative analysis and results of a customer survey.

2.1. Research methodology

The goal of this empirical research is to analyze Zara brand management focusing on value creation for customers.

**Objectives**

- To prepare methodology.
- To conduct a research on brand management that creates value to the customer.
- To analyze research results and make necessary conclusions.

**Research type**

The first part of research is descriptive and using qualitative research method. The second part of research is customers survey. An online questionnaire was used to collect the different data and different opinions from the customers about Zara brand, the research went for a week March 2018.

**Sampling**

The sampling frame of Zara’s brand users, the respondents were selected using convenience sampling and there was two-step process at the questionnaire, choosing options for the respondents that use the Zara brand, or some are not using Zara brand. If yes, they will continue with Zara brand or if No they will continue with others brand. Overall there were 357 respondents who filled the questionnaire.

**Data source and collection methods**

The survey data was collected using the online questionnaire and there was a different type of the question about Zara brand that how should create value to the mind of the customers. The type questions were multiple choice, checkbox, liner, and other.
For the users of brands, the questionnaire was sent by email, posted in many Facebook groups related to universities and student’s union’s groups, as well as to difference employee’s groups to Afghanistan. For the Lithuanian respondents the questionnaire was posted in Facebook groups related to universities, faculties. The questionnaire was in the English language for all the respondents.

**Data collection techniques**

The technique of data collection allows researchers to systematically gather the info about the object of study, and about the settings of the amount. With the collection of data, it is extremely required to be systematic because if data is collected hardly, then it will become hard to focus on the research questions in a conclusive way.

**Qualitative Research**

The data collection of qualitative research method is the interpretive methodological principles with the provision of the detailed description of the interview, websites, case studies, situation and interaction between people and things that are related to the phenomena under revisions. Qualitative research provides the researcher the opportunity to explore and get in-depth information into the attitudes and providing the understanding of a given context with underlying motivations and values through a detailed description. It also provides the researcher the chance to add further interpretation and meaning to the findings. Qualitative research uses interviews as the means of collecting data to explain the researched topic.

**2.2. Presentation of Zara brand**

**The background of Zara company:** Zara was established in 1975 by Amancio Ortega Gaona, soon turning into the biggest and best chain of the Galician bunch Inditex (Industrial de Diseño Textile) and a pioneer of the rising class design and fashion category of Fast Fashion. Zara store opened in La Coruna, Spain, with the intention of selling fashionable clothing at low prices and the capacity to create and convey new garments of clothing to stores in less than three weeks gives Zara its ability to successfully respond to customer demand inside the design season. The most traditional even of motivation, Zara has constantly formed the business; setting new ways to do business and the rule should prove an exception.
The concept of Zara company:

The concepts according to Amancio Ortega, Originator also chairman for ZARA brand (Inditex), the ZARA’s point will be on democratizing fashion the most recent design in medium personal satisfaction during competitive costs. The turnaround time from claiming ZARA’s benefits of the business framework will be discriminating for its achievement. ZARA has the ability should begin a configuration and bring done merchandise in saves inside four will five weeks on account about actually new designs, also two weeks to modifications (or restocking) from claiming existing products, the thing that contrasts with those accepted industry model which include cycles for dependent upon six months for outline what's more three months to manufacturing (Seng, 2006).

![Zara's Business System](image)

Figure 4. Zara’s Business System

The main competitor of Zara brand:

Zara’s major international competitors in terms of market share are H&M, Gap Inc, and Benetton. These all had a narrower vertical scope that Zara which owned much of its production and
most of its store. The Gap and H&M, which were the two major specialist apparel retailers in the world fast of Inditex, owned most of their stores outsourced all manufacture. Benetton, in contrast, has invested comparatively heavily in production but licensees run its supplies. The three competitors were also positioned differently in product space from Inditex’s chains (Seng, 2006). The section will first present the background of the two firms before offering some comparison with Zara.

H&M might have been recognized ZARA’s closest competitor, although there exist important key variances between them. H&M varies basically from ZARA because they outsource very its production, which will imply more drawn out lead times furthermore useful that's only the tip of the iceberg cash ahead advertising. The H&M costs additionally tended to be marginally lowered then ZARA. However, both brands bring essential similarities; they are European based companies, for a fragment of style ahead of more level costs as well as have a strong international development method and regarding this last point, may be important refer that H&M needed to be quicker an internationalize, generating more than a large portion its bargains outside its home net toward 1990, 10 a long time prior to Inditex (Seng, 2006).
The gap had been established in 1969, clinched alongside San Francisco, had attained stellar growth furthermore productivity through those 1980s and 1990s with what was depicted concerning illustration a simple genuine dress stance. Its store operations were basically what’s to come for the U.S with urban decay because of deindustrialization, engineering imagined, government lodging. -centric Also for 1987 when Gap had started its global expansion, they confronted certain challenges in finding areas on exact markets, in adapting to different costumed sizes furthermore preferences, and for managing a greater amount extreme estimating weights over in the united states. By those wind of the 1990s, supply chains that were still a long, business sector saturation, imbalance nature also inconsistencies crosswise over those company’s store chains and the absence of clear fashion positioning had begun should make atoll in the U.S. market. In the year of 2001 a neglected endeavor will be repositioning should a more fashion-driven assortment, an enormous decrease in the Gap’s stock cost and the departure, in 2002, of its long-time CEO, Millard Drexler. created a Gap’s reduction in intensity around its main competitors and at the same time Gap’s brand quality is decreasing substantially over the most recent a long time (Seng, 2006).

Benetton is a standout amongst the three brands those any rate as that competes with ZARA. Benetton consolidated done 1965 in Italy, accentuated brilliantly hued knitwear. It attained noticeable quality in the 1980s furthermore 1990s to its questionable publicizing furthermore similarly as a system association that outsourced exercises that were work serious alternately scale-insensitive with subcontractors what's more sold its creation through licensees. Same time Benetton might have been quick at sure exercises for example, such that dying, it looked for its retailing business should give acceptable huge ahead request books for its fabricating business and might have been accordingly equipped to work on lead times of a few months. Benetton’s design showed up to hit saturation by the early 1990s, furthermore, benefit begun and slide through the rest of the 1990s. on response, it embarked ahead a method from claiming narrowing item lines, further combining key processing activities eventually grouping them into “production poles” over a number about diverse regions, and extending or centering existing outlets same time beginning a system should set up a great part bigger company-owned outlets in enormous urban communities (Ghemawat and Nueno 2006).

The financial performance of ZARA brand:

In the year of 2010, ZARA net sales were 8. 088 thousand from claiming euros, which representable an increment about 14% in regards of the past year and EBIT (earnings in the recent past interest and taxes) arrived at 1. 534 thousand from claiming euros, an increase about 39% through 2009. As stated by Interbrand rank something like best worldwide brands 3 by value, ZARA might have been positioned in no. 50 done 2009 what's more its brand value might have been 6. 789 thousand of dollars, and in the year of 2010, its position fell two numbers also ZARA was in no. 48
However, and its brand value required a certain variety of 10% and ZARA’s brand value was 7.468 thousand upon billions of dollars. Interbrand express that ZARA proceeds with separate itself starting with different quick fashion brands toward offering forth those most astounding value focuses and the closest direct replicas of runway designs or fashions. It expands the value and considering its responsiveness furthermore relevance.

### 2.3. Empirical research results

This section includes the results of research of Zara brand. It is divided into two sub-sections. The first part is a result of secondary qualitative research which it has already been collected for some others reason and to analysis Zara brand management that creates value to customers. The second is results of a customers survey, to know about the customer’s point of view about Zara brand, what the customers expect from Zara, what they want from Zara, and how should Zara make value to its customer mind.

#### 2.3.1. Results of qualitative analysis

Results of qualitative analysis include the results of gathering research and point of view about Zara brand management that creates value for customers. According to Carmen Lopez, internationalization of the Spanish fashion of Zara brand, in the case of internationalization of Zara brand. Carmen Lopez (2009), defined the aspect of international marketing strategies of Zara brand, entry strategies of Zara brand, market selection of Zara brand, and namely motives for the internationalization of Zara brand, and comparisons are made between Zara and two of the others brand which is H&M and Gap (Lopez, 2009). Zara’s brand company differentiation from its competitor is the reversal time and the source of information of the store, the designed of Zara’s brand vertical integration, manufactured on time, sale and delivery, structuring of Zara’s brand flexible, the rule of low inventory, the information technology of Zara advance and it have quick response of policy to customer’s demand (Lopez, 2009).

Roll (2018), mentioned Zara's prosperity is that the brand prepares and enables its store representatives and managers to be especially delicate to client needs and wants, and how clients establish them on the shop floors, Zara enables its business partners and store manager to be at the cutting edge of client inquire about – they eagerly listen and note down client comments, the idea for cuts, new line or textures, and definitely watch new styles that its clients are wearing that can possibly be changed over into one of a unique Zara styles. The traditional sale deals reports can scarcely give
such a dynamic refreshed image of the market. Zara builds two basic rules: "to give clients what they need", and "get it to them faster than any other individual" (Roll, 2018). The presenting change in strategies is a hard procedure to conduct but to excel in business and adapt to current growing markets Zara needs to present some new targets and strategies no single strategy can serve the purpose. Like previously, Zara needs to choose an implementable blend for future. It is prescribed that not to execute every one of the choices in a single step, rather act and wait for a reaction and afterward choose for actions to be taken. A detailed evaluation of situations is to be done before settling any choice since fashion market changes often that unpleasant assessments may prompt undesired outcomes.

From the case of Zara according to Zhelyazkov and Galin (2010), the world retailer ranking of the fast fashion industry positioned itself on the third positioned. It is known as the result of close communication between the customer and designers and the capacity to send the coveted things seven days getting the sales moment. The aspect enhanced the competition associations it approves by ASC. Another lesson is that effective generation association with a good balance between in-house and outsourcing task prompts least time and increment in market share for Zara (Zhelyazkov, Galin, 2010).

2.3. Results of customer survey

The survey attempt to find out the result and interest of Zara’s customer, after the results to analysis Zara brand management the how Zara ca manage their brand and create value to the customers.

![Figure 6. Do you buy only branded products](image)
The first question from the respondents about branded products, the survey was attempted by 360 respondents, in the top two 46% of the respondents using only branded products and 30% only used quality products. From the result of the question we can say the name of brand and quality is more important, therefore Zara must focus on their name, design, symbol and on quality of the products.

![Figure 7. What is your fashion style?](image)

Next question was about fashion style, nowadays every one of us knows that fashion is the popular style especially everyone concentrates on the dressing. From the 360 respondents at the top four, they are thinking their fashion style is 44% are like casual and stylish dressing, 15% like elegant, 14% official and the rest of the respondents preferred sports, trendy, and street style. From the result of the question know that style is important, so Zara company should see the need and wants of the customers, then it can manage and innovate the brand easily.

![Figure 8. Before shopping for clothes, do you have an expectation of what you are going to buy?](image)
Before the shopping customers have an expectation that they are going to buy the products which they had a relationship with it. Zara must to make a good relationship with their customers and make their brand with good quality, design, packaging, easy to wear, good looking, and with affordable price, and provide an excellent customer service. Zara should know the customer's expectations, they need to know who its customers are and want they expect and want from Zara.

The question is what makes you choose branded clothes like, habit, variety, fashion, price, brand. 53.5% of the respondents prefer about the price of the branded clothes, 47% of the respondent’s fashion, 46% brand and the others preferred the habit and variety. From the result of the people can still look for the price of the brand, quality of the brand, and fashion. Zara can manage their brand and create value to customers by the clothes of the collection, fashion design, and the price.
From the 360 respondents, 74% are using Zara brand. Zara is one of the largest fast fashion companies. People are more interested in Zara brand because it has a good value for its customer. To keep their relationship with their customers and manage their brand easily to know about its customers.

Some of the respondents who are not interested in using Zara brand, like, from 360 respondents 36.2% preferred H&M, 31.9% New Yorker, and the rest of the respondents chose other brands. Zara can think to manage and compare their brand to its competitor’s business model or products, price, distribution, and promotion strategy. Even Zara should have known and associated their SWOT analysis to its competitors. And for the certain brands over Zara, respondents knew about other brands from word of mouth, family/friends/relative, advertisement, attractive packaging. Therefore, the success of Zara brand would make effective marketing strategy and memorable advertising strategy.
The question was from people about the particular brand over Zara which they chose and rate the brand most of them strongly agreed and agree with the competitors of Zara. Therefore, Zara would create their brand humble, friendly, affectionate, and enthusiastic.

It is important to know that how often people shopping at the Zara store, accordingly it would be easier to manage the brand. 41% respondents shopping Zara products once a month and 30% shopping per season. Therefore, Zara should manage their brand in every two weeks and provide freshly baked clothes, and Zara brand manager should plan to develop and direct marketing to raise the performance of the brand.
Most of the respondents were agree and strongly agree with the above relevant words, from the opinion of the respondents we can see that Zara brand is enough good, but they should focus on men and women fashion style because they are equal as well as provide good quality products, stylish, fun, family, ethical, youthful, and conservative. Fashion play a most important role in society, therefore Zara should focus and management their brand for the masculine, feminine, daring, conservative, family, youthful, ethical, and stylish because there are difference type of people and everyone have their own choice, so Zara should think internationally to manage their brand and create value for the customers. Different country, culture, style, and ethics, so first they should see those different things at the international market then it would be very easy to manage their brand.

![Figure 16. Do you agree that Zara has maintained a consistent brand image throughout the year and has a good reputation?](image)

Most of the people are strongly agree and agree with Zara brand image and reputation. It seems that Zara has good brand image and reputation. The recommendation for Zara brand image and reputation they should more endeavor and consistency of brand image and reputation because the reputation and image are important for the customers and it creates value to the customers. In the other questions which was related to advertisement, do you feel that Zara as brand has memorable advertisement. The (figure. 17) is in annex, the result from customers survey from360 respondents, at the top three 26.7% of the respondents was strongly agree with advertisement of Zara that they are making memorable advertisement, 35.8% was agree with Zara brand advertisement, 26.9% was neither agree and disagree. From the result of customers survey, Zara company should remember that everyone has personally like and dislike, so they should provide a memorable advertisement on social media. To make memorable advertisement they can balance the design and message and then deliver to the people.
The question was from the respondents how the know about Zara brand. 60% of the respondents know about Zara brand from social media, words of mouth and some of the people preferred TV ads, magazine, radio, and newspaper. Therefore, they must focus on TV ads, magazine, radio, and newspaper. At the (figure 17), 26.7% of the respondents strongly agreed with Zara advertising, 35.8% agree with its advertising. Therefore, an advertisement is the most important strategy for Zara Inditex. For the good and memorable advertising Zara should focus and know about demographics and geographic of the target customers and marketplace – know about the current market position, make a memorable message about their brand which it creates value to the customers.
According to the customer's opinion, respondents strongly agree and agree with above element which is mention in the (figure 19), they think that it can build a good brand image. Zara could know about this that who they really are, and its brand reflects, then focus on quality, communication style with customers, price strategy, to provide good services, discount, transparency, and easy availability, because it builds a good brand image to the customers.

![Figure 20. Are you a loyal customer of Zara brand?](image)

As we can see at the (figure 20), the question was about the loyal customer, most of the respondent was say “Yes, always I stick with the same brand”- Zara has 35.8% of the loyal customers, some of the respondents chosen “Never, I keep experiment with the new products”, and others preferred that we “only looking for a quality products”. From the results know that Zara can innovate new products as well as focus on its quality. Because nowadays customers looking for the new, freshly products with good quality. And they can manage their brand what the customer’s needs.
The question of survey how significant fashion is for self-image. In the top two of the figure, we can see 38% of the respondents thinking that fashion for self-image is very important, 43% of the respondents just mentions that it’s just important. Therefore, fashion and self-image are very important part of the daily life with the good fashion people can feel confident. Zara can observe the target audience and its competitors. And which kind of the customers following its competitor’s products, then they can make a strategy to its customers and achieve their goal. And then can provide the fashionable products for their customers.
Brand image is very important and can create value to the customer, for the above questions most of the people strongly agree that store atmosphere is important to create the brand image. Most of the respondents are strongly agree and they are thinking that atmosphere is more important to create value and brand image. People are not only thinking and care about the store that how it looks, also they are like to make purchasing decision based on atmosphere of the establishments. Zara should make more sale and attract the new customers they can focus on their business that how it looks.

From 360 respondents, 53% of the respondents thinking that Zara brand influence on their purchase decision, 22% of respondent’s response that it is not influence on our purchasing decisions and there are some respondents that they don’t know about. one of the reason is the design of the store and atmosphere influences purchasing decision in the fashion store. Conclusion for the question Zara would make ascertain marketing and promotion of their products, and to hair active employee that they could good communication with the customer. And, Zara can make the marketing campaign, to provide the information about their brand, and packaging of the brand.
The question from respondents, when they are buying the clothes in Zara products from Zara store. And how should Zara manage their brand? At the top three 38% of respondents buying Zara products when they need, 22% of respondents think that we are buying Zara clothes for parties, and 24% of the respondents think that we are not buying anything because they couldn’t find anything good in Zara store. If we see the (figure 25) most of the people purchasing Zara products on promotional events, sale and discounts offers, and festival and occasion. From the results customers survey know, it important to know when customer interest to buying the products for example customers buying the products in the events, discount offers, festival, and occasion. So, it is the good opportunity for Zara company to make some events, good discount offers, festival, and occasion. It is the good way to improve their brand and create value to the customers.

Figure 24: The clothes you buy in Zara store are mostly for

Figure 26: Would you buy Zara products if your favorite celebrity would be endorsing that brand?
The question is about the favorite celebrity, most of the people like the celebrity. The effects of celebrity on brand to the public, they are making people attract and extraordinary lifestyle also they are using different characters to motivate the people for the products. Zara company can make its advertisement by the most popular of celebrity because it creates memorability and endorsement for the customers.

![Bar chart showing reasons for shopping Zara clothes](image1)

**Figure 27. You shop Zara clothes because they are**

The question is why you are shopping Zara clothes for which reason you are buying Zara brand at the mentioned figure are some elements which can know how Zara would management their brand on the bases of that. Is it comfortable, good looking, ready/easy to wear, good price, the latest trend. Zara can manage their brand quality, consistency, loyalty, awareness, and trust because it has created the perception of the customer about the brand.

![Pie chart showing monthly clothing spend](image2)

**Figure 28: How much do you spend on clothes per month?**
And in the (figure 28) how much they spend per month on clothes, so most of the respondents spend 51-100 Euro and some of other 24% spend 101-200 Euro per month. For the brand management it is very important to know about the financial situation of the country and people. Zara brand management, Zara company should concentrate globally to manage their brand. When they are managing their brand, they could see the economics situation of the country and then to see the expense of the people which how much they expend on the clothes and to target the high class, middle class and low class of the people and then they should try to manage their brand.

![Figure 29. How would you rate Zara’s logo?](image)

The question is how respondents rating the logo of Zara. And the other question (figure 30) is customers of Zara recommend the brand to others. Most of the people strongly agree and agree with the logo of Zara and there are 39% of the respondents that they do not agree with the logo of Zara. As we know the logo is the most important element of the brand value, it should be associated and connect to the people’s memory. Zara should manage the purpose, design, identity, and common mistake of the brand to make a great impression on the people. And how people can recommend Zara to others, they have to manage and develop a good strategy for the brand image, value, personality, design, price and quality of the brand.

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The last question of customers surveys gender and age group of the people. From the results of survey know that male is using Zara brand more than female. At the (figure 32 ) we can see that youngsters using Zara brand more than others age people. Definitely, Zara has to know and manage their brand for the others age, till others age people motivate to buying Zara brand from Zara store and they should think that Zara is also best from the others which they are using.
1.4. **Concluding notes on empirical research results**

The research has help to analysis brand management that creates value to the customer while also knowing where the challenges for improvement are as well as the problematic conditions which are hindering the value of Zara brand through the perceptions of respondents. The analysis of research identified various determents towards the growth of Zara brand from the fact that most respondents love fashion, but every respondent has different perceptions when they see Zara as a brand. People are more interested in Zara brand if it has a good value for its customer it should keep their relationship, as well as the, can easily manage their brand. But some of the respondents are preferred others brand, therefore Zara should know their competitors and try to improve and manage their brand. For the improvement and management of the brand, Zara should focus on the quality, color of the products, price, distribution, promotions, advertisement, and good communications style between the customer and their employee to creates good value. It can observe their target audience and competitors. To create the advertisement about their brand Zara can improve and manage their brand to invite the celebrity for the advertisement and promotion of the brand and make memorable Ads.
III. RECOMMENDATIONS FOR ZARA BRAND MANAGEMENT

This part of the thesis focuses primarily on the projected decisions based on the empirical research to improve brand management that creates value for the customer. There million of the brand in the world, one of them is Zara brand which is at the top 100 ranking of the world, so why can’t Zara level of ranking be not equal to the others? Zara is the large international fashion company and everyone in the world have felt about the fashion, everyone wants to make their lifestyle good and perfect. Any company or brand have a high level of brand value and have several problems which can affect the success of the company. It's clear that Zara has much of the strength, weakness. To increase customer level Zara should understand about their brand management process internationally that how what customers want and need about fashion, and how should they create the value about their brand in the mind of the customers. Zara must know about environmental issues, a diversify its offerings and create more classic, fashionable, good look, trendy, and to satisfy the changing needs of certain consumer segment, brand loyalty, brand value, global brand management, brand awareness, brand associations.

The suggestions will be made with different brand management idea to improve the standard of Zara brand. Zara brand highly essential to create value for the customers. Zara can also know an effective way to reach out to specific target because every other brand has its consumer target.

3.1. Problematic aspects of Zara brand management

Understanding the customer behavior, how Zara can create the value for the customers. Through the behavior and perception of the customer to understanding the brand management aspects, which brand characteristics are, benefits, culture, personality, and value of the brand. Zara brand must concentrate on the internal and external factors of their brand that creates value for the customers such as:

- Control social media, and to look customer point of view on the social media
- They must be sponsorship with the events, in activities and sports team.
- Focus on the legal and ethical environment of the business
- Company focus and promoting their products.
- To manage their senior level of management
- To make a good advertisement.
- Concentrate on the packaging and design.
- Management of productions.
• Sales development strategy

To manage branding and brand management, there is some barrier has been identified along the research and these barriers stand interference to the customers.

**Personal barriers**

The personal barriers are typically under the control of the customer and they could lack understanding, lack of expertise, lack of money, the brand is not seen a strategic investment, lack of support from stuff, supporter, and funder do not welcome spending on branding and don’t have their right management structures.

**Environmental barriers**

Another barrier of the brand which is environmental barriers which it can include the social environment of personalities - a physical environment which is noise, lack of space, and poor technology can help the customer to know about the brand. even if environment barrier can’t always be controlled their impact can be incomplete.

**Social barriers**

Branding or brand company should know the culture of the people, the influence of the family, even interest of the people. Some of the barriers like information and financial can be bridged for the positive results to materialize. And there is different cultural in the world which it has a great impact and influence on sale, design, and fashion style. For example, European, Asian, and American, they have a different culture, region and fashion style, even the difference of the weather.

### 3.2. Recommendations for Zara brand value components

Zara company should build the strong brand value and it is important to recognize what qualities and challenges there is in the marketplace, for the importance of time and flexibility the key quality is constant and trends, the significance of having a strong brand value and coherency within the communication and items seem, therefore it’s more important than others brand’s company. Zara company Inditex must adapt the quality of their fashion and implement their brand management to build fast fashion brand. They should know the demand of the customers, what their drivers are and what their lifestyle claims the product. Zara company Inditex recognize what the goods should convey in life, how the customers willing to pay for the brand, and how the client needs to understand through utilizing the products and brand.
Zara’s brand value in the year of 2016 was 25 billion U.S dollar, which it was important and easy to judge the value of the brand. To well know the brand value, first, should know the name of the brand because the name of the brand make income. If the name of the brand will not popular there will be not that much value for the brand and the name of the brand will be less and no one show their respect and recognized the brand. to make the brand value with the good rank and position must know competitor's prices and structure in the business marketplace. There some of the brand that reflects premiums cost of the manufacturer. In my point of view, Zara must recognize the keys elements of the brand value components which it creates value for the customer mind.

- **Brand awareness**: customer can recognize and consider the brand in their mind, and it can change the customer perception, thinking and giving the good image of the brand to the mind.
- **Perceived quality of the brand** gives to the customer the perception, satisfaction, expectation about the brand.
- **Brand association** - the customer should be associated with the name, quality, and logo of the brand.
- **The brand loyalty should have a good loyalty**: the brand must know competitor’s activities and creates its value that customer feels positive about the brand and he think that brand is the loyal brand.

As we know that brand awareness is the key component of brand value, customers have knowledge about its favorite brand and them familiar with the quality, image, products, and services of the brand. Zara company should focus on their brand awareness to create a good image for their products, therefore they can observe the target audience, that how they react for the brand buying, benefits, breadth, and being with the brand. Zara has lots of the branches all around the world it has been creating their name for itself by customer word of mouth as well as it can afford the good fashion faster than anyone else. For the Zara promotion and making its brand strength, they must manage the strategy of brand awareness, because customer’s memory can distinguish between the brand different conditions.
For the perceived quality of Zara brand, concentrate on the customer perception that what they want, what is the expectation of the customer and how should they measure the good brand image. Because the services and products perceived by the customers – to increase the value of the customers buying assessment it could make the strong brand of perceived quality. My point of view creates and rational rule for the quality Zara focus on the color, flavor, packaging, appearance of the brand, because, it can create value to the mind of the customer.

Association is also the most important key to the brand value, when someone talks about the brand, for example, from the mouth of friends, family, or relative heard the name of Zara or talk about Zara brand, then they are thinking or associated from before with that. Zara should be associated their brand value positive in the mind of the customer, it should create the well associate brand value. therefore, the brand association an effective brand rating and quality to build a strong brand. my recommendation here to make a good association with the brand, Zara has to provide the decent advertisement on TV, to manage and create their website, to build a stronger brand logo, name, image,
and quality for the memory of certain association for the customer, and they will remember and associate when they heard or look the brand name or logo.

Zara’s brand loyalty – the loyalty which is non-random, responsible, express of the time, decision making, to respect of the brand, and psychology which can make the decision and evaluation process. Zara’s customer of the brand represents the strategic resource and was compute the average of individual products satisfaction like trust, perceived value, commitment, and loyalty. For the good brand loyalty, customer satisfaction is important, and company trying to achieve the customer's loyalty and can develop the relationship between the brand and consumer. Even, the marketing manager should much concentrate to build the good brand loyalty. The marketing manager has enough knowledge about a loyal customer of the brand, he/she should know that how the customer spending the money per transaction, buy more frequently and the loyal customer will invest valuable time for free. Building loyalty with the customer the relationship of the brand must be good with the customer, and a customer can see the alternative of the products then Zara would manage their alternative products to build the perfect relationship with the customer.

### Zara Store and brand design
To design the store, atmospheres, and products it’s very important to that Zara company Inditex manage and give the good designing inside or outside of the store. Design motivate a customer for the shopping. Inditex must be the knowledge about customers personality that how the customer is? To see the confident maturity of the customer, style, aggressive. Culture because every country has a different culture, self-image, reflection of the customer e.g. individualism, the relationship of quality and exchange of value, and market orientation. As well as Zara company Inditex target or observe the women, men, children that what they want and what is the fashion style nowadays.
Zara have the same store design for all their shopping stores, the design of store and products have and effects on the customers as well it can create the value of the brand. Therefore, it can focus on the below steps:

- Separate and divided clothes into categories – Men, Women, kids’ sections should be separate.
- Hang or fold each of the items – manage it by color and size because they customer can find it easily.
- Accessories should be near to the cashier.

Source: This figure has been created by the author.
Zara brand image

Zara company Inditex as a strong brand and to make their brand stronger than the competitor in the fashion industry and create the good brand value and image for the customers. The Inditex should focus on the below points.

- After sale services: Zara company Inditex, effort to make sure its customer good served and policy. for example, customer buying the clothes from Zara store and go home after trying at home he/she finds some of the wrongness, misfit, color or damage then Zara have to a good policy and service after the sale to change the products to the customer.
- Advertising techniques: Zara company Inditex marketing manager to develop the advertisement and target women, men, children till they motivated and advocate for the brand. It is good for the good brand image, or when they have good brand image everyone like friends/family recommend Zara to each other.
- Price: as we saw at the customer survey 39.4% or the customer spending the money from 51-100 Euro for the shopping, the Inditex would make the affordable price strategy to motivate the customer or to provide the good products with a better price for the customer. Zara company Inditex can make the effective price decision for the customer, to know about customers and country economically situation and make the reasonable change in their price for its products.

Strategy for Zara’s employee

To make the brand value Zara company Inditex innovate, motivate, create a teamwork of the employee for its brand, and everyone is the key to success for the company. They give the collective energy to the Inditex and it can create the good fashion. The relationship between the customers and employees must be good and they should be responsible for that. Even employee can create the career of the Inditex because they are the key success for the company. Zara company Inditex has to offer the opportunities and training to its employee with a good structure. Zara company Inditex should have a personal code internal to share with the employee. They can develop and manage their employee at the organization on two stages to manage their employees and communicate with the internal of the company and external communication of employees with a customer. we can see below in figure 33, the Zara company’s employee strategy.
Zara can divide their employee management into two portions internal and external management and communication with customers and Zara company. Zara can internally provide the social collaboration to its employee – which they can share information online about the products, Zara can make online forum – the employee can easily share the information with an organization and they could manage their brand. They can arrange the video conference all around the world with their employee and to collect information about the brand that how its good the production sale, even employees know the culture, the regional situation of the marketplace and they can share with Zara company. Externally, how Zara company and employees can communicate with customers – Zara
should communicate and see the customers perceptions what they are wants from Zara, and they can provide the good feedback to its customer.

### 3.3. Recommendation for Zara global brand management

To manage the global brand Zara can do lots of common different things it can create the determination of the brand’s target customers, maintain brand consistency, advertisement, products creation, brainstorming creation with their team or having to meet very complicated kinds of industrial meeting and trying some products with customers. Zara can manage their brand globally through social media, internet, mobile communication, website, technology to generate the standardized manufacture techniques in the developing world. Therefore, Zara brand can focus on influences of buyer behavior and building program through the decision of brand components and manage the nature of marketing system and evens. Zara company index should have a good strategy to provide guidance and structure because its products are in the different places around the world and it can manage it easily. Zara global market can effectively focus on utilizing a global brand strategy.

From the customer's point of view as known from the results of the questionnaire, there were questions which asked from respondents “if you don’t use Zara brand then which one of the brands do you prefer”, most of the customer selected H&M, New Yorker, Gap, and some of the other brand. thus, it’s very important for Zara to manage their brand globally and make the strategy method to create and mention the value of Zara in the mind of the customer. Zara’s global marketing manager can focus on the production management, distribution management, and to analysis brand execution and viability of the brand.

Standardization and adaptation are the most important for the brand. Standardization encouraging aspects of Zara brand to manage globally the economies of scale in the productions, economies of the market, global competition or competitors, and culture. After standardization is the adaptation which Zara can manage the differing use of condition, the influence of government and regulation, local competition, different patterns of customer behavior and the marketing concept. As we know better that there is a different culture, environment, weather, situation and etc…. so therefore Zara company index management to see the environmental, and culture of the different country. For the global brand management Zara company focus on the below steps:

- Zara brand can grow the strong brand identity standards
- Zara brand should know clearly or focus clearly on the brand management strategy
- Zara brand must develop the international brand promise
Zara brand to create and articulate the ability of the brand
And develop evaluation system.

To manage their brand in the global they should deal, provide, and launch their products based on environmental, culture, new marketplace, financial, political, social, legal, economic, and the most important the advertising on the basis on culture of the country to create the value to the customer and manage their brand in the global.

Source: this figure has been created by author.

To make successful local and International strategy vision of global brand management, Zara’s brand-building resources globally and create global role and responsibilities, a structure for the brand, process for the brand, management of information technology, and culture.

Role and responsibilities, the headquarter of Zara should positions and establish internationally the role and responsibilities of their brand. It is very important to develop a role for the global brand management because they can improve and launch products in the target market. Globally Zara has to manage and make the responsibilities for their brands such as sales, products, quality, and services responsibilities. Also, Zara global brand manager can develop the below roles and responsibilities to manage the brand in the global market.
To manage brand equity.
To increase brand value and brand awareness.
They have to responsibilities for the results of against brand plan.
Help to control identity for their new brand and keep brand identity consistency.

Structure for the brand management in the global market, Zara should have to a structure for their brand in the global market. They can achieve the goal of internationalization and the goal of the country, and the structure should be like:

- Global brand management’s home
- Structure for sales
- Structure for marketing
- Structure of global brand network

Zara brand would build a suitable process for their target market, as well for production and distribution. It is important to have Processed for brand management in the global market. Information technology, it is important to have strong IT system for management of brand in the global. Nowadays every one of us using social media, so they can provide live video through Facebook, Twitter, and Instagram. the other importance for global brand management is the culture, Zara should understand internationally the culture of the country and the perception of the customers, thus they can know the style and fashion of the people, and to build strong Zara brand and dependable brand culture.
CONCLUSIONS

The following conclusions can be made:

1. Brand management that creates value to customers – Theoretical analysis showed that most of the product which is launched in the market needs brand management so that it creates value to the customer and for that defining brand management is necessary.
   ✓ The brand management becomes more significant because of intense competition between firms and drastic changes in worldwide markets. The market share depends on consumer’s constancy and preferences, the strong brand management causes clear differentiation between same product classes.
   ✓ The brand value as the totality of the brand’s perception, including the relative quality of goods and services, financial performance, buyer loyalty, satisfaction and overall value toward the brand.
   ✓ The brand value could be negative, positive but positive brand value is frequently when a company exceeds their client desire. Negative brand value is made by usually bad management. And the positive brand procedure is a solid barrier to the section for potential opponent and competitors.
   ✓ Brand awareness is related to the capacity of brand identities in buyer’ memory and can be reflected by how well the customers can distinguish the brand under different conditions.
   ✓ Perceived quality is known as brand association, however, because of its significance, and perceived quality is the perception of the client about the all quality and nature of a brand
   ✓ Brand associations it’s a key building solid brands since they represent what the brand remains for in the client's mind.
   ✓ The strong brand value holds customer loyalty because purchaser esteems the brand based on what it is and what it speaks to and the brand loyalty is ascribed to brand image and brand value.
   ✓ Brand management purposes can give basic information that effects brand procedure. And the strategy of the brand management process is identifying and establish brand positioning, planning and implementing brand marketing programs, measure and interpret brand performance, and grow and sustain brand equity.
2. Conclude the empirical research of Zara brand management - brand management that creates value for the customer while also knowing where the challenges for improvement.

- Zara’s brand company differentiation from its competitor is the reversal time and the source of information of the store, the designed of Zara’s brand vertical integration, manufactured on time.
- Sale and delivery, structuring of Zara’s brand flexible, the rule of low inventory, the information technology of Zara advance and it have quick response of policy to customer’s demand.
- People are more interested in Zara brand it has a good value for its customer it should keep their relationship, as well as the, can easily manage their brand.
- For a good brand management - Zara should focus on the quality, color of the products, price, distribution, promotions, advertisement, and good communications style between the customer and their employee to creates good value.
- To create the advertisement about their brand Zara can improve and manage their brand to invite the celebrity for the advertisement and promotion of the brand and make memorable Ads.

3. Conclude the recommendations for Zara brand management - Zara is the large international fashion company and everyone in the world have felt about the fashion, everyone wants to make their lifestyle good and perfect. It’s clear that Zara has much of the strength, weakness.

- Through the behavior and perception of the customer to understanding the brand management aspects, which brand characteristics are, benefits, culture, personality, and value of the brand.
- Zara brand must concentrate on the internal and external factors of their brand that creates value for the customers such as, control social media, sponsorship with event, focus on the legal and ethical environment of the business, promoting their products, to manage their senior level of management, to make a good advertisement, concentrate on the packaging and design, management of productions, and development sale strategy.
- Zara must recognize the keys elements of the brand value components which it creates value for the customer mind.
- Zara brand awareness: customer can recognize and consider the brand in their mind, and it can change the customer perception, thinking and giving the good image of the brand to the mind.
✓ Zara brand association - the customer should be associated with the name, quality, and logo of the brand.

✓ To design the store, atmospheres, and products it’s very important to Zara should manage and give the good designing inside and outside of the store because design motivates a customer for the shopping.

✓ For the good brand image – Zara should concentrate after sale services, advertisement techniques, pricing, design, color, quality, production, distributions, and promotions.

✓ Zara’s employee has a good communication and relation with the customer.

✓ Zara to manage their brand as globally they can focus to grow the strong brand identity standards, brand management strategy, develop the international brand promise, create and articulate the ability of the brand, and develop evaluation system.
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ANNEXES
Brand management that creates value to the customers: The case of Zara brand

I am a marketing student at Vytautas Magnus University, Kaunas, Lithuania. I am doing a survey for my master thesis on brand management that creates value to customers. My research focuses on the Zara brand.

Section 1 of 3

1. Do you buy only branded products?
   □ Yes always
   □ Never
   □ Only when quality is important
   □ Rarely

2. What is your fashion style? Choose one
   □ Casual
   □ Official
   □ Sports
   □ Elegant
   □ Stylish
   □ Trendy
   □ Street

3. Before shopping for clothes, do you have an expectation of what you are going to buy?
   □ Yes
   □ No

4. What makes you choose branded clothes
   □ Brand
   □ Price
   □ Fashion
   □ Variety
   □ Habit

5. Do you use Zara as your brand?
   □ Yes
   □ No
Section of 2 of 3

The one who preference in No they have to answer the below three questions.

1. Which other brands do you prefer?
   □ H&M
   □ Mango
   □ Pull and beer
   □ New Yorker
   □ Reserved
   □ Croop
   □ Others _________________________

2. Why do you choose this particular brand over Zara?
   □ Advertising
   □ word of mouth
   □ Attractive packaging
   □ dealer
   □ shop display
   □ Family/friend/relatives
   □ any other

3. According to you please rate the below characteristic of the brand that you choose

   Strongly agree   Agree   Neither agree or disagree   Disagree   Strongly disagree
   □ Enthusiastic
   □ Affectionate
   □ Friendly
   □ Humble
   □ Royal
Section 3 of 3

The one who preference in Yes they have to answers the below 19 questions.

1. How often do you shop at Zara?
   □ Once a week
   □ Once a month
   □ Once per season
   □ Once a year

2. Select the words you feel are most relevant and best describe Zara as a brand?
   □ Masculine
   □ Feminine
   □ Daring
   □ Conservative
   □ Family
   □ Youthful
   □ Ethical
   □ Boring
   □ Fun
   □ Stylish
   □ Reliable
   □ Outdated

3. Do you agree that Zara has maintained a consistent brand image throughout the year and has a good reputation? Please rate
   Strongly agree      5               4                3                2                   1           strongly disagree

4. Do you feel Zara as a brand has memorable advertising?
   Strongly agree      5                4                3                2                   1           strongly disagree

5. How do you come to know about Zara as a brand?
   □ Newspaper
   □ Radio
   □ Magazine
   □ TV adds
   □ Social media
   □ Website
   □ Words of mouth
   □ Other sources
6. Which of the following according to you help to build a good brand image?

   Strongly agree   Agree   Neither agree, nor disagree   Disagree   Strongly disagree

   □ Quality
   □ Communication style
   □ Competitive pricing
   □ Good value-added services
   □ Discounts
   □ easy availability
   □ transparency

7. Are you a loyal customer of Zara brand?

   □ Yes, always I stick with the same brand
   □ Never I keep experiment with the new products
   □ Only for a quality product.

8. How is the significant fashion for your self-image?

   □ Very important
   □ Important
   □ Less important but have a certain influence
   □ Not important

9. Do you think Zara store atmosphere is important to create the brand image?

   Strongly agree   5   4   3   2   1   strongly disagree

10. Does Zara brand really influence your purchase decision?

    □ Yes
    □ No
    □ I don’t know

11. The clothes you buy in Zara store are mostly for

    □ Weekends
    □ Workdays
    □ Basic daily needs
    □ Parties
    □ Others _____________________
12. When do you usually make a purchase of Zara products?
   □ On promotional events
   □ On sales and discounts offers
   □ On festival and occasion
   □ Others

13. Would you buy Zara products if your favorite celebrity would be endorsing that brand?
   □ Yes
   □ No
   □ I’m not sure

14. You shop Zara clothes because they are
   Strongly agree    Agree    Neither agree, nor disagree    Disagree    Strongly disagree
   Comfortable
   Good looking
   Ready/easy to wear
   Good price
   Latest trend

15. How much do you spend on clothes per month?
   □ Less than 50 Euro
   □ 51-100 Euro
   □ 101-200 Euro
   □ 201-300 Euro
   □ More than 300 Euro

16. How would you rate Zara’s logo?
   Very good      5        4        3        2        1    very bad

17. Would you recommend this product to others?
   Absolutely      5        4        3        2        1    Definitely not

18. Gender
   □ Male
   □ Female
19. Age of group

- Below 20
- 21-30
- 31-40
- 41-50
- 51-60
- Above 61
ANNEX 2

Charts from customer’s survey

Figure 12: Why do you choose this particular brand over Zara?

Figure 17: Do you feel Zara as a brand has memorable advertising?
Figure 25: when do you usually make purchase of Zara products?

[Diagram showing percentages for different reasons: 46% on promotional events, 27% on sales and discounts offers, 26% on festival and occasion, 1% never, 0% when I need something new.]

Figure 30: Would you recommend this product to others?

[Bar chart showing recommendations: 1.9 for score 1, 4.2 for score 2, 19.4 for score 3, 38.6 for score 4, 35.8 for score 5.]
Figure 32: Age group
Figure 33. Employee communication with customers

Source: this figure has been created by author.
Zara brand Logo

Zara shopping mall