

A Study on Consumer Buying Behavior of ZARA

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ABSTRACT

Consumer behavior is one of the most growing topics of research in today's world. A consumer's behavior towards any organization is one of the most essential factors to be successful. Without the consumer, a success of an organization is next to impossible. They decide and set a future of any organization or association. Consumer buying behavior is the method through which an organization or brand can study the consumer behavior. The reason consumer behavior is given utmost importance in the organization is because it helps the company/organization decide its marketing and sales strategy for the near future. This research paper helps bridge the research gap with a valuable result received by the end. The research gap was found in the consumer buying behavior of ZARA specifically in regard to India. The objective of this research paper is to study the factors of consumer decision making process on Zara's e-commerce website and to study the factors affecting consumer buying behavior towards ZARA in the Indian scenario based on the tier cities. This paper focuses on the consumer buying behavior and the reasons of the decisions made by them in regard to their ZARA purchases. The research is done through primary and secondary data with a sample size of 114 ZARA customers. Descriptive type research design is used in the study. Purposive sampling technique is used in this research and the data is collected via a well-structured questionnaire. The received data is well analyzed and appropriate suggestions are mentioned ahead.

Keywords: Consumer Behavior, E-Commerce, Visual Merchandising, Neuro-Marketing

I INTRODUCTION

(a) About ZARA

Zara is one of the largest international fashion companies and it belongs to Inditex, which is the world biggest fashion group. The company specializes in fast fashion, and products include clothing, accessories, shoes, swimwear, beauty, and perfumes. As of 2019, there were over 2,250 Zara stores and almost 600 Zara Home stores in operation around the world. Zara stores have men's and women's clothing as well as children's clothing (Zara Kids). Zara Home designs are located in European stores. Zara's products are supplied based on consumer trends. Its highly responsive supply chain ships new products to stores twice a week. It produces over 450 million items per year.

ZARA offers its services through brick-and-mortar stores, websites, applications as well as partnered platforms. ZARA has been able to incorporate omni channel integration in only 7 out of 51 e-commerce market places and is still unavailable in India. With the integration, the shopping experience is becoming more convenient and easier which will help in faster deliveries and a more seamless experience.

Services are provided and carefully tracked, either online or at a brick-and-mortar store, as that improves 'the ZARA experience'. With the help of primary and secondary data, a customer buying behavior has been studied which gives insight, that the brand believes, communication with the customers is important to understand and deliver their needs. The above-mentioned aspects were carefully observed and gaps between them were pointed out for the benefit of both, ZARA and their customers. Once pointed, gaps can be used towards building better shopping experience for the customers. If not fixed there will always be a risk of losing customers to competitor brands. ZARA could do a better job with digital possibilities towards improved customer satisfaction.

(b) Consumer Behavior: Marketing is, understanding of the consumer is an important aspect of marketing in the new era of retailing. Consumer study is the study of consumer's emotional, mental and behavioral responses to a product, service, or company.

It must be noted that a consumer has several facets attached with it as:

- (i) How a customer will react to new product/services
- (ii) What excites a customer to pick a product over another?
- (iii) What factor impact customer's buying tendencies or their perception toward that brand/service
- (iv) How consumers purchase when in groups v/s when alone

There exist many factors that impact a customer while making a purchase, mainly social, psychological and personal factors.

Understanding consumer behavior is vital to gain successful new products/services. Different consumers have a different process of purchasing that is heavily impacted by ever-changing fashion, technology, income, etc.

To succeed companies must acknowledge these various reactions of their consumers and understand that these factors are and will be changing, so efforts must be aligned with that. Whether online or at the physical stores, carefully interacting and monitoring its customers, ZARA incorporates many strategies to serve its customers with the best quality experience.

(c) Neuro-Marketing:

'Neuro-marketing' is the brain's response and measurement of Psychological as well as neural signals towards advertising and branding. It helps the brands get in sight in to customer's motivations, preferences and decisions. Functional Magnetic Resonance Imaging (fMRI) and Electroencephalography (EEG) are common technologies that help companies understand how

their customers make decisions and what part of the brain motivates them to do so.

Neuro-marketing can help companies with better advertisement that gains the consumers' attention, product development, pricing and other marketing aspects. The technology involved is high-tech. The statistics will be correct even if the consumer tries to lie as it is often believed that 95% of thoughts come from the subconscious mind which regular research methods can't track. Even if they are not trying to lie but just can't properly express their mind then that also would be traced down with these technologies.

In this study, with the help of secondary data, some suggestions have been provided as well to the subject brand, which on employment can impact the profitability of the brand positively.

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The focus of the study is to explore the various aspects of ZARA to build a better shopping environment for the customers with the help of improving tracking customer behavior, meeting their needs and implementing neuro-marketing. This all will not just benefit the customer with a more seamless and easier shopping journey but also help the company with better and improved profitability.

Understanding the needs and expectations of the customers is not an easy task as many of these are generated non-consciously and not even the consumer can verbalize them properly. The science that gathers empirical data using neuroscience techniques and tools to understand the psyche of the consumer towards brands/products/advertisements is generally known as neuro-marketing. It delves into the underlined non-consciousness behavior of the consumer during their period of purchasing or observing the products.

II LITERATURE REVIEW

Jumyan Liu [1], author of a research published in January 2017 titled “*Factors influence customer satisfaction of ZARA in Jakarta*” states factors like the current situation of fast fashion trends, understand the service quality, brand image, the impact of price on the customers. Next, customer satisfaction affects critically by Service Quality, Brand image and Price, as an ability to answer client's addresses. According to brand image, the superiority is not reflected when compared to brands like GAP and H&M, the pricing is not considerate based on the quality of the product. The answers provided by this paper is that ZARA needs to enhance its customer loyalty by enhancing quality, image picture and cost.

Koivulehto Ilona Eeva [1], research published in April 2017 titled “*Do social media marketing activities enhance customer equity? A case study of fast-fashion brand, ZARA*” states the factor such as social media marketing, customer equity and purchase intentions to enhance the activities of fast fashion companies. This study found that concerning fast-fashion industry, particularly the fast-fashion brand Zara, social media marketing activities have a positive influence on brand equity, value equity and relationship equity.

Jiang Shan [1], author of a research published in July 2020 titled “*A Comparative Analysis of Chinese and British Consumers' Consumption Behaviors and Attitudes Toward Fast-Fashion Brand as Zara and H&M*” states difference between cultural background. It is a comparative analysis on consumption behavior and attitude about fast-fashion brands between different consumers. Features rapid updating speed, competitive capability and unerring insight, fast-fashion brand consumption. This research concluded effective strategic measures to stimulate Chinese consumers and British consumers to purchase fast-fashion brands, which were of great benefit for various fast-fashion brands to attract attention from Chinese consumers and British consumers respectively. As international fast-fashion brands like Zara and H&M, they should enhance brand consciousness and have specific brand positioning.

Saraswat Saloni [1], research paper of July – December 2018, *Strategies v/s Consumer Perception of Brand Zara*

India, mentions about the strategies made by Zara, to hold its position in the market. The paper also states how different segment soft he consumer base perceive Zara as a brand. It focuses on the strategies Zara uses in India and how it works in their favor of being a leading brand. The research has found that Zara as a brand is more recognized in the metro politancities, while a few others in tier 2 and tier3 cities have never heard of the brand. Furthermore, it talks and suggests Zara to work on some promotional and pricing strategies.

Paakkari Annika [1], research paper published in Autumn 2016, *Customer Journey of Generation Z in Fashion Purchases*, studies about the consumer behavior of Generation Z, being a new consumer base for the marketers. It sees how the behavior of a consumer from the same generation is influenced by others of the same. Further, it writes about the decision making, buying behavior towards fashion and the motives of the consumers.

This paper helps understand the way a consumer of this generation tends to think and what can or cannot influence their buying behavior and decision making.

Wang Yinyin Tina [1], research paper published in August, 2010, *Consumer Behavior – Characteristics in Fast Fashion*, talks about the how theories from the books is applied in terms of consumer behavior in fast fashion and how it is

implemented or how it takes place. The research has three main topics that it focuses on with brands, Zara, H&M and Gintatricot, them being decision making process and involvement of consumers, individual differences and reference group influences.

A case study published by *www.makemyassignments.com* on 28th December, 2018, titled, Consumer Behavior- search for Zara, studies about the sales volume of Zara in Melbourne city. It states the problems or short coming Zara faces in terms of its strategies which give aresul to flower sale volumes. The research was carried out to understand how the consumers at Melbourne perceive Zara and its items.

A study published by *study purpose. comex* plains theories about the process of consumer behavior relationship, Models that can be helpful for the understanding of the consumer decision-making process (CDMP), stages and psychological factors that affect the CDMP. The results said that best way to create positive influence on the consumer decision-making process is to keep searching the need and requirement soft he consumers. Zara always takes innovations to make the shopping of their customers pleasant to improve the same.

Phochatan Konwika [1], student at Bangkok University, research done in 2016 on the “*Key influencing factors on consumer’s brand choice decision of fast fashion*” in order to understand what the major factors are that impact the customers decision the most, revealed that majority consumers are 21-30 years of age and get the inspiration from magazines to buy fast fashion. Moreover, a majority of customers have purchasing sequence of 2–3 times a month and have a habit for shopping fast fashion as they like to go shop where special offers given or are on sale.

Case Costa Morgado Ricardo Mafalda Ana [1], did a case study on Zara, had the objective to study Zara’s strategies, from their supply chain until their marketing and communication strategies, and the strategy in the physical stores versus at the online store. Then the study focused on the consumer: their behavior according to the different generations and the brand perception according to them. The results showed that Zara has a strong Supply Chain Management, In-house production, stores are strategically located, they have situation awareness, offer fashion for affordable prices, and collections that are always changing.

III RESEARCH GAPS METHODOLOGY AND OBJECTIVES

(a) **Research Gaps** - After reading and referring to several papers it can be seen that a lot of research is done and is being continuously done on similar topics. Few research gaps found were in the topics mentioned below:

(i) Research about the online platform of ZARA.

- (ii) Research on tier-based cities and if the location affects the offers given by ZARA.
- (iii) Research based on ZARA’s visual merchandising.

(b) Objectives of this research:

- (i) To study the factors affecting consumer buying behavior towards ZARA in the Indian scenario based on the tier cities.
- (ii) To study the key influencing factors of consumer decision making process on Zara’s e-commerce website.

(c) Scope of this study:

- (i) People/Citizens of India
- (ii) ZARA customers and consumers

(d) Sampling: The research has been conducted on loyal ZARA consumers and customers. The research received a total of 117 responses out of which 115 responses were genuine, making the sample size for this research 115.

(e) Data Collection Tools: The data is collected using the questionnaire method. A questionnaire regarding the ZARA e-commerce website and location wise store was made over google forms and sent across to consumers of ZARA for a better and accurate response and statistic.

(f) Limitations:

- (i) Scope was limited.
- (ii) Notall cities in India (specially 2 tier and 3 tier) have ZARA stores which made it difficult to get a lot of responses from those cities.
- (iii) Due to the circumstances of the pandemic (COVID-19) we could not interact with any customer on one on one basis.

IV DATA ANALYSIS & INTERPRETATION

(a) Age, Gender and Income Group

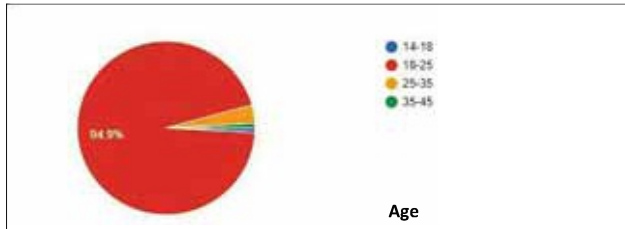


Fig. 1

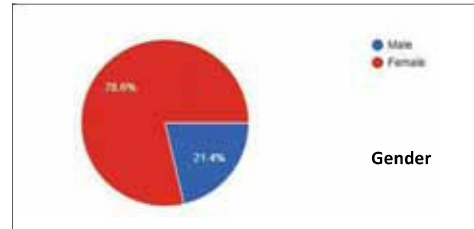


Fig. 2

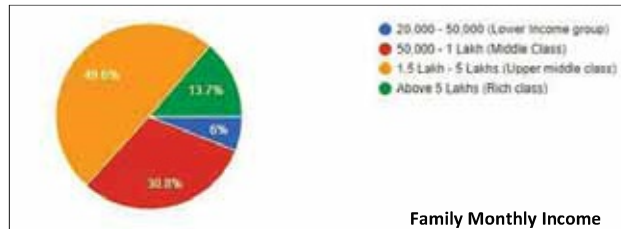


Fig. 3

After circulating the questionnaire where 94.9% of the consumers were from the age between 18 to 25 years of age followed by 25 to 35 where 78.6% of

them were female and rest being male. Among the Respondents 49.6% belonged to upper middle class followed by 30.8% from middle class.

(b) Familiarity with the brand ZARA and Tier City



Fig. 4

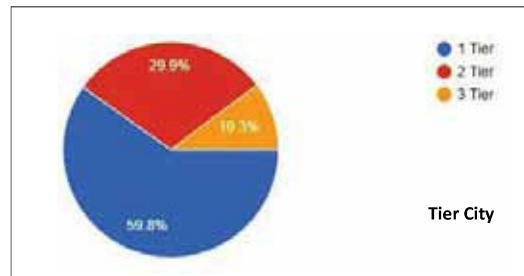


Fig. 5

Also 98.3% people were familiar with the brand-named Zara and most of them (almost 60%) had visited ZARA stores in one tier city.

(c) Medium of Purchase and Influencing Factors

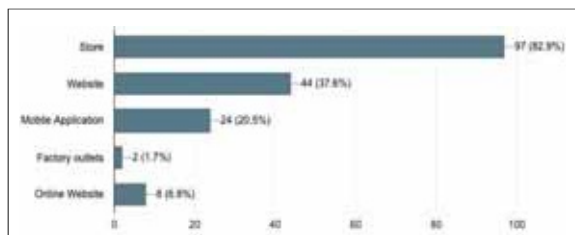


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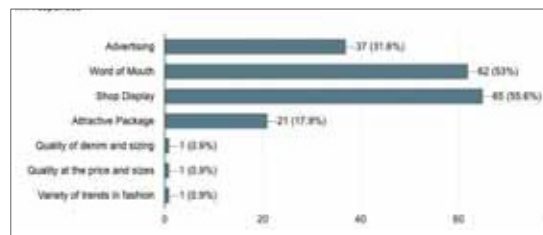


Fig. 7

Then the results also revealed that 82.9% people visited the store more often followed by 37.6% being the users of the website too. Interestingly 55.6% of the people said that the shop display

followed by word of mouth were the major influencing factors that led them to buy from the brand.

(d) Purchase Preference, Purchase Decision and Time of Purchase

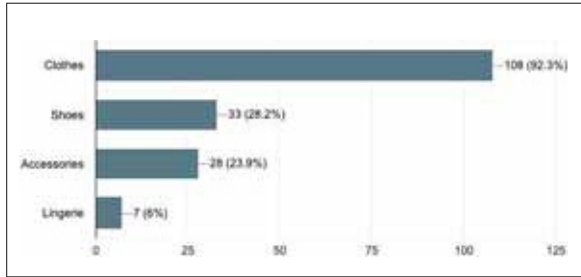


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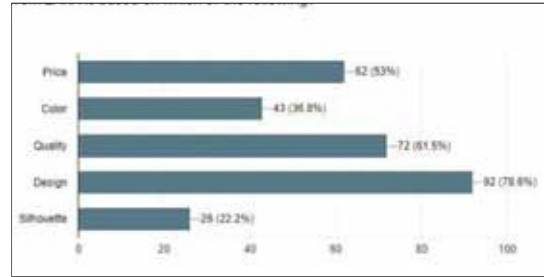


Fig. 9

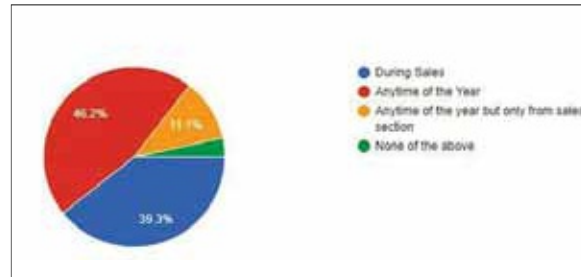


Fig. 10

Moreover, 92.3% of the people agreed that apparel was the most preferred category and rest of the eight percent bought other accessories. Also according to the result, the design and the quality were the main factors that affected their purchase and their buying decision was not subjective as 46.2% people would

buy any time from the store during the year but 39.3% preferred to buy during sales. Also, among the product categories that the brand offers, 36.8% people referred to buy from all the categories where casual wear topped the list.

(e) Price and Discount and Product Offerings

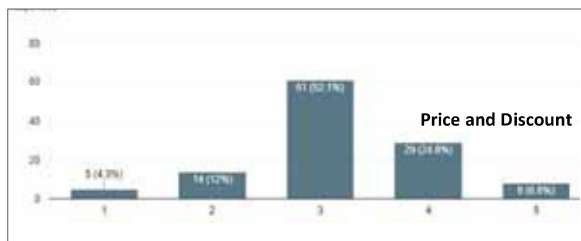


Fig. 11

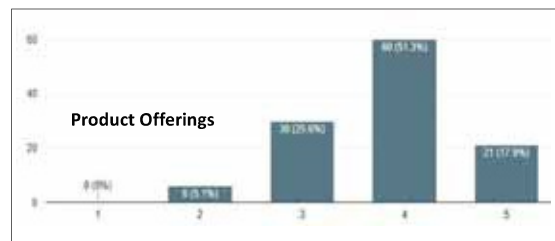


Fig. 12

According to the questions of Consumer buying behavior, 52.1% of the respondents said that price and discount affected their decision of purchase

whereas a similar percent of people agreed that product offering was an important factor as well and ranked it a 3 and 4 respectively out of 5.

(f) Customer Assistance, Size & Fit Trends and Quality

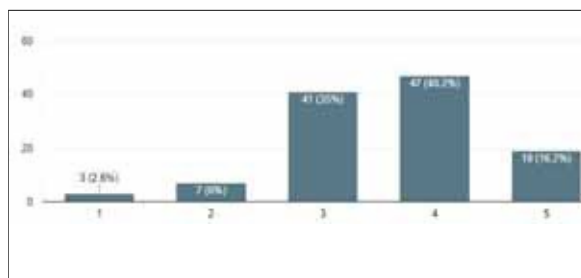


Fig. 13

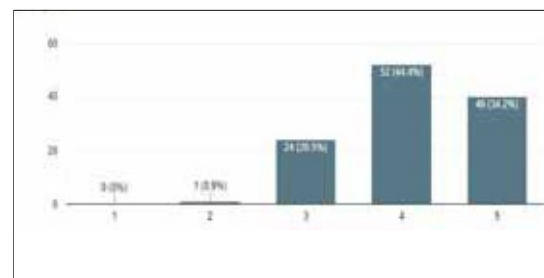


Fig. 14

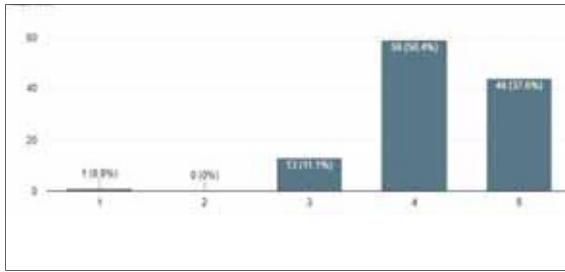


Fig. 15

Also, almost 40% of the people agreed that sales and customer assistance and product availability in the perfect size made them think over their buying decision. Moreover, fashionable trends mattered to

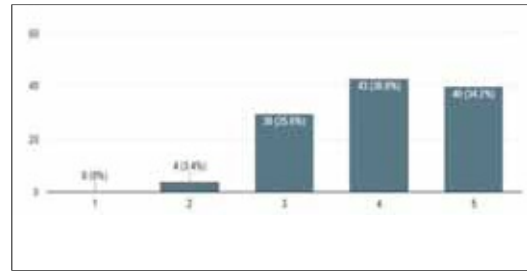


Fig. 16

50% of the people whereas 36.8% people said that quality and durability was an important factor for them.

(g) Social Status, Lifestyle and Brand Switching

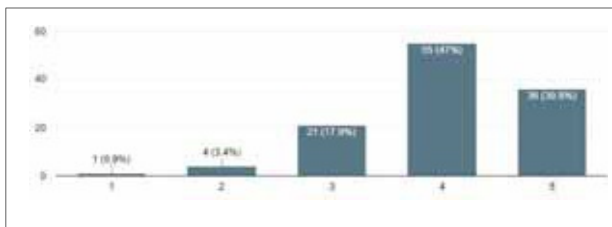


Fig. 17

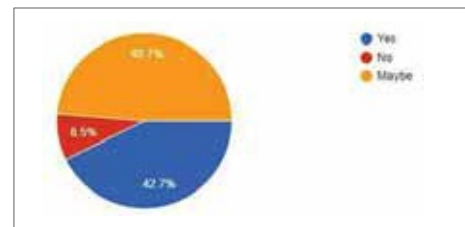


Fig. 18

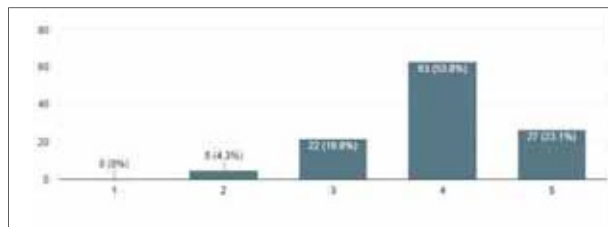


Fig. 18

Interestingly social status, cultural life style as well as personal factors were also some of the criteria that affected more than 47% of the consumers buying from Zara. Also, 48.7% people were not

sure that they might switch to another brand if promotional schemes were offered to them by any other company.

(h) ZARA Website - Influences, Product Similarity and Delivery

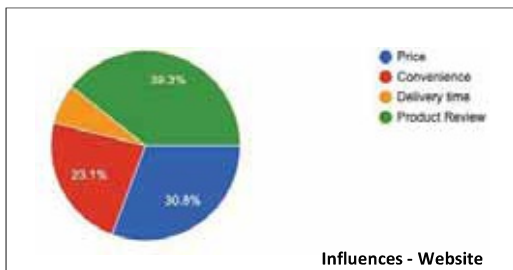


Fig. 19

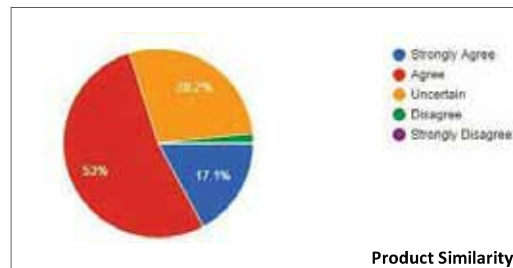


Fig. 20

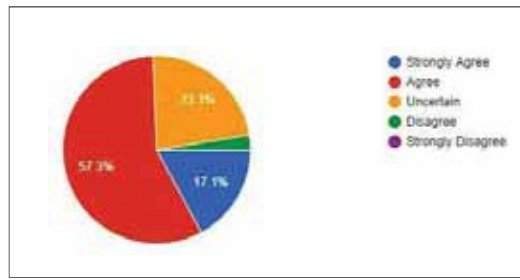


Fig. 21

Secondly, up on asking questions relating to Zara’s e-commerce website the most important fact or that influenced the consumer was the product review for 39.3% followed by price by 30.8% of them. Also 53% of the people agreed that they received the

product exactly the same shown on the website and products were delivered on time.

(i) ZARA Website - Design, Information, Recommendation and Safety

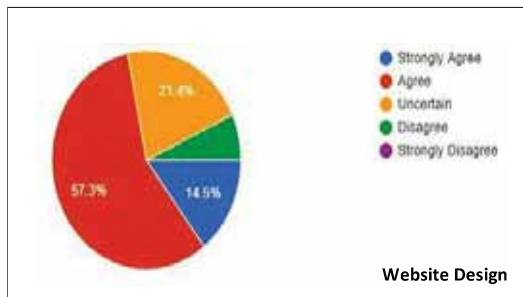


Fig. 23

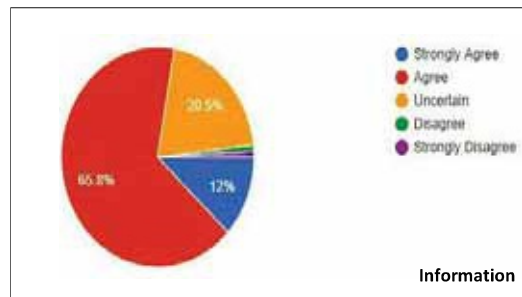


Fig. 24

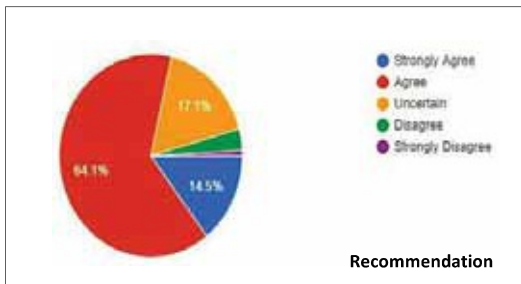


Fig. 25

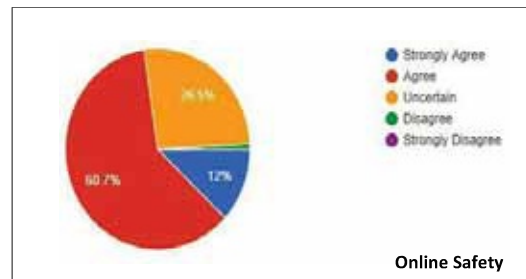


Fig. 26

57.3% and 65.8% people agreed that the Zara’s website design helped them to find out the product easily and they also received the detailed information about the same respectively. Maximum respondents being 64.1% seem to agree

that product recommendation helped them while shopping and 60.7% of them felt safe while navigating through the website.

(j) ZARA Website - Shipping Fee, Comparison of Price and Home Page

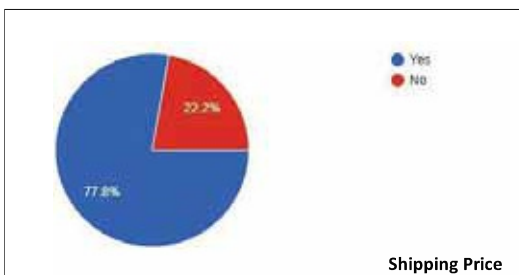


Fig. 27

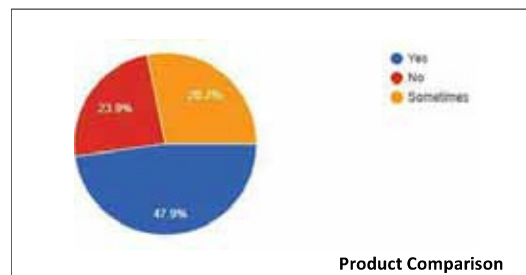


Fig. 29

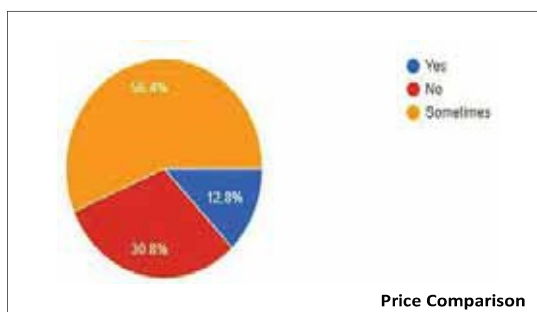


Fig. 28

Finally, 77.8% respondents agreed that the shipping price affected their decision and 47.9% of them revealed that they compared the prices online before buying. Also 56.4% of the consumer said that online prices were higher than the off-line. At the end 90.6% of the consumers said that they wanted to see the latest collection of the Zara on the home page (website).

V MAJOR FINDINGS

Based on the analysis and interpretation done above, the following mentioned are the major findings through this research -

- According to our research we found out that more than 80% of the people have shopped from the Zara store than the other mediums like online website.
- The most influencing factor for the same is the shop display for 65% customers.
- Also, among the people from 18 to 25 year age where female being the majority, liked to shop with friends and preferred the casual wear over any other product category.
- Moreover, almost 50% of consumers sensed that the product offerings were different in different tier cities and their stores respectively.
- Also, the most important factor while shopping online for consumers is the product review and product recommendation that made a big difference their buying behavior.
- Finally, almost 80% of the respondents believed that the Shipping price did affect their decision making process to a great extent.

VI SUGGESTIONS & STRATEGIES

(a) Neuro marketing for ZARA

- Look through consumer's eyes** - By exploring patterns in eye-tracking, Zara can determine what customers view on specific advertisements, products, or even within brick-and-mortar stores. ZARA can use these findings to change how their marketing is displayed online or in-store and focus on what the customer finds appealing and speak to their inner desires. Moreover, this science is also used to "read faces" with unprecedented precision. Also, Facial coding can help ZARA by reading

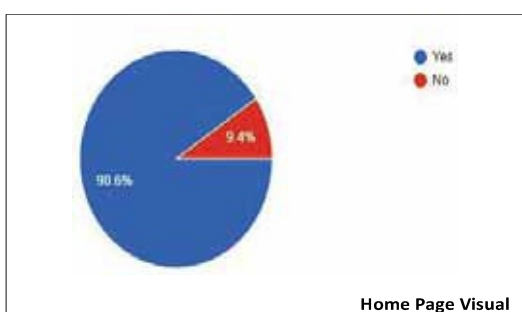


Fig. 30

and interpreting subtle reactions. This suggestion would impact the product, price, place, promotion, process, physical evidence and people.

- A smile is worth a thousand words** - They say that neuro marketing converted the art of interpreting facial expressions into science. The way it works is very simple: when consumers smile, display anger or assemble any other kind of facial expression, they use their muscles to do it. By using sensors, these minute muscle movements can be accurately measured to detect expressions and emotions the consumers aren't even aware we are feeling. Of course, a small smile or a grin doesn't show the absolute truth of what a person is feeling at that given moment, but facial coding can help ZARA by reading and interpreting subtle reactions. This suggestion would impact the product, price, place, promotion, process, physical evidence and people.
- Website's Layout-** Neuro marketing techniques are also being employed to inform how websites are designed. It can range from color schemes, layouts, font size and beyond, neuro marketers are delving into our website preferences. For example, using certifications, testimonials and social widgets are sure to draw customers in more than those that don't. This suggestion would impact the promotion, process and physical evidence.
- Loss Aversion-** One interesting finding utilized by neuromarketing is that people really don't want to lose out. Therefore, "buy before it's gone" strategies are highly effective. When option is posed as a loss, consumers are much more likely to buy. For this reason, a concept called "framing" is highly important. This technique is how advertisers present decisions to consumers in a way that makes them more likely to splash the cash. This suggestion would

impact the product, price, place and promotion.

(b) **Phygital ZARA**

A long side three-commerce website of ZARA, for the need of the hour which is the post Covid era, brands will have to innovate and focus more on the digital and virtual experiences. Zara can adopt the new buzz in the industry post Covid which is going “Phygital”, where they can use “Telepresence Robots”. Once the retailer parks a robot at their showroom, they can invite customers to login to the device and become virtually present in the store. Customers can then self-drive around inside the showroom, use the HD cameras and audio to see the inventory while interacting with the retail staff, which is a fully enriching yet distant shopping experience. Virtual showrooms come with the merit of being a one-time cost and much lesser as compared to the on-ground showrooms.

VII CONCLUSION

This research paper is in-depth research about the consumer buying behavior toward the brand ZARA. Through this study there were certain gaps observed as most 2 and 3 tier cities do not have ZARA stores and therefore no consumer experience. The research was held during the times of the worldwide pandemic, COVID-19 and so the scope was limited. The research tries to cover almost all aspects regarding consumer buying behavior towards ZARA online and offline. By the end there are certain findings that have been brought out that fulfill the objectives of this research. In the end, appropriate suggestions and strategies are suggested for ZARA to better understand its Indian customers and consumers and to grow in a diverse place like India.

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