

The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing,  
Sales, Production, Manufacturing, and Supply Chain Operations

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***Abstract***

The fast fashion sector is dominated by Zara and H&M, and this research compares and contrasts their worldwide growth tactics. It examines how they've dealt with the digital revolution and how they run their businesses. The success of Zara may be traced back to its ability to quickly respond to shifting fashion trends via its agile design-to-market procedures and flexible supply chain. H&M stands out from the competition via its low manufacturing costs and smart partnerships with prominent designers, both of which contribute to the company's broad appeal. The research also discusses the environmental effect and labor policies of both companies, as well as the ethical concerns they provide. Adaptability, customer-centric strategies, and a dedication to sustainable practices are all emphasized as essential for staying competitive in the dynamic fashion industry. This in-depth analysis not only sheds light on the tactics used by Zara and H&M, but also provides a foundation for further study and strategy development within the worldwide fast fashion sector.

*Keywords: Fast Fashion, Global Expansion, Zara, H&M, Supply Chain Management, Sustainability, Digital Transformation*

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## **Chapter 1: Introduction**

### ***1.1 Research Background***

In recent decades, the global fashion industry has significantly transformed, transitioning from its conventional practice of seasonal releases to the dynamic domain of fast fashion. The current change in paradigm has introduced a business model distinguished by efficient design-to-market procedures, extensive distribution networks, and continuous inventory turnover. This enables companies to adapt to the always-evolving customer demands promptly. Zara and H&M, prominent players in the fast-fashion industry, have emerged as leaders in this transformative movement (Duoyan, 2021, p. 17). Their rapid ascent to worldwide prominence cannot be attributed just to chance but rather stems from well-planned and executed approaches that span several aspects, such as marketing, supply chain management, production, and sales. Zara, a part of the Inditex Group, distinguishes itself by its exceptional capacity to assess market trends and transform them into tangible items inside its physical stores. This is mainly attributed to the company's vertically integrated supply chain.

In contrast, H&M, a Swedish company, has established a distinct market position via its strategic partnerships with esteemed designers and celebrities, its dedication to sustainable fashion and its proficient use of digital marketing strategies. Although both companies fall under the category of "fast fashion," their paths to achieving worldwide prominence have been characterised by different strategic decisions, each accompanied by its advantages and disadvantages (López et al., 2021, p. 18). Despite the considerable amount of study conducted on these entities' distinct trajectories, there needs to be more comparison studies, underscoring the need for a more comprehensive investigation of their methods for global growth. Conducting such an examination not only enhances scholarly dialogue but also provides vital perspectives for rising participants in the sector seeking to replicate or gain knowledge from the achievements and challenges faced by these market frontrunners.

### ***1.2 Problem Statement***

The fast-fashion sector, known for its ability to quickly adapt to market trends and expedite manufacturing processes, has seen the rise of Zara and H&M as its leading companies. Although both companies have garnered worldwide recognition, their approaches to navigating the complex landscape of foreign marketplaces exhibit notable distinctions (Tomaszewska, 2021, p.25). Zara, a well-regarded company known for its adeptness in promptly transforming market trends into tangible merchandise inside its physical stores,

mainly depends on its vertically integrated supply chain. On the other hand, H&M has deliberately positioned itself by forming alliances with renowned designers and celebrities, placing emphasis on sustainable fashion and capitalising on its expertise in digital marketing. These divergent methodologies, albeit equally effective, provide a multitude of obstacles and prospects that have not yet been thoroughly examined and evaluated. Despite the extensive body of study pertaining to the individual development trajectories of these entities, a conspicuous gap exists within the academic literature regarding a comparative analysis of their methods for global expansion. The existence of this gap extends beyond a mere oversight in academia and has significant practical ramifications (Ruan, Sang and Zeng, 2022, p.75). Gaining a comprehensive understanding of the intricacies of the techniques used by established companies in the fast-fashion industry may provide significant and irreplaceable insights for developing enterprises seeking to navigate their path in the global market. Moreover, when the sector undergoes ongoing changes, it is important to determine the viability of various strategies in the long term and identify those that may need reassessment. The crux of the issue is to the need for an extensive comparative analysis of the worldwide growth tactics used by Zara and H&M, prominent players in the fast-fashion sector. Such a research would provide valuable insights that might significantly influence the future direction of the business (Chen, 2022, p.86).

### ***1.3 Research Questions***

- i. What are the worldwide growth tactics used by Zara and H&M in their international operations in marketing, sales, production, manufacturing, and supply chain domains?
- ii. What strategies do Zara and H&M, two prominent multinational fashion retailers, employ to modify their marketing methods for effectively targeting diverse global markets?
- iii. What have been the key evolutions in the production and manufacturing procedures of Zara and H&M in the context of their worldwide development?
- iv. What problems and possibilities have Zara and H&M experienced in their worldwide growth endeavours about marketing, sales, production, manufacturing, and supply chain?

### ***1.4 Research Objectives***

This study aims to conduct a thorough comparative examination of the worldwide growth tactics used by Zara and H&M, with a specific emphasis on their marketing, sales, production, manufacturing, and supply chain activities (Kim and Woo, 2021, p.76).

The research objectives are:

- i. To focus on branding, advertising, social media, and consumer interaction methods, this article will examine how Zara and H&M adapt their worldwide marketing strategies for use in various foreign regions.
- ii. To analyse the retail store tactics, internet sales channels, and customer retention initiatives that Zara and H&M have used to expand their sales.
- iii. To examine Zara's and H&M's global operations in terms of production and manufacturing, paying particular attention to sourcing, speed to market, and sustainability efforts.
- iv. To provide suggestions for improvement based on lessons learned from analysing how Zara and H&M handle supply chain management for their international operations with regards to inventory and logistics (Xuejie, Chang and GuangHao, 2019, p. 45).

### ***1.5 Research Scope***

The focus of this study is centred on doing a thorough comparative examination of the worldwide growth methods used by two prominent fast-fashion giants, namely Zara and H&M. Although both businesses fall under the quick fashion sector, their journeys towards achieving global recognition have been notably different, thereby necessitating a comprehensive examination of their strategic intricacies. The study will include a comprehensive analysis of their marketing strategies, explicitly emphasising branding, advertising, social media involvement, and consumer contact techniques customised for various international markets (Jin et al., 2023, p. 22). Furthermore, the present research will examine the retail methods used by the company, spanning both traditional physical store tactics and internet sales channels, to comprehend their approach to enhancing client retention and driving sales development.

An essential aspect of the study will include examining the production and manufacturing processes of the subject on a worldwide level, with a particular focus on sourcing practices, speed to market, and sustainability efforts (Andrade, 2020, p.76). Examining these brands' supply chain management, specifically regarding inventories and logistics for global operations, will also be analysed to extract observations on their effectiveness and flexibility. The study endeavours to provide a comprehensive perspective on the tactics that have contributed to the worldwide success of Zara and H&M by considering several interconnected aspects. The predicted results of this study are expected to address a significant need in the existing body of scholarly research. Additionally, these findings are poised to provide valuable guidance or be a potential warning for newly established firms



operating in the fast-fashion industry (Wang, 2018). The primary objective of this study is to provide a detailed and comprehensive analysis of the worldwide strategies used by Zara and H&M. This analysis aims to examine the key factors contributing to their respective achievements, the obstacles they have encountered, and the valuable insights that can be derived from their experiences for the wider industry.

### ***1.6 Research limitations***

Every research undertaking, irrespective of its scope and magnitude, is constrained by certain limits, and this particular study on the worldwide growth plans of Zara and H&M is not exempt from such constraints. The study primarily utilises secondary data sources, including scholarly journals, books, and reports (Bhardwaj and Mohapatra, 2023, p.12). The probable lack of primary data, like as interviews conducted with executives or surveys sent to workers, might restrict the level of detail in the analysis, perhaps leading to the omission of subtle aspects that are not publicly recorded. Additionally, the fashion sector's dynamic and frequently evolving nature necessitates the ability to adapt plans and respond to market dynamics swiftly. The results of this study, while applicable throughout the time of investigation, may need regular revisions to maintain relevance in light of changing industry patterns.

Furthermore, the exclusive emphasis on two prominent companies, despite their status as leaders in the industry, may fail to provide a thorough overview of the fast-fashion sector as a whole. There are some rising companies that use unique tactics, which, if included, might potentially provide supplementary information (Ha, 2021, p.56). The presence of cultural, political, and economic disparities across nations might bring additional factors that may not be comprehensively addressed in a comprehensive comparative examination.

### ***1.7 Structure of the Research***

The research on the global expansion strategies of Zara and H&M is neatly divided into five related chapters to facilitate clarity and understanding (Bauer, 2021, p.34). In the first chapter, the introduction sets the stage by outlining the rationale for the study, outlining the objectives of the investigation, and emphasising its importance. This part gives readers a basic overview of the scope and aims of the research (Bhandari et al., 2022, p.22). This study's second chapter, "Literature Review," looks at previously published studies on fast fashion, worldwide growth strategies, and the unique backgrounds of Zara and H&M. This chapter includes an in-depth discussion of significant concepts, theories, and research from these fields (Liu,

2022, p.45). Chapter 3 (Braglia, Marrazzini, & Padellini, 2022, p.11) details the study's methodology, including its research design, data collection procedures, and statistical tools. This section's goal is to improve the openness and reproducibility of scientific studies. Chapter 4: Findings and Analysis (Chan et al., 2020, p.23) uses this information to provide a detailed comparison and analysis of the two brands' approaches, emphasizing both their achievements and their failures. In Chapter 5, we establish definitive conclusions and provide concrete suggestions for business stakeholders and future researchers (Moreno and Martnez Velázquez, 2023,p.14) based on the study's results.

## **Chapter 2: Literature Review**

### ***2.1 Introduction to Fast Fashion***

Fast fashion, a ubiquitous word in today's clothing market, describes the mass manufacture of trendy garments and their speedy, low-cost delivery to stores. This idea developed in reaction to the typical fashion cycle, which necessitated long delays before clothes from the catwalk really made it to consumers' hands (Mehta, 2021, p.33). Technology, shifting consumer preferences, and a more globally integrated economy have all contributed to the rapid development of the fast fashion industry over the last several decades. To keep up with customers' ever-evolving tastes and preferences, brands using this model place a premium on speed, agility, and reactivity. Modern supply chain management, effective manufacturing methods, and an awareness of shifting consumer preferences all play a role in this lightning-fast turnaround (Chen, Su and Chen, 2023, p.25). Digital platforms and social media have not only influenced fashion trends but also provided instantaneous feedback and insights into customer preferences, speeding up the development of fast fashion (Cameron et al., 2021, p.17).

Fast fashion is defined by its emphasis on duplicating high-fashion trends at low prices, rapid inventory turnover, and quick manufacturing cycles. These companies often unveil new collections to keep up with the ever-changing nature of the fashion industry. In contrast to this strategy, conventional fashion houses normally release new collections once every season. The fast-fashion business has its own distinct market dynamics. Brands are battling for consumers' attention and loyalty in a highly competitive market. A fast fashion label's ability to anticipate consumer tastes, crank out clothing rapidly, and get them into shops smoothly is crucial to the success of the label. In addition, customers have grown more aware of their purchases' environmental and social impacts in recent years, making sustainability and ethical manufacturing critical problems (Ceccanti, 2023, p.44). Therefore, many fast fashion firms attempt to balance speed, cost-effectiveness, sustainability, and ethics. While fast fashion has undoubtedly ushered in a new era of quick production and delivery in the garment business, it has also introduced new obstacles for firms to overcome in an ever-shifting marketplace.

### ***2.2 Global Expansion in the Fashion Industry***

The fashion industry has significantly transformed in recent decades, shifting from its traditional focus on local and regional markets to a more globalised approach. This trend towards global expansion has been a fundamental driver of success for several fashion firms

(Abbasi, 2023, p.36). Several facets characterise the appeal of global markets. Firstly, the development of brands outside national boundaries allows them to tap into a much bigger pool of customers. This diversification of their audience not only broadens their reach but also mitigates their reliance on any one market. Diversification may serve as a mitigating factor during periods of economic decline in a particular area, guaranteeing the continuity of income sources. In addition, it is worth noting that overseas markets can provide undiscovered opportunities, particularly in growing nations characterised by the growth of middle-class populations, urbanisation, and higher levels of disposable income (Kabbara and Zucchella, 2023, p.55). These factors all contribute to a conducive environment for the consumption of fashion products.

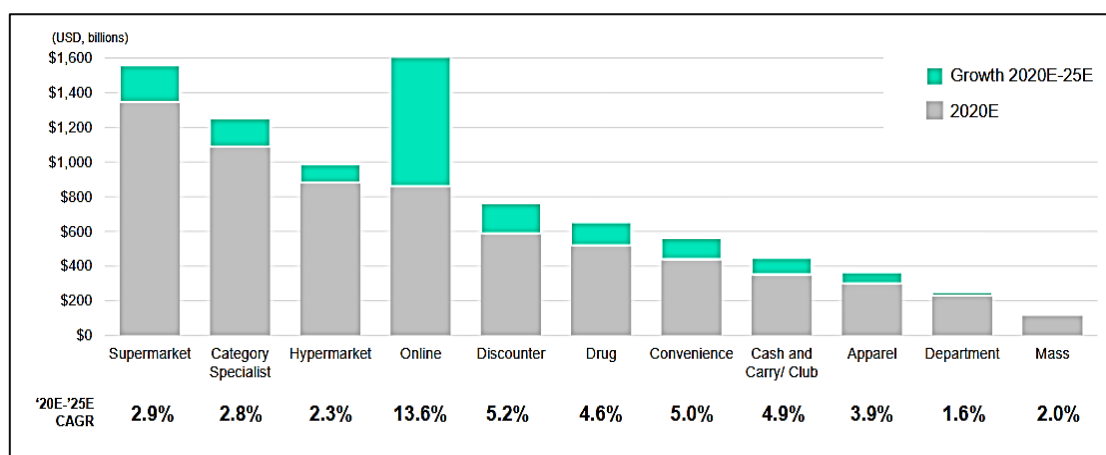


Figure 1: Global fashion market to grow 3.9% per year by 2025

Source: (<https://www.fashionnetwork.com/news/Global-fashion-market-to-grow-3-9-per-year-by-2025,1183731.html>)

The significance of global markets extends beyond the mere expansion of sales. Additionally, it pertains to the notion of brand prestige. Establishing a presence in renowned fashion hubs such as Paris, Milan, or Tokyo can enhance a brand's reputation, increasing its attractiveness even inside its market. Moreover, the strategic decision to operate in numerous areas gives businesses the advantage of capitalising on diverse fashion cycles. For example, during the summer season in the Northern Hemisphere, the Southern Hemisphere experiences winter, which presents an opportunity for companies to market and sell their summer and winter collections concurrently in various geographical areas.

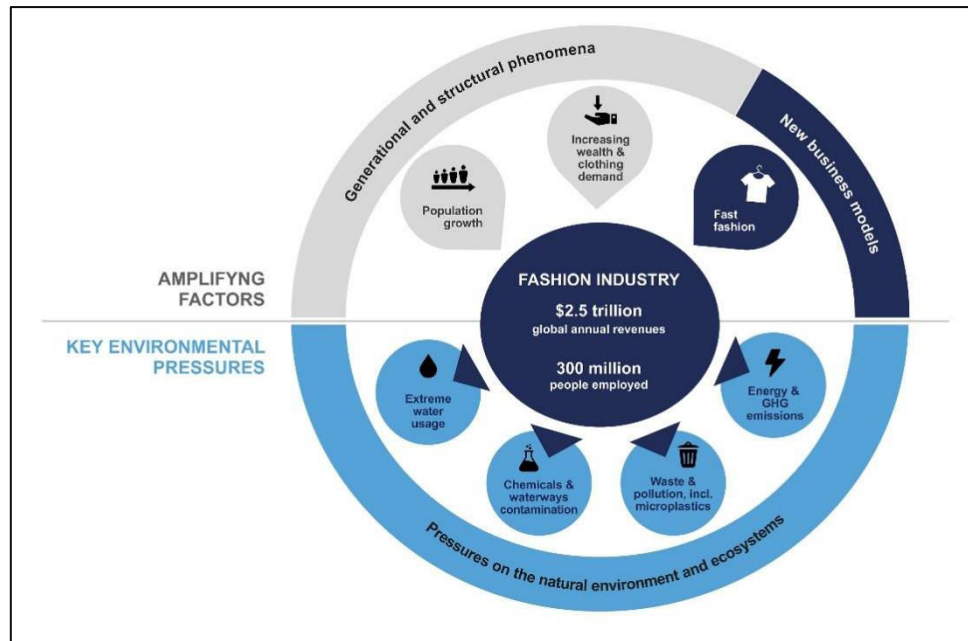


Figure 2: Overview of Fashion industry pressures

Source: (<https://www.locean.org/blue-economy/b4os-2021-fashion-industry>)

However, the journey towards achieving worldwide growth has many obstacles and difficulties (Suk, 2021, p.14). Navigating the complex web of cultural, social, and economic disparities across nations is a formidable challenge. As a form of artistic and individual expression, fashion exhibits considerable variation across different geographical areas. Cultural norms and values vary among countries, resulting in divergent perceptions of what is fashionable and socially acceptable. Consequently, current and permissible practices in one nation may be seen as antiquated or even culturally inappropriate in another. Brands must carefully navigate the challenge of preserving their fundamental character while accommodating the preferences and cultural nuances of specific regions. There is significant variation in regulatory settings. Tariffs, import restrictions, and local laws have the potential to have a substantial influence on the cost structure and operational viability within international markets (Papamichael et al., 2022, p.34). Safeguarding intellectual property is an additional concern, particularly in nations where the proliferation of counterfeit goods is prevalent. Brands often encounter competition from fake versions of their interests, resulting in a decline in revenue and a diminishment of brand reputation.

The expansion of brands on a worldwide scale leads to an increase in the complexity of supply chains. Effective coordination of production, distribution, and inventory operations across many continents necessitates using advanced logistics strategies and timely data

analysis. Furthermore, monitoring and maintaining ethical and sustainable manufacturing becomes increasingly challenging when businesses procure resources and produce goods in locations with varying regulatory requirements. The process of global growth provides companies with significant insights into a wide range of customer behaviours, interests, and lifestyles (Liu et al., 2020, p.55). These insights possess the potential to stimulate innovation, resulting in the development of goods that connect with a broader demographic. Brands may get advantages from economies of scale, which result in cost reductions when they engage in larger-scale manufacturing to cater to worldwide markets. Furthermore, the presence of trademarks across numerous markets enables them to mitigate risks. In an economic downturn or geopolitical catastrophe affecting a particular market, the potential losses incurred may be mitigated by realising profits in more resilient economies (Azam and ABDULLAH, 2020, p.56).

### ***2.3 Zara and H&M: An Overview***

Zara, a prominent brand under the retail group Inditex of Spain, was established in 1975 by Amancio Ortega and Rosalía Mera in La Coruña, Spain. Zara's original value proposition was providing fashion-forward apparel at competitive rates, accompanied by a swift transition from the design phase to the availability of products on shop shelves. The concept, often called "fast fashion," significantly transformed the garment sector. Over many decades, Zara has seen significant global expansion, resulting in the establishment of its shops in prominent urban areas throughout the globe (Jaruporn Tangpattanakit, 2023, p.55). The capacity to analyse and comprehend fashion trends and then expedite their transformation into readily accessible clothing for sale has been a fundamental pillar of its achievements. The brand's vertically integrated supply chain, characterised by its comprehensive control over all stages of the production process, ranging from design to distribution, has played a crucial role in maintaining its efficiency and adaptability.

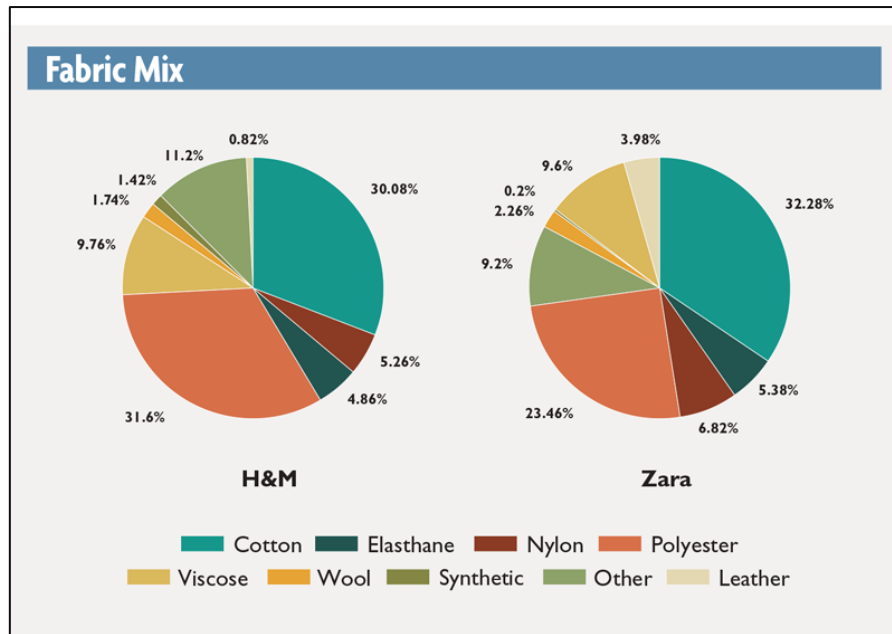


Figure 3: Are premium fabrics on the rise

Source: (<https://www.textileworld.com/textile-world/features/2022/03/hm-versus-zara-are-premium-fabrics-on-the-rise/>)

Conversely, H&M, an abbreviation for Hennes & Mauritz, traces its origins to Sweden. It was established in 1947 by Erling Persson; the company first operated as a retail establishment specialising in women's apparel under the name 'Hennes,' a Swedish term denoting possession by females. Over its development, the firm underwent expansion in terms of its product range and geographical reach. In 1968, it acquired Mauritz Widforss, a store specialising in hunting clothing, leading to a renaming of the company as Hennes & Mauritz, which was later abbreviated to H&M (Jin and Shin, 2021, p.39). Similar to Zara, H&M has also embraced the quick fashion business model but has distinguished itself by strategically partnering with esteemed designers and celebrities, therefore democratising premium clothes for a wider audience. These exclusive collections often generate substantial excitement and attract customers to their retail establishments.

Zara and H&M are recognised as prominent players in the fast fashion sector, holding significant market positions (Jana, 2022, p.54). Nevertheless, there are subtle differences in their respective brand identities. Zara is sometimes seen as somewhat more elevated, providing fashionable apparel that frequently draws influence from esteemed designer collections. This brand's boutiques emanate an air of exclusivity, characterised by their minimalist aesthetic and deliberate placement in affluent retail areas (Peters, Li and Lenzen,

2021, p.51). H&M is often seen as a brand that embodies a young, bright, fashionable aesthetic. The company's strategic partnerships with designers, artists, and influencers give it a competitive advantage in appealing to a more youthful target audience. Furthermore, H&M has incorporated sustainability measures into its operations, emphasising the development and promotion of environmentally friendly items and the implementation of ethical manufacturing practices. These efforts have played a crucial role in recently shaping H&M's brand identity.

#### ***2.4 Marketing Strategies in Fast Fashion***

In the dynamic realm of the fashion industry, characterised by rapid trend fluctuations, implementing successful marketing tactics assumes utmost significance to secure brand prominence, foster customer allegiance, and maintain consistent sales performance. At the core of these techniques lies the practice of branding and advertising. To establish a unique presence within a highly competitive industry, fast fashion firms allocate significant resources towards developing a distinctive brand identity (Nurnafia and Al, 2021, p.22). The communication of a brand's identity to customers is achieved by carefully constructed advertising campaigns, which typically include elements of the brand's background, design philosophy, and value proposition. These marketing initiatives, whether eye-catching billboards in metropolitan areas, visually appealing advertisements in fashion magazines, or compelling television commercials, are strategically created to connect with the intended audience by eliciting emotions and ambitions that align with the brand's values and beliefs (Muggulla, 2022, p.43). For example, one firm may adopt a positioning strategy that portrays itself as a proponent of sustainable fashion, including visual representations and storytelling that highlight its commitment to environmental friendliness. In contrast, another brand may prioritise the allure and luxury of high style but at accessible price points.



*Figure 4: Fast Fashion Explained and How It Impacts Retail Manufacturing*



*Source: (<https://www.investopedia.com/terms/f/fast-fashion.asp>)*

In the era of digitalisation, conventional advertising methods, while still significant, are augmented and sometimes surpassed by the influence of social media and digital platforms (Kim and Oh, 2020, p.12). Social media platforms such as Instagram, Facebook, TikTok, and Pinterest have revolutionised how marketers engage with their target audience. These platforms provide immediate connection and real-time feedback and enable a degree of participation previously inconceivable. Brands can introduce new collections with aesthetically captivating postings, generate excitement through teaser videos, and extend their reach by partnering with influencers and celebrities. Collaborations with influencers have emerged as a fundamental component within the marketing strategies of fast fashion brands. In marketing, influencers can effectively expose businesses to previously untapped demographics, generate increased online traffic to e-commerce platforms, and notably impact prevailing fashion inclinations (Bonilla, del Olmo Arriaga and Andreu, 2019, p.17). Additionally, digital media provide corporations with significant data about customer preferences, behaviours, and purchasing habits, allowing them to customise their marketing tactics precisely.

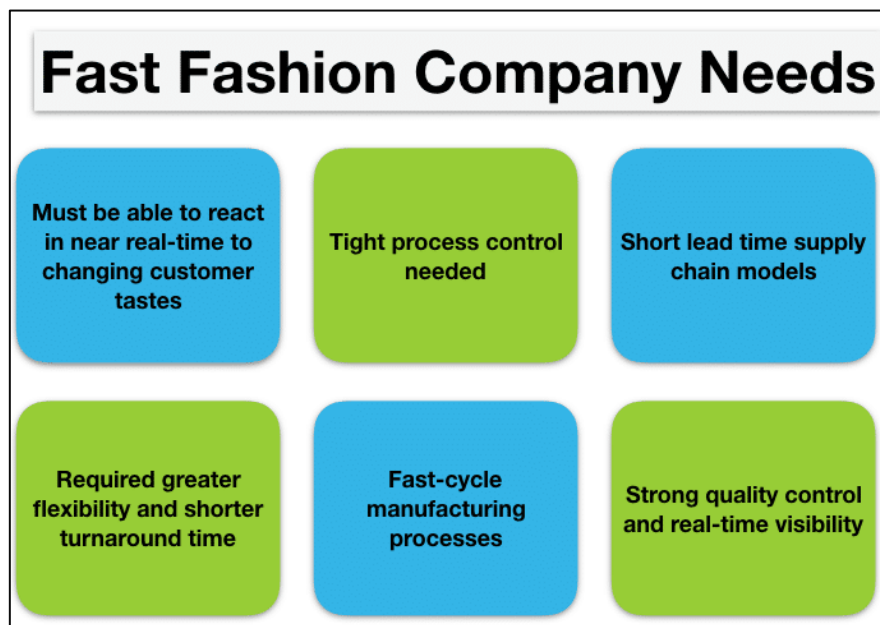
However, recruiting customers is just a single component of the whole equation. In the highly competitive realm of fast fashion, customer retention is paramount, if not more so. Consumer engagement and retention tactics often centre on establishing a comprehensive brand experience. Loyalty programs, which provide customers with points, discounts, or exclusive access to new collections, serve as a means to encourage and motivate repeat purchases. Personalised marketing strategies, whereby customers are provided with tailored suggestions derived from their browsing and purchasing behaviour, have significantly improved the overall shopping experience (Abanilla et al., 2022, p.54). This approach fosters a sense of value and understanding among consumers, contributing to their satisfaction and engagement. In addition, companies allocate resources towards after-sales support to effectively handle various concerns such as returns, exchanges, and customer complaints promptly and satisfactorily.

Moreover, in a contemporary period characterised by heightened consumer awareness about the ethical and environmental consequences of their consumption choices, businesses are placing a significant emphasis on transparency. The dissemination of knowledge about sustainable sourcing, ethical manufacturing practices, and the carbon footprint of goods has the potential to augment brand credibility and foster customer loyalty. Incorporating customers into sustainability activities, such as recycling programmes, do-it-yourself

upcycling workshops, or sustainability challenges on social media, can enhance their affiliation with the business (Wren, 2022, p.23).

#### ***2.4 Supply Chain and Logistics***

Within the domain of fast fashion, where the prompt adaptation to constantly evolving customer demands is of utmost significance, the supply chain and logistics assume a crucial position. The fundamental principle behind this expeditious response mechanism is a flexible supply chain. In contrast to conventional supply chains that often follow a linear structure and rely on projected demand, agile supply networks exhibit dynamism, adaptability, and responsiveness characteristics (Teona, Ko and Kim, 2019, p.11). The prioritisation of speed and flexibility enables businesses to respond to market shifts promptly. This agility is accomplished using real-time data analytics, efficient communication across the supply chain, and adaptable production processes. For example, suppose a particular style or trend experiences a sudden surge in popularity on social media. In that case, a flexible supply chain can accelerate its manufacturing and distribution processes, guaranteeing its availability in physical retail outlets or online platforms at the peak of its popularity.



*Figure 5: Fashion Supply chain*

*Source: <https://arviem.com/fashion-supply-chain-needs-supply-chain-visibility/>*

In addition to its agility, the organisation effectively manages inventory and distribution networks, which may be likened to a complex dance (Zhang, Zhang and Zhou, 2021, p.23). Efficient inventory management plays a significant role in the fast fashion industry,

characterised by short product lifecycles and transitory fads, since it helps prevent the issues of overstocking and stockouts. Brands use advanced inventory management systems that effectively track real-time sales data, enabling them to make timely adjustments to manufacturing and distribution strategies. This practice guarantees that in-demand commodities are replenished promptly while underperforming products are gradually discontinued or offered at reduced prices. In contrast, the distribution network serves as the fundamental infrastructure for the transportation of commodities from manufacturing facilities to retail establishments or directly to end customers. In the contemporary era of electronic commerce, wherein customers possess heightened expectations for expeditious order fulfilment, businesses are allocating resources towards establishing sophisticated distribution centres that include automation and robotics technologies (Amatulli et al., 2021, p.13). These centres enhance the efficiency of order fulfilment processes and minimise mistakes, guaranteeing timely and accurate delivery of items to customers.

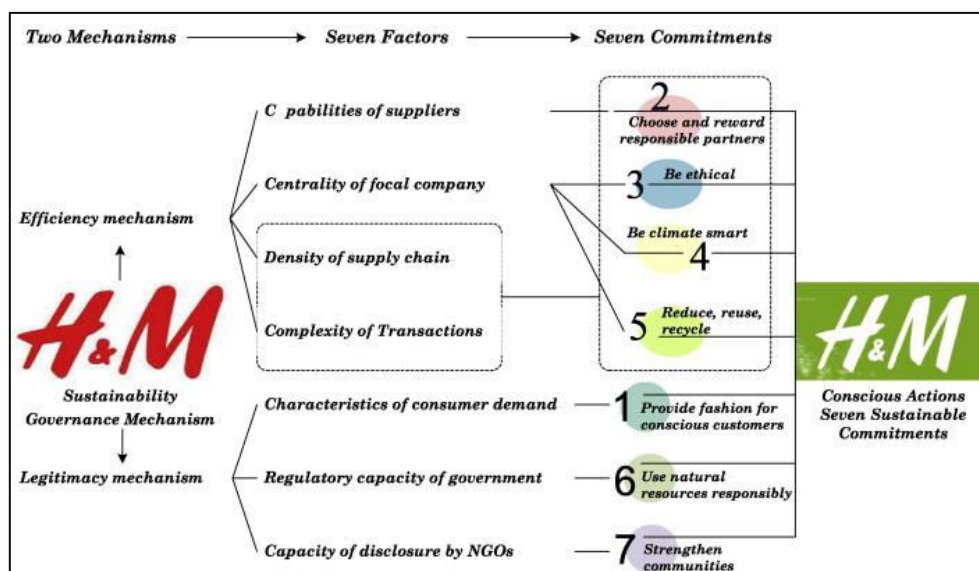


Figure 6: Sustainable supply chain in the fast fashion industry

Source: <https://www.sciencedirect.com/science/article/abs/pii/S0263237314000371>

The fast fashion supply chain encompasses more than simply rapidity and effectiveness; it also includes the aspects of sourcing and sustainability. Brands are under increasing pressure to guarantee responsible sourcing due to the rising customer knowledge about the environmental and ethical issues associated with their purchases. This entails the evaluation of suppliers to ensure adherence to honest labour practises, verifying sustainably obtained raw materials, and implementing measures to minimise the environmental impact of manufacturing processes. For example, fast fashion collections increasingly use sustainable

materials such as organic cotton, recycled polyester, and novel alternatives like mushroom leather. In addition to engaging in collaborations with non-governmental organisations (NGOs), brands are actively participating in sustainability efforts and acquiring certifications to substantiate their sustainability claims (Miotto and Youn, 2020, p.23). Furthermore, circular fashion is growing acceptance and adoption, which deliberately emphasises producing items that can be effectively recycled or upcycled. This approach aims to minimise waste generation and foster the development of a fashion industry that is more environmentally sustainable.

### ***2.5 Production and Manufacturing in Fast Fashion***

In the dynamic realm of the fast fashion industry, the proverbial saying "time equals monetary value" has particular significance. The fundamental nature of the sector is in its capacity to expeditiously transform runway concepts into economically accessible items seen in retail establishments. The rapidity with which products are brought to market, from the initial design phase to their availability on retail shelves, is a distinguishing feature. After the design conceptualisation, it often goes through quick prototyping, frequently facilitated by digital technologies, before being prepared for manufacturing. The objective is straightforward: to reduce the duration required for a trend to transition from fashion hubs to retail establishments in smaller communities (Niinimäki et al., 2020, p.21). The expeditious response time exploits transient trends and mitigates inventory uncertainties since businesses can manufacture in lower quantities and restock depending on consumer demand.

Attaining such velocity is not devoid of obstacles, particularly in a globalised manufacturing system. Fast fashion businesses often engage in sourcing practices that include numerous nations. These countries are chosen based on their distinct benefits, which may consist of cost-effectiveness, skilled artistry, or the availability of raw materials. However, the establishment of this worldwide industrial network introduces a multitude of intricate factors. Manoeuvring through the complex web of foreign legislation, tariffs, and customs may present a formidable challenge (Muhwati and Salisbury, 2022, p.4). Another problem that arises is the need to maintain a consistent level of quality across several manufacturing units and effectively manage lead times to coordinate the arrival of different components for the assembly process. The ethical dimensions of the issue further add complexity to the situation. Instances of unfavourable working conditions, remuneration below the legally mandated minimum, and the employment of underage individuals in some industries have sparked widespread public outcry and prompted calls for more openness (Bucks et al., 2020, p.11). In

contemporary times, there is increased scrutiny placed upon brands to ensure that their worldwide manufacturing units conform to ethical and sustainable practices.

In the face of these problems, technology and innovation are the guiding forces propelling the sector towards progress. Advanced production processes, such as 3D knitting, enable the practice of on-demand manufacturing, hence mitigating issues related to waste generation and surplus inventory. Automation in manufacturing facilities, whereby robots are employed to aid in activities such as sewing and cutting, guarantees enhanced accuracy and efficiency (Wang et al., 2020, p.34). However, the impact extends beyond the mere substitution of manual work by robots. The advent of Industry 4.0, also called the digital revolution, is now engendering significant transformations in manufacturing. Integrated with Internet of Things (IoT) devices, smart factories can collect and analyse real-time data. This enables businesses to effectively monitor production metrics, anticipate machine failures, and enhance operational efficiency. A data-driven methodology is also applicable within the supply chain domain since blockchain technology is now being investigated to track the source of goods, guaranteeing their validity and sustainability (Brewer, 2019, p.7).

## ***2.6 Financial Strategies for Global Expansion***

Financial strategies play a crucial part in the complex process of global development, as they are vital in facilitating the growth and profitability of brands in many countries. Currency volatility poses a significant issue for companies operating on a global scale (Nguyen et al., 2022a, p.5). The daily fluctuations of exchange rates are subject to various influences, from economic data to geopolitical events. In the context of a fast fashion company, it is noteworthy that fluctuations in currency values may substantially influence profitability, particularly when notable transactions, such as payments to suppliers or repatriation of profits, are involved. To limit this risk, brands often adopt hedging methods, including financial instruments such as forward contracts or options (Tong et al., 2023, p.6). These methods effectively mitigate the risk of unforeseen currency swings by securing conversion rates for future transactions.

Simultaneously, global marketplaces' intricate network of taxes and cost structures poses additional challenges. Every nation has its distinct system of taxes, characterised by diverse rates, incentives, and laws. As an example, it is worth noting that some countries may provide tax incentives for outbound shipments, whilst others may levy substantial tariffs on inbound goods. Comprehending and effectively navigating these intricacies is essential to achieve adherence and maximise financial efficiency. Furthermore, the cost structures include factors

outside the scope of taxation. There may be significant variations in labour expenses, utility rates, and real estate prices across different locations (Brady and Hay, 2019, p.17). Therefore, brands must strategically select their production hubs, distribution centres, and retail locations. This involves carefully weighing cost considerations against operational requirements and market accessibility.

### ***2.7 Theoretical framework***

Several introductory ideas that shed light on the dynamics of international business and its particular difficulties and possibilities provide the theoretical basis for comprehending fast fashion's meteoric rise worldwide. The OLI paradigm is crucial to this approach since it emphasises how the benefits of ownership, location, and internalisation all play a role in how a company chooses to expand internationally (Nguyen et al., 2022b, p.18). Ownership advantages are a company's distinct skills and assets that offer it a leg up in international marketplaces. Examples of such advantages include cutting-edge tech and innovative design. On the other hand, the advantages of location are those that come from doing business in specific international marketplaces. Market size, customer tastes, and government incentives are some possible motivators. Finally, whether an organisation should handle its overseas activities internally or in tandem with external partners lies at the heart of the Internalisation benefits. Control, danger, and the opportunity to share information all play a role in this choice.

The company's Resource-Based View (RBV) complements the OLI paradigm since it believes that firms' competitive advantage stems from their distinctive resources and skills. Resources like agile supply chains, digital marketing savvy, and environmentally responsible manufacturing practices might be necessary in the fast fashion industry (Olli-Pekka, Andres and Yulia, 2019, p.88). In addition, the Uppsala Internationalisation Model sheds light on the gradual nature of international growth by indicating that businesses often begin their worldwide trip in culturally and geographically similar markets before expanding into more distant and unfamiliar countries.

### ***2.8 Conclusion and Gaps in Existing Literature***

Business tactics, market dynamics, and consumer behaviour are all intricately intertwined in the literature on fast fashion's worldwide rise, offering insights. We may better comprehend the strategies companies like Zara and H&M use in the global market by looking at them through the prism of theoretical frameworks such as the OLI paradigm, RBV, and the

Uppsala Internationalisation Model. These ideas light the reasoning behind these companies' worldwide trajectories, from market entry choices to operational management and risk avoidance.

Despite the wealth of previously published material, significant voids still need to be discovered. Fast-paced changes in the digital ecosystem, such as the proliferation of e-commerce and social media, may necessitate reevaluating and retooling many long-standing practices. Further investigation into how worldwide fashion firms are incorporating eco-friendly practices into their operations is necessary in light of the growing concern for environmental impact in the industry. More comparison studies, which put the marketing approaches of competing companies side by side, would also enrich the existing research.

## **Chapter 3: Methodology**

### ***3.1 Introduction to Methodology***

The "Methodology" provides a comprehensive account of the strategy and methodology used in the analysis of Zara's and H&M's internationalisation endeavours. The purpose of this article is to provide a complete overview of the process of doing qualitative research using secondary sources. The selection of this technique was motivated by its proven efficacy in facilitating interdisciplinary collaboration among academics from diverse domains (Snyder, 2019, p.9). This book provides a comprehensive and detailed explanation of the procedural processes involved in doing a Systematic Literature Review (SLR). This paper provides a comprehensive explanation of search tactics, filtering methods, and criteria used to determine

the inclusion or removal of relevant findings. By establishing protocols for thematic synthesis, the primary objective of this research is to enhance the comprehensibility of the information (Sharma et al., 2023, p.90). All analytical processes must be well-defined. The objective of this chapter is to analyse the limitations and ethical dilemmas associated with secondary research, to establish a comprehensive and morally sound framework for conducting scholarly investigations (Al-Ababneh, 2020, p.6).

### ***3.2 Research Design***

This study employs a secondary qualitative research methodology, including a comprehensive examination of pertinent literature, papers, and articles, to gather and assess essential data about the internationalisation strategies used by Zara and H&M. This style can provide readers with a more thorough understanding of the subject matter since it integrates the perspectives of several authors and spans across various temporal eras (Starčević, Marinković and Vjetrov, 2022, p.89).

Secondary sources play a crucial role in several instances. One advantage of this approach is that it enables the integration of data that would otherwise pose significant challenges in terms of difficulty, expense, or availability, hence enhancing the comprehensiveness of the research (Säfsten and Gustavsson, 2020, p.3). Given the extensive coverage of fast-fashion retailers' global strategies in academic and industry literature, the utilisation of secondary qualitative research is particularly advantageous within the context of a literature review. This approach facilitates a comprehensive synthesis of existing knowledge, theories, and findings.

Secondary data is considered to have a reduced likelihood of bias since it is collected without direct involvement or manipulation, therefore minimising the potential for tampering. Another advantage is that research may be based on the reliability of academic and professional publications (Tian, Xiao and Shang, 2021, p.6). This approach is efficient in terms of time and expense since it allows the researcher to thoroughly investigate the matter at hand without the need to acquire primary data.

Secondary qualitative designs provide researchers with the opportunity to conduct a comprehensive analysis of several studies to detect recurring trends, identify gaps in existing research, and gain new insights on a specific subject. This study employs a comprehensive comparative analytical framework, backed by ample empirical data, to examine the fast-fashion giants Zara and H&M (Mahuika and Mahuika, 2020, p.76). By drawing upon the



extensive literature on both companies, the study aims to answer its research questions effectively.

### ***3.3 Systematic Literature Review (SLR) Process***

The use of a Systematic Literature Review (SLR) facilitates the identification, assessment, and integration of the extant corpus of scholarly research. The systematic literature review (SLR) is a method that effectively mitigates bias and offers a thorough examination of the study topic. This is achieved by only including literature that meets certain criteria and sticking strictly to a replicable framework. The customary steps of a systematic literature review (SLR) are planning implementation, and result reporting (Wen, Choi and Chung, 2019, p.8).

#### *Planning Stage*

Meticulous preparation is crucial for achieving a successful SLR launch. The scope and objectives of the review are still under development (Dzwigol, 2022, p.54). The absence of a set of research questions might provide challenges in comprehensively studying the requisite material. This study examines the global growth of Zara and H&M by analysing their marketing, sales, production, manufacturing, and supply chain strategies.

The systematic literature review (SLR) methodology necessitates a comprehensive and well-structured strategy that delineates the specific databases to be interrogated, the precise keywords to be used in the search queries, and the designated timeframe for the evaluation of obtained findings. In this section, we elucidate the criteria used for the selection of papers to be included in our meta-analysis, as well as the rationale behind these choices. The assessment will primarily concentrate on journal articles, industry reports, and academic publications (Babii, 2020, p.34). However, non-English materials and unpublished works may also be taken into consideration.

#### *Conducting Stage*

During the execution phase, a literature search will be conducted using the approach that was created during the preparation phase. To ensure comprehensive coverage of pertinent scholarly literature, it is essential to conduct a comprehensive search across several databases. The querying process for each database involves the use of a consistent set of keywords, and the results are systematically recorded for further utilisation.

The eligibility of the returned articles is assessed by evaluating the titles and abstracts. Subsequently, a comprehensive examination of grammar and spelling is conducted on each composition (Gupta and Gupta, 2022, p.12). This methodology for verification guarantees that only relevant research is included in the assessment.

During the phase of data collection, the process of data extraction has significant importance. The facilitation of effective inquiry is achieved by the systematic collection and organisation of pertinent data. To facilitate the comparison and synthesis of the investigations, the use of a tabular format that delineates the outcomes, techniques, and noteworthy findings of each study might be advantageous.

### *Reporting Stage*

Currently, the systematic literature review (SLR) data has been gathered, integrated, and documented. The examination of information may reveal patterns, recurring motifs, and areas of knowledge that have not been sufficiently explored, all about the study inquiries (Yu, Zhou and Shi, 2020, p.7). Narrative syntheses are often used in the assessment of research quality and the determination of evidence weight, making them well-suited for the consolidation of data from several investigations (Zhou, Li and Sun, 2022, p.45).

This study examines the research methodologies, results, and levels of relevance associated with the original research questions. The limitations of the systematic literature review (SLR) are duly acknowledged, and recommendations for further research are offered.

Open standards and practises were used consistently to ensure the authenticity and validity of the SLR. The systematic underpinnings of the SLR provide it an effective instrument for investigating intricate matters such as the global expansion strategies used by Zara and H&M.

### ***3.4 Data Collection***

The methodologies used for data collection in a Systematic Literature Review (SLR) play a pivotal role in determining the review's credibility and utility (Ryder et al., 2019, p.32). The beginning phase includes the selection of research subjects, the development of selection criteria, and the commencement of data collection.

### *Criteria for Inclusion and Exclusion of Literature*

The assessment of the worth of literature is determined based on the criteria for inclusion and exclusion. An examination of scholarly research conducted on fast fashion shops, namely Zara and H&M, throughout the time frame of 2000 to 2023 is warranted (Mohajan and

Mohajan, 2022, p.44). Research that has not undergone peer review, has not been published in a language with widely available translation services, or does not specifically focus on the strategies used by fast fashion companies in their international expansion may be deemed irrelevant.

#### *Search Strategy: Databases and Search Terms Used*

The formulation of efficient search terms and the identification of relevant databases are integral components of the search methodology (Zhang et al., 2022, p.22). A range of articles about management and business may be accessed via databases such as Business Source Premier, JSTOR, Scopus, and Web of Science. One might enhance the precision of their analysis by using specialised terminology related to fast fashion, such as "fast fashion," "global expansion," "Zara," "H&M," "marketing strategies," "supply chain," and "sustainability (Abu-Taieh, Hadid and Mouatasim, 2020, p.22)." It is possible to use Boolean operators such as "AND" and "OR" to combine these terms and refine the search.

#### *Screening Process for Relevant Literature*

After the collection of the necessary research, a two-stage screening process is conducted. The evaluation process involves the assessment of titles and abstracts of potential submissions to ascertain their appropriateness for inclusion. Upon acceptance of the abstract, the whole work will undergo a thorough examination to assess its relevance. Through a comparative analysis of the publications about the research themes, it is plausible to reduce the pool of potential investigations (Dubey and Kothari, 2022, p.5).

PRISMA flow diagrams may be used to visually show the quantities of records identified, included, and excluded at each stage of the screening process. This facilitates the enhancement of transparency and replicability in the research approach.

During the process of data collecting, it is important to concentrate on matters and inquiries that are relevant to the stated objectives of the research.

### **3.5 Data Analysis**

Given that a simple linear regression (SLR) model is predicated on the utilisation of secondary qualitative data, it necessitates a comprehensive examination of the data to discern patterns and establish connections within the study (Singh, 2022, p.77). The first stage often involves doing a thematic analysis, when a comprehensive evaluation of the gathered data is undertaken to identify core themes and arrange them into cohesive narratives. An analysis of

the fast fashion industry may include the exploration of recurring themes like as supply chain management, market development, and the goal of sustainability. The use of iterative analysis may be employed to refine these themes until they correctly capture the complexities inherent in the data.

A further crucial step is the synthesis of these findings, which integrates the many components of the investigation (Wohlin and Runeson, 2021, p.34). Although using a table to compare various study results might be beneficial, employing a narrative method seems to be more efficacious in elucidating the shared characteristics seen throughout several studies. This kind of synthesis not only underscores the interrelatedness of the many components of the research but also identifies the components that have been sufficiently examined and those that need more inquiry.

The credibility of qualitative research is enhanced by the use of many methodologies. Triangulation enhances the analytical process by incorporating data from several sources, while member verification ensures accuracy and alignment with the members' lived experiences. It is important to thoroughly record the research methodologies used, while also ensuring that researchers engage in self-reflection to identify and address any biases that may influence the obtained findings. Researchers are more inclined to receive constructive feedback via peer debriefing when they provide a comprehensive contextualization of the study's background.

The integration of these approaches facilitates systematic qualitative research, hence enhancing the synthesis of the systematic literature review (SLR) and advancing our collective understanding of the global phenomenon of rapid fashion (H. R. and Aithal, 2022, p.71).

### ***3.6 Quality Assessment***

To ascertain the credibility of the data used in generating the review, it is important to conduct a comprehensive assessment of the secondary research conducted. By using this approach, one will assess the reliability, relevancy, and utility of each source. Evaluating a publication often involves assessing many aspects such as the author's history, previous publications, reputation, research techniques, and overall trustworthiness. The use of pre-established checklists, such as the Critical Appraisal Skills Programme (CASP) for qualitative research, might potentially enhance the efficacy of systematic reviews.

It may be advantageous to pre-determine a selection of books that are deemed essential while disregarding others. This approach serves as a safeguard against researchers' potential

inclination to selectively use material that aligns with their beliefs, while simultaneously neglecting or minimising contradictory data. To have a full grasp of a certain field, it is important to delve into sources that extend beyond the most often mentioned publications. To mitigate the potential influence of selection bias, it is customary practice to ensure that a minimum of two reviewers assess each proposal (Zhang, Chen and Lin, 2022, p.34).

To ensure the serious acceptance of their results, scientists must actively guard against the influence of confirmation bias. To preserve impartiality, researchers need to engage in reflective practice, which involves continuous self-evaluation. The combination of these processes ensures the integrity of the literature review, guaranteeing the reliability of the presented results.

### ***3.7 Research Limitations***

Although secondary data analysis might be advantageous, it is important to acknowledge its limits in terms of integrating many data sources. Researchers have limitations in their choices since they are constrained to depend on the data collection and analysis outcomes of prior studies, which may or may not be relevant to their study. The scope, comprehensiveness, and rigour of a study are inherently limited when relying only on primary research. Due to the enormous volume of literature available, it is possible for a Systematic Literature Review (SLR) to inadvertently overlook relevant studies due to its limited scope. The exclusion of unpublished research findings from non-academic sources is a common practice in systematic literature reviews (SLRs). The findings should be interpreted with care due to the acknowledged limitations.

### ***3.8 Ethical Considerations***

When engaging in secondary research, it is essential to refrain from committing plagiarism and instead provide a comprehensive synopsis of the findings obtained by the primary researchers. Ensuring the accurate referencing of all secondary sources included in the literature review is crucial for maintaining the study's credibility. It is essential to consistently ensure the presence of confidentiality or intellectual property agreements before the use of any information. Systematic examination and disclosure of conflicts of interest and instances of bias in the original study are necessary (Zhao and Ye, 2021, p.6). Adhering to these protocols enhances the credibility of the systematic literature review and affirms the researcher's dedication to upholding academic honesty.



## ***Chapter 4: Findings and analysis***

### ***4.1. Findings***

In the domain of quick fashion, Zara and H&M serve as prime examples of effective global marketing strategies, with each brand forging an own trajectory towards achieving worldwide recognition. The aforementioned expedition highlights the significance of pioneering marketing strategies that are intricately intertwined with modern digital platforms and social media outlets. Zara, a well-known fashion company, has a marketing strategy that prioritizes swift adaptation to fashion trends, enabling the firm to consistently introduce new designs and maintain a contemporary and attractive image. This strategy, although reducing reliance on conventional advertising methods, mainly depends on the appeal of regularly refreshed product assortments and the strategic positioning of its retail outlets in highly desirable areas. In contrast, H&M exemplifies a brand image that is characterized by its young and dynamic nature, which is notably enhanced via its deliberate partnerships with esteemed designers, artists, and influencers. These collaborations not only augment the attractiveness of the brand but also facilitate H&M's access to a wider and more varied population. The marketing strategy of H&M has undergone development to include a significant focus on sustainability, in line with the increasing consumer consciousness and desire for ethical and ecologically responsible fashion options. The adoption of sustainable practices by H&M has not only resulted in a transformation of its brand identity but also acts as an effective marketing strategy, setting it apart from other companies in the fast fashion sector. Both Zara and H&M have recognized and used the potential of digital media, including social media platforms such as Instagram, as a means to actively interact with their client base. The use of influencers in marketing efforts has proven to be a transformative strategy, enabling companies to access previously untapped consumer segments, enhance online visibility, and have substantial influence over prevailing fashion trends. These platforms provide instantaneous engagement and feedback, establishing a dynamic environment in which businesses may promptly assess customer responses and preferences.

In addition, individualized marketing methods have emerged as a fundamental element for many firms. Through the examination of client data, Zara and H&M use personalized suggestions, so augmenting the entire shopping experience. The use of a data-driven strategy facilitates the establishment of a more profound bond with clients, hence promoting loyalty and driving further purchases. Furthermore, both businesses prioritize after-sales support as a key aspect of their operations, effectively resolving consumer issues and therefore enhancing their reputations for being customer-centric. Zara and H&M, two prominent players in the

fast fashion industry, demonstrate notable marketing methods that have played a pivotal role in their successful worldwide development. This comparative research elucidates the subtleties and effects of their methodologies, illustrating how each brand has distinctively maneuvered through the complexities and possibilities of global marketplaces.

Zara, renowned for its prompt adaptation to fashion trends, implements a marketing approach focused on expeditious rotation of its product assortments. This strategy capitalizes on the enthusiasm produced by continuously shifting designs, ensuring that the brand remains dynamic and captivating for its client base. In contrast to several rivals, Zara employs a strategy that reduces its dependence on conventional advertising by using the strategic positioning of its shops and the inherent allure of its regularly refreshed assortment of products (Peters, Li, & Lenzen, 2021, p.87). This strategic approach allows Zara to sustain a perception of exclusivity and appeal, therefore attracting shoppers to engage with its own fashion story.

On the other hand, H&M's marketing approach is distinguished by its dynamic and young brand identity, which is notably enhanced by strategic partnerships with esteemed designers, artists, and influencers. These collaborations not only augment the brand's attractiveness but also broaden its scope to a more heterogeneous demographic. Furthermore, H&M has successfully incorporated sustainability into its operational and marketing strategies, aligning with the increasing customer preference for ecologically conscious and ethically manufactured apparel. The dedication to sustainability has played a crucial role in developing the brand identity of H&M in recent years, acting as both a distinguishing factor and a significant component of their marketing strategy (Bonilla del Olmo Arriaga and Andreu, 2019, p.23).

Both Zara and H&M have skillfully used digital media and social media channels to actively connect with their respective fans. The use of influencers in their marketing strategies has allowed these firms to access previously untapped consumer segments, enhance web traffic, and have a substantial impact on fashion trends (Bonilla del Olmo Arriaga and Andreu, 2019, p.23). These platforms provide opportunities for companies to engage in real-time contact and get immediate feedback, therefore establishing dynamic environments where they can promptly assess and address customer responses and preferences. Moreover, there has been a notable emphasis on tailored marketing methods by businesses. Zara and H&M use consumer data to provide tailored suggestions, ultimately augmenting the whole shopping experience and cultivating a more profound client relationship. The aforementioned methodology not only fosters patronage from customers but also stimulates recurrent transactions (Abanilla et



al., 2022, p.87). The provision of after-sales support is an additional crucial factor, with both businesses putting significant importance on effectively resolving customer issues, therefore enhancing their image for customer-centricity.

The observed disparity in marketing strategies between Zara and H&M may be characterized by Zara's prioritization on frequent design turnover and little advertising, in contrast to H&M's emphasis on collaborations, sustainability, and influencer involvement. This divergence serves as a clear demonstration of the unique approaches used by these two companies to achieve success in the global market. Notwithstanding these disparities, both companies exhibit a shared characteristic in their use of digital marketing and customized consumer interaction, underscoring the significance of these factors in the contemporary fast fashion sector (Jin et al., 2023; Xuejie Chang and GuangHao, 2019, p.39). The marketing approaches used by Zara and H&M, although exhibiting differences in implementation, have a commonality in their efficacy and flexibility. The ability of companies to successfully enter and flourish in global markets serves as evidence of the efficacy of inventive marketing strategies, establishment of strong brand identities, and active involvement of customers. The present comparative research not only provides illumination on the strategic decisions made by these two prominent fashion industry leaders, but also imparts significant lessons for other firms as they navigate the always changing and dynamic global fast fashion market. Upon doing an analysis of the sales strategies and consumer interaction tactics used by Zara and H&M, it becomes apparent that these two entities, albeit adopting contemporary retail techniques, manifest distinct attributes that align with their own brand ideologies and target demographics.

Zara's retail strategy is closely interconnected with its supply chain management, with a particular emphasis on the aspects of speed and efficiency. This strategic approach facilitates fast inventory turnover and regular launch of new collections, hence maintaining the brand's novelty and attractiveness to its client demographic. The retail strategies used by the organization integrate conventional brick-and-mortar store techniques with online sales platforms, therefore providing a cohesive shopping experience that accommodates diverse customer inclinations. The implementation of an omnichannel strategy guarantees that customers get consistent levels of service and product availability, regardless of whether they choose to purchase online or in-store. A study by Xuejie Chang and GuangHao (2019) and another study by Jin et al. (2023) found that this contributed to a more unified brand.

H&M, on the other hand, targets a younger clientele with their affordable but trendy clothing. The firm has both brick-and-mortar locations and a robust internet shopping approach. H&M

has maintained a continual and dynamic conversation with its target audience via social media and other platforms by mixing lifestyle content with product advertising. Abanilla et al. (2022) state that the brand's success may be attributed in large part to the fact that it meets the growing demand from consumers for sustainable and ethical clothes.

In addition, scarcity and uniqueness are two of its main selling factors. Limited-time offers, deep discounts, and invitation-only access to new product lines are all examples of how businesses may generate a sense of urgency and exclusivity. Customers are more likely to feel involved in the company and make more purchases as a consequence. Keeping clients engaged in the brand and eliciting loyalty is a top priority, and study by Abanilla et al. (2022) indicates that this strategy is very effective. Retail strategies used by Zara and H&M show similarities in key areas but are tailored to fit each company's unique identity. Retail outlets online and offline, individualized product offerings, and innovative marketing tactics are all tools used by both firms to attract and retain consumers. Insights into the dynamic nature of fast fashion retail are made possible by this in-depth study, which also shows the importance of these methods in their global expansion and success. Fast fashion leaders Zara and H&M may have found success due to their unique approaches to sourcing and manufacturing.

The procedures outlined above demonstrate a significant focus on efficient design-to-market strategies, manufacturing productivity, and an increasing emphasis on sustainability and ethical conduct.

Zara's manufacturing methodology is well recognized for its rapidity and effectiveness. The company has shown a high level of proficiency in efficiently transforming runway concepts into commercially viable items. The expeditious manufacturing process is assisted by a meticulously regulated supply chain, whereby Zara has control over all phases ranging from design to distribution. The expeditiousness with which the corporation is able to introduce items to the market, sometimes within a span of weeks, is a fundamental source of competitive advantage. The attainment of this velocity is accomplished by means of a synergistic amalgamation of internal production capabilities, intimate partnerships with external providers, and the use of sophisticated logistical frameworks (Kim and Woo, 2021, p.9). In contrast, H&M places emphasis on maintaining a broad supply chain in order to effectively address its manufacturing requirements. The organization engages in procurement activities from a diverse pool of suppliers on a worldwide scale, enabling it to effectively manage the trade-off between cost, timeliness, and product assortment. H&M has also made notable progress in integrating sustainable practices into its manufacturing operations. The company has shown a proactive engagement in sustainability initiatives, including the

acquisition of certifications and the promotion of circular fashion. Circular fashion is a concept that prioritizes the creation of things that can be recycled or used (Miotto and Youn, 2020, p.45).

Both brands have encountered difficulties pertaining to the practice of ethical production. The presence of substandard working conditions and environmentally unsustainable activities across the supply chain has elicited significant criticism. As a reaction, Zara and H&M have intensified their emphasis on ethical sourcing and production. This includes the enforcement of labor regulations among suppliers, the procurement of sustainable materials, and the use of technological advancements to enhance operational efficiency and mitigate environmental consequences. The incorporation of sophisticated manufacturing techniques such as 3D knitting and automation has been instrumental in augmenting the efficacy and ecological soundness of their undertakings (Bucks et al., 2020; Wang et al., 2020, p.23). In addition, companies are making significant investments in advanced distribution centers that use automation and robotics technology, hence improving the effectiveness of order fulfillment procedures. This transition not only ensures punctual and precise transportation of goods but also corresponds with the increasing consumer consciousness about environmental and ethical concerns associated with purchases. Zara and H&M are effectively addressing customer concerns by prioritizing responsible sourcing and the use of sustainable materials, all while maintaining their fast-paced manufacturing cycles (Amatulli et al., 2021, p.33).

The fast fashion business has significantly altered conventional fashion manufacturing paradigms, propelled by the belief that time is equivalent to monetary worth. The ability of the industry to efficiently convert concepts into retail products that are economically accessible is a distinguishing characteristic of brands such as Zara and H&M. The expeditious manufacturing and distribution processes provide novel hurdles for companies as they endeavor to maintain equilibrium among velocity, cost-efficiency, environmental responsibility, and ethical considerations within a dynamic market (Ceccanti, 2023, p.12). The worldwide growth plans of Zara and H&M heavily rely on their production and manufacturing processes. Both companies have shown proficiency in rapid product development and operational effectiveness. However, their growing emphasis on sustainability and ethical production may be seen as a strategic reaction to current customer expectations and prevailing market dynamics. The present analysis highlights the comprehensive methodology used in production and manufacturing, emphasizing the intricate relationship between operational effectiveness and corporate accountability within the fast fashion sector.

## *Discussion*

Both Zara and H&M, two important organizations operating within the global fast fashion industry, have developed distinct strategic approaches that have been the basis for their respective successes on a global scale. These methods have served as the foundation for their respective success. The study that has been performed provides a detailed analysis of these strategies, offering important insights on their techniques in the areas of marketing, sales, production, manufacturing, and supply chain management. This analysis was made possible by the completion of the research. The process of developing and putting marketing and sales strategy into action is going to be the focus of this conversation.

Both Zara and H&M have devised extensive marketing strategies that make efficient use of digital platforms and social media to engage in active conversation with the demographics who are the focus of their respective businesses. Zara's marketing approach is marked by the speed with which it responds to emerging trends and by its reduced reliance on traditional forms of promotion. Instead, the company places a greater emphasis on the allure of its often updated product range. In contrast, H&M places a greater emphasis on appealing to a younger client base via the use of its dynamic brand identity as well as the intentional cultivation of collaborations with fashion designers and important persons. According to Jin et al. (2023) and Kim and Woo (2021) the importance of emphasizing digital contact and personalizing customer experiences is vital for the success of both enterprises in capturing a greater piece of the market and developing brand loyalty.

Processes of production and manufacture are of particular importance as a subject of discussion.

In the realms of production and manufacturing, Zara is recognized for its operational excellence, which is defined by its outstanding efficiency and expeditiousness. This is made easier by the deployment of a supply chain that is rigorously maintained, which permits rapid turnover of goods and so facilitates the process. On the other hand, H&M is able to efficiently control the costs, velocities, and assortments of its product offerings thanks to the strategic implementation of a diverse international supply chain. This allows Zara to maintain its position as a market leader. In addition to maximizing efficiency, the supply chain at H&M places a premium on ethical and environmentally responsible sourcing practices. Both organizations have had trouble ensuring that their supply chains are both flexible and socially responsible, a delicate balance that is becoming more important in today's economy (Amatulli

et al., 2021; Backs et al., 2020, p.31). Both of these studies were conducted by (Amatulli et al. and Backs et al.) The purpose of this discussion is to investigate the difficulties and possibilities that are present within a certain setting. This study will delve into the many challenges and possible benefits that may be faced, with The report further emphasizes the challenges and opportunities encountered by Zara and H&M during the course of their efforts to expand their global presence. The challenges involved in this context include efficiently navigating the complicated nature of international markets, successfully adapting to cultural variances, and immediately responding to the always changing dynamics of the fashion company. The aforementioned opportunities, on the other hand, lie in the use of technology and innovation to improve both effectiveness and sustainability, as well as in the continuous modification of business strategies to accommodate evolving customer tastes (Ceccanti, 2023; Moreno and Martnez Velázquez, 2023, p.11).

The techniques used by Zara and H&M to facilitate their worldwide growth exhibit diversity and adaptability, with each brand showcasing distinct proficiency across many domains. Zara is characterized by its exceptional proficiency in efficient design-to-market procedures, while H&M is characterized by its adept management of a worldwide supply chain and commitment to environmental initiatives. Meanwhile, both organizations persist in grappling with the dilemma of striking a balance that enables them to optimize their efficiency while also upholding ethical and ecologically sustainable practices. The findings of the research offer valuable perspectives for other enterprises operating within the fast fashion sector, emphasizing the importance of adaptability, customer orientation, and commitment to sustainability as key factors in attaining global competitiveness (Wang, 2018; Safsten & Gustavsson, 2020, p.55).

The global expansion of Zara and H&M has been marked by strategic innovations and adaptations across several business domains, including marketing, sales, production, manufacturing, and supply chain management, among other areas. These strategies have not only played a significant role in the company's worldwide success but have also set new benchmarks within the fast fashion industry. Zara's marketing strategy has a dual focus on staying abreast of contemporary trends and using straightforward promotional techniques. The company's expeditious design-to-market strategy, which significantly reduces the temporal gap between design conception and product availability, has played a pivotal role in the company's achievements. Zara's operational approach, characterized by a highly agile supply network, facilitates the company's ability to introduce over twenty distinct collections year. This stands in stark contrast to traditional retailers that adhere to a seasonal release

schedule (Kim and Woo, 2021, p.21). In contrast, H&M has a multifaceted marketing strategy that includes collaborations with prominent celebrities and designers. This approach has shown efficacy in capturing the interest of a demographic characterized by a strong inclination towards fashion. An instance of H&M's cooperation with fashion designer Alexander Wang exemplified the rapid depletion of the collection within a few hours, so indicating the widespread appeal of such collaborative ventures (Bonilla del Olmo Arriaga and Andreu, 2019, p.34). Likewise, a collaborative partnership between the renowned sportswear brand Nike and the acclaimed rapper Kanye West led to the creation of a footwear collection that saw rapid depletion of stock within a matter of days.

The manufacturing process at Zara is connected with its supply chain management, which enables the company to reduce the time it takes to turn new goods around to only two to three weeks. This pace is made possible by the company's practice of making goods in small quantities, which also helps cut down on the cost of inventory and the amount of trash produced. According to Backs et al.'s 2020 research, around sixty percent of Zara's apparel is produced in close proximity to the company's headquarters in Spain. This provides Zara with more manufacturing control and flexibility. On the other hand, H&M delegates the manufacture of its goods to a global consortium of more than 800 suppliers, the majority of which are located in Asia and Europe. This approach of global sourcing affords H&M the opportunity to realize cost savings; nevertheless, it also presents issues in terms of maintaining quality control and adhering to ethical business standards. As a direct reaction, H&M has been making investments in sustainability efforts, such as their objective to become 100% climate positive by the year 2040 (Miotto and Youn, 2020, p.33). The supply chain that Zara uses is an integral part of the company's overall business plan. Its inventory optimization techniques make sure that retailers get new items twice a week. This helps to maintain the offers of the brand current and avoids the need for price reductions. The parent company of Zara, Inditex, claimed an exceptional inventory turnover ratio of 7 times each year in 2019, which is much greater than the norm for the industry (Wang et al., 2020, p.11). The supply chain for H&M has a strong emphasis on striking a healthy balance between cost, speed, and sustainability. In order to anticipate trends and effectively manage inventories, the corporation relies on sophisticated data analytics. The dedication of H&M to enhancing the responsiveness and effectiveness of its supply chain is shown by the company's investment in a brand new automated logistics center in Germany that costs 170 million euros (Amatulli et al., 2021, p.54). The dynamic and ever-shifting nature of the fashion business presents Zara and H&M with one of the most significant difficulties they must overcome. The landscape is

shifting due to factors such as the proliferation of internet shopping and shifting customer tastes toward environmentally friendly and ethically produced clothing. For example, according to a poll conducted in 2020, 66 percent of customers throughout the world are prepared to pay extra for environmentally friendly products. This is a trend that both Zara and H&M have been addressing via a variety of sustainability programs (Ceccanti, 2023, p.77).

The above research was approved by Coventry University. Here, the ethical considerations with relation to the industrial processes provide was still another obstacle. The public's attention has been drawn to problems such as hazardous working conditions and negative effects on the environment. In response to this, both companies have been making efforts to improve the degree of openness and responsibility that characterize their business practices. For instance, H&M has set a goal to solely utilize materials that have been recycled or obtained in a sustainable manner by the year 2030 (Moreno and Martnez Velázquez, 2023, p.22). The worldwide strategies that Zara and H&M have implemented show how important it is for the fast fashion business to be adaptable, innovative, and sensitive to the shifting preferences of its customers. In spite of the fact that both brands have similar objectives, such as increasing efficiency and adaptability to changing market conditions, the ways in which they handle marketing, manufacturing, and the management of supply chains are very different. The capacity of these organizations to adjust to new problems and capitalize on emerging possibilities will be very necessary to ensure that they maintain their level of success as the industry continues to undergo change. The understandings that were obtained from their techniques provide helpful guidelines for other competitors in the game.

## Chapter 5: Conclusion

It is critical to encapsulate the rich insights gained while critically reflecting on the study's inherent limitations at the end of this extensive research endeavour, which has explored deep into the complex structure of the fast fashion industry with a touched lens on the global strategies use by industry giants Zara and H&M. Furthermore, this conclusion will reveal prospective future study avenues, providing a thorough awareness of the industry's intricacies.

The preceding chapters provided a thorough examination of Zara and H&M's operational complexities. This trip has revealed the intricate interaction of marketing, sales, production, and supply chain management that has contributed to their global supremacy. However, no intellectual endeavour is without restrictions, and it is our responsibility to investigate these constraints. One of the most significant obstacles is the time constraint put on the research process. The fast fashion market moves at breakneck speed, and Zara and H&M's tactics are always evolving. This intrinsic dynamic made collecting the most recent information difficult, raising concerns about the study's temporal relevance. Recognising this restriction invites a more nuanced assessment on the larger temporal environment in which we exist.

As we consider the time-sensitive nature of our study, we see that the fast fashion environment is a constantly evolving terrain. Future research might benefit greatly from a longer timeframe, allowing for a more full study of the long-term efficacy of Zara and H&M's tactics. Furthermore, the addition of emergent aspects such as disruptive technology or geopolitical effects might give a more comprehensive picture of the industry's ever-changing dynamics. Recognising and resolving these temporal constraints creates the groundwork for a vigorous debate on future research directions. The influence of time limitations on the sustainability efforts of fast fashion behemoths is one area that deserves further investigation. Zara and H&M are grappling with the problem of incorporating eco-friendly practises while adhering to the rigorous confines of quick manufacturing schedules. A more in-depth examination of the success of sustainable efforts in a time-sensitive setting might produce significant insights, contributing to the developing conversation about responsible business practises.

Furthermore, the ethical implications of the fast fashion supply chain necessitate ongoing study. Despite excellent efforts by Zara and H&M to improve labour standards, the complicated task of implementing and monitoring these policies across vast supply chains adds another degree of complication. Future study should go deeper into these issues, unravelling the complexities of ethical labour practises in the fast fashion business and



offering novel approaches for effective application. So, the study concludes successfully and peeled back the layers of strategic complexities employed by Zara and H&M in the global fast fashion arena, acknowledging limitations and outlining potential future research directions are critical for a more comprehensive understanding of the industry's dynamics. This research should not be viewed as a final result, but rather as a starting point for additional investigation and strategy creation in the fast fashion industry. The time restrictions and ever-changing nature of the fast fashion sector also raise concerns about the sustainability of Zara and H&M's tactics. To accurately assess the long-term success of these methods, future research efforts may use a longitudinal approach, following the evolution of these organisations over time. A more comprehensive understanding of the strategies' endurance and flexibility in the face of shifting market circumstances would result from such an approach.

Furthermore, the study concentrated on Zara and H&M, two prominent competitors in the fast fashion market. While their techniques provide useful insights, the sector is varied, with different firms taking different approaches. A comparison examination including a larger range of organisations might help us better understand the many methods at work and their effects on sustainability, ethical practises, and long-term performance. Furthermore, the study assessed the strategies primarily from a corporate standpoint, with an emphasis on company operations and market dynamics. Future study might focus on the consumer side of the equation, investigating how Zara and H&M's initiatives resonate with and affect consumer behaviour. Understanding the changing preferences and ethical concerns of fast fashion customers is critical for defining the industry's future trajectory. Finally, as we conclude this detailed investigation into the dynamics of the fast fashion business, it is critical to regard the results not as the final word, but as a stimulus for more investigation. The industry's dynamic nature and temporal limits need continual analysis, and the limitations of this study pave the way for more nuanced and focused research endeavours. Researchers may contribute to a deeper knowledge of sustainable and ethical practises by embracing the ever-changing terrain of fast fashion, driving the sector towards a more responsible and adaptive future.

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**Certificates:**

The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing, Sales, Production, Manufacturing, and Supply Chain Operations.



## **Certificate of Ethical Approval**

**Applicant:** Maria Micheal Raj  
**Project Title:** The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing, Sales, Production, Manufacturing, and Supply Chain Operations.

This is to certify that the above named applicant has completed the Coventry University Ethical Approval process and their project has been confirmed and approved as Low Risk

**Date of approval:** 03 Oct 2023  
**Project Reference Number:** P163962

The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing, Sales, Production, Manufacturing, and Supply Chain Operations.



### Low Risk Research Ethics Approval

Project title

The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing, Sales, Production, Manufacturing, and Supply Chain Operations.

### Record of Approval

#### Principal Investigator's Declaration

I request an ethics peer review/ confirm that I have answered all relevant questions in this application honestly	X
I confirm that I will carry out the project in the ways described in this application. I will immediately suspend research and request an amendment or submit a new application if the project subsequently changes from the information I have given in this application.	X
I confirm that I, and all members of my research team (if any), have read and agree to abide by the code of research ethics issued by the relevant national learned society.	X
I confirm that I, and all members of my research team (if any), have read and agree to abide by the University's Research Ethics Policies and Processes.	X
I understand that I cannot begin my research until this application has been approved and I can download my ethics certificate.	X

Name: Maria Micheal Raj (7053SSL)

Date: 29/09/2023

#### Student's Supervisor (if applicable)

I have read this checklist and confirm that it covers all the ethical issues raised by this project fully and frankly. I also confirm that these issues have been discussed with the student and will continue to be reviewed in the course of supervision.

Name: Christos Zoumpos

Date: 03/10/2023

#### Reviewer (if applicable)

Date of approval by anonymous reviewer: -

### Low Risk Research Ethics Approval Checklist

#### Project Information

Project Ref	P163962
Full name	Maria Micheal Raj
Faculty	CU Group - CU Coventry
Department	Business and Law
Supervisor	Christos Zoumpos
Module Code	7053SSL
EFAAF Number	
Project title	The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing, Sales, Production, Manufacturing, and Supply Chain Operations.
Date(s)	28 Sep 2023 - 28 Nov 2023
Created	25/09/2023 18:41

#### Project Summary

The research is based on qualitative approaches. The primary focus of this literature review will revolve around the interpretation, comprehension, and coherent analysis of the current body of literature. The use of case studies will play a pivotal role in this endeavour. The study will provide a comprehensive analysis of the strategies and operations of Zara and H&M, aiming to uncover not only the actions undertaken by these firms but also to explore the underlying reasons and mechanisms behind their decisions (Rajšp & Fister, 2020). A comprehensive examination process guarantees a detailed comprehension of the technique's organisations employ to expand their operations, providing in-depth and nuanced perspectives on the complexities associated with global company growth strategies.

Names of Co-Investigators and their organisational affiliation(place of study/employer)	
Is this project externally funded?	No
Are you required to use a Professional Code of Ethical Practice appropriate to your discipline?	No
Have you read the Code?	No

### Project Details

<p>What are the aims and objectives of the project?</p>	<p><b>Aims and objectives</b>          This study aims to conduct a thorough comparative examination of the worldwide growth tactics used by Zara and H&amp;M, with a specific emphasis on their marketing, sales, production, manufacturing, and supply chain activities.</p> <p><b>Research objectives</b></p> <ol style="list-style-type: none"> <li>1. To focus on branding, advertising, social media, and consumer interaction methods, this article will examine how Zara and H&amp;M adapt their worldwide marketing strategies for use in various foreign regions.</li> <li>2. To analyse the retail store tactics, internet sales channels, and customer retention initiatives that Zara and H&amp;M have used to expand their sales.</li> <li>3. To examine Zara's and H&amp;M's global operations in terms of production and manufacturing, paying special attention to sourcing, speed to market, and sustainability efforts.</li> <li>4. To provide suggestions for improvement based on lessons learned from analysing how Zara and H&amp;M handle supply chain management for their international operations with regards to inventory and logistics.</li> </ol>
<p>Explain your research design and outline the principal method(s) you will use</p>	<p>Qualitative research design, qualitative data from literature. To comprehensively comprehend the subject matter, the study will gather information from a wide array of sources. Academic journal articles provide comprehensive and meticulously evaluated perspectives through rigorous peer review. Books may provide a broader scope of information, historical context, or in-depth analysis using comprehensive overviews, historical viewpoints, or thorough case studies. Technical reports and publically accessible statistics data will provide a solid foundation for the study by incorporating empirical evidence, numerical data, and patterns. There are two main reasons for selecting this particular methodology. First and foremost, this approach ensures a comprehensive comprehension of the subject matter, including broad and specific viewpoints. Furthermore, it effectively employs existing resources without allocating efforts towards collecting original data, which may not necessarily provide extra value for the particular research at hand.</p>
<p>Are you proposing to use a validated scale or published research method/tool?</p>	<p>No</p>

The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing, Sales, Production, Manufacturing, and Supply Chain Operations.

Does the research seek to understand, identify, analyse and/or report on data/information on terrorism/terrorism policies?	No
Does your research seek to understand, identify, analyse and/or report on information for other activities considered illegal in the UK and/or in the country you are researching in?	No
Are you analysing Secondary Data?	Yes
Is this data publicly available?	Yes
Could an individual be identified from the data? e.g. identifiable datasets where the data has not been anonymised or there is risk of re-identifying an individual	No
Are you dealing with Primary Data involving people?	No
Are you dealing with personal data?	No
Are you dealing with special category data (formerly known as sensitive data)?	No
Is the project solely desk based secondary research?	Yes
Will the data collection, recruitment materials or any other project documents be in any language other than English?	No
Are there any other ethical issues or risks of harm raised by the study that have not been covered by previous questions?	No

The Global Expansion Strategies of Zara and H&M: A Comparative Analysis of Marketing, Sales, Production, Manufacturing, and Supply Chain Operations.

#### External Ethics Review

Question	Yes	No
1 Will this project be submitted for ethical review to an external organisation?		X
Name of external organisation		
2 Are you submitting to IRAS?		
3 Has this project previously been reviewed by an external organisation?		