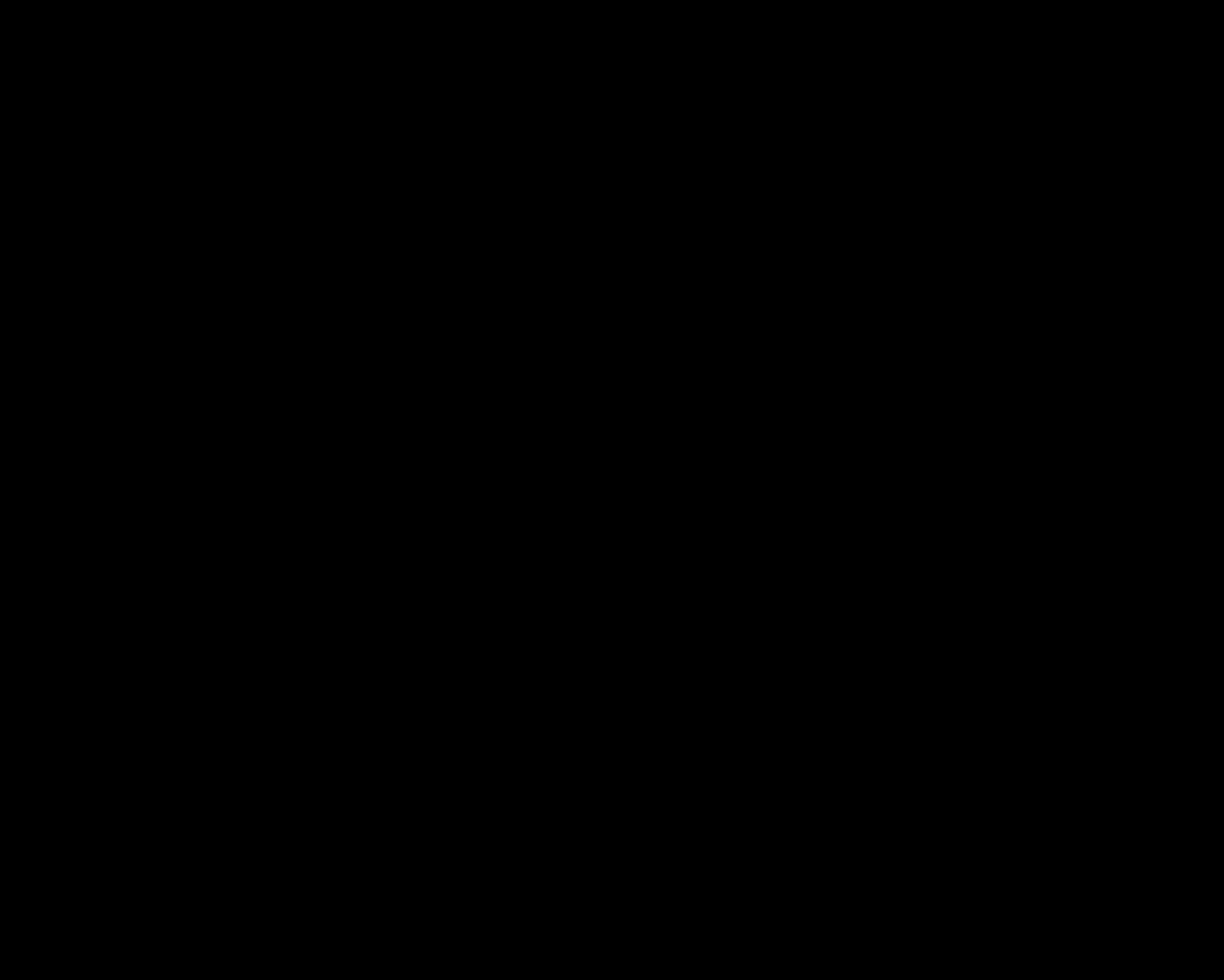


INDITEX



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Corporate Brand Management II

Lecture of M.Casanova, University of Bern
Beyrouti Bernardo, Dolz JuanManuel, Vázquez Jordi



Objectives

- Presentation of the one of the world's largest fashion retailers
- Explanation of core values
- Brand Management
- Conclusions



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INDITEX

Is one of the world's largest fashion retailers, welcoming shoppers at its eight store formats -Zara, Pull and Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe - boasting 4.607 stores in 74 countries.



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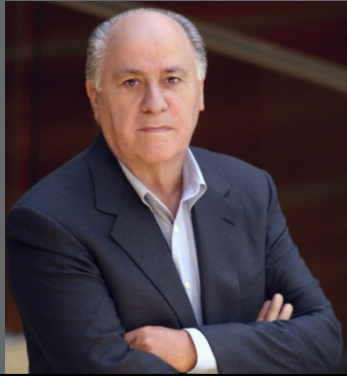
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Chairman & CEO



Mr. Amancio Ortega

-**Founding partner of Inditex and President** of his Advice and of his Executive commission from his constitution in June, 1985.

-He is the maximum shareholder of the company with 369.600.063 actions that it possesses across Gartler, S.L. and Partler 2006, S.L.



Mr. Pablo Isla

-**CEO** from 2005. Licensed in Law for the Complutense University of Madrid. He is a holder of 139.800 actions of the company.

-In addition, he is a member of the Board of Directors of Telefonica, S.A.

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The World's Billionaires

RANK	NAME	CITIZENSHIP	NET WORTH (\$BIL)
1	Carlos Slim Helu & Family	Mexico	53.5
2	William Gates II	EEUU	53
3	Warren Buffett	EEUU	47
4	Mukesh Ambani	India	29
5	Lakshmi Mittal	India	28.7
6	Lawrence Ellison	EEUU	28
7	Bernard Arnault	France	27.5
8	Eike Batista	Brazil	27
<u>9</u>	<u>Amancio Ortega</u>	<u>Spain</u>	<u>25</u>
10	Karl Albrecht	Germany	23.5

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Zara (www.zara.com), whose first store opened in 1975 in A Coruña (Spain), is present in 74 countries, with a network of more than 1,395 stores, ideally located in major cities. Its international presence clearly shows that national frontiers are no impediment to sharing a single fashion culture.



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Massimo Dutti was founded in 1985 and acquired by Inditex in 1991. Today, it has more than 497 stores in 44 countries.

Offers quality international fashion design for men, women and children, with a variety of collections that range from sophisticated urban fashions to casual wear.



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Pull and Bear was set up by the Inditex Group in 1991. Since its creation, its fashion concept has known how to adapt to the needs of young people, and is now a clear point of reference for casual, laid-back clothing. Pull and Bear aims to be something more than just a point of sale. Pull and Bear has more than 626 stores in 44 countries.



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Oysho started business in 2001. This format brings the philosophy of the Inditex Group to the women's lingerie and underwear sector, offering the latest trends with quality products at reasonable prices. It has more than 392 stores in 23 countries.



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Bershka was founded in 1998 as a new store and fashion concept, targeting the young female market. Since 2002 it has also sold men's fashion. Bershka stores are large and spacious with a cutting-edge look. They are designed as meeting points for fashion, music and street art. The chain has more than 651 stores in 44 countries.



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Stradivarius, a chain acquired by Inditex in 1999, brings the latest trends in design, fabrics and accessories to a young female public. Its spacious stores (over 515 in 37 countries) have a modern, dynamic design and offer a wide range of fashion possibilities, with a casual and imaginative style.



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Zara Home is the seventh chain of the Inditex Group. It specialises in home furnishings, focussing on textiles, such as bed, table and bathroom linen, complemented by tableware, cutlery, glassware and decorative items. Zara Home offers design, quality and innovation at competitive prices. It has more than 261 stores in 25 countries.



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Uterqüe is the latest chain to be created by the Inditex Group. The business proposal of Uterqüe focuses on accessories –handbags, footwear and leather goods, costume jewellery and other accessories such as shawls, eyewear, umbrellas or hats, together with a selected range of garments and leather clothing.



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INDITEX Nowadays

Concepts	World	Switzerland
Zara	1.395	10
Zara Kids	213	-
Pull and Bear	626	-
Massimo Dutti	497	5
Bershka	651	1
Stradivarius	515	-
Oysho	392	-
Zara Home	261	-
Uterqüe	57	-
TOTAL	4.607	16



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Shops around the World

America	
Zara	188
Zara Kids	-
Pull and Bear	39
Massimo Dutti	32
Bershka	59
Stradivarius	5
Oysho	29
Zara Home	13
Uterqüe	1
TOTAL	366

Europe	
Zara	991
Zara Kids	213
Pull and Bear	527
Massimo Dutti	411
Bershka	541
Stradivarius	464
Oysho	336
Zara Home	224
Uterqüe	49
TOTAL	3.756

Middle East	
Zara	65
Zara Kids	-
Pull and Bear	47
Massimo Dutti	31
Bershka	35
Stradivarius	42
Oysho	27
Zara Home	22
Uterqüe	7
TOTAL	276

Asia-Pacific	
Zara	142
Zara Kids	-
Pull and Bear	11
Massimo Dutti	21
Bershka	14
Stradivarius	1
Oysho	-
Zara Home	-
Uterqüe	-
TOTAL	189

Africa	
Zara	9
Zara Kids	-
Pull and Bear	2
Massimo Dutti	2
Bershka	2
Stradivarius	3
Oysho	-
Zara Home	2
Uterqüe	-
TOTAL	20

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Evolution of the Group

1963-
1974

- Amancio Ortega Gaona, chairman and founder of Inditex, begins his career as a clothing manufacturer. The business grows steadily over the decade until Ortega owns several factories, which distribute their merchandise to other European countries

1975

- Zara traces its roots to this year's opening of the first Zara store on a street in downtown A Coruña, Spain.

1976-
1984

- Zara's approach to fashion is well received by the public, which prompts the retailer to extend its network of stores to major Spanish cities

1985

- Inditex is founded as the holding company of the group of businesses operating at the time.

1986-
1987

- The Group's manufacturers devote their entire output to Zara. The Group lays the foundations for a distribution system that can meet the needs of its expected rapid pace of growth.

1988

- Zara opens its first store outside of Spain in December 1988 in Oporto, Portugal.

1991

- Retailer Pull and Bear is founded, and Inditex buys 65% of the Massimo Dutti Group.

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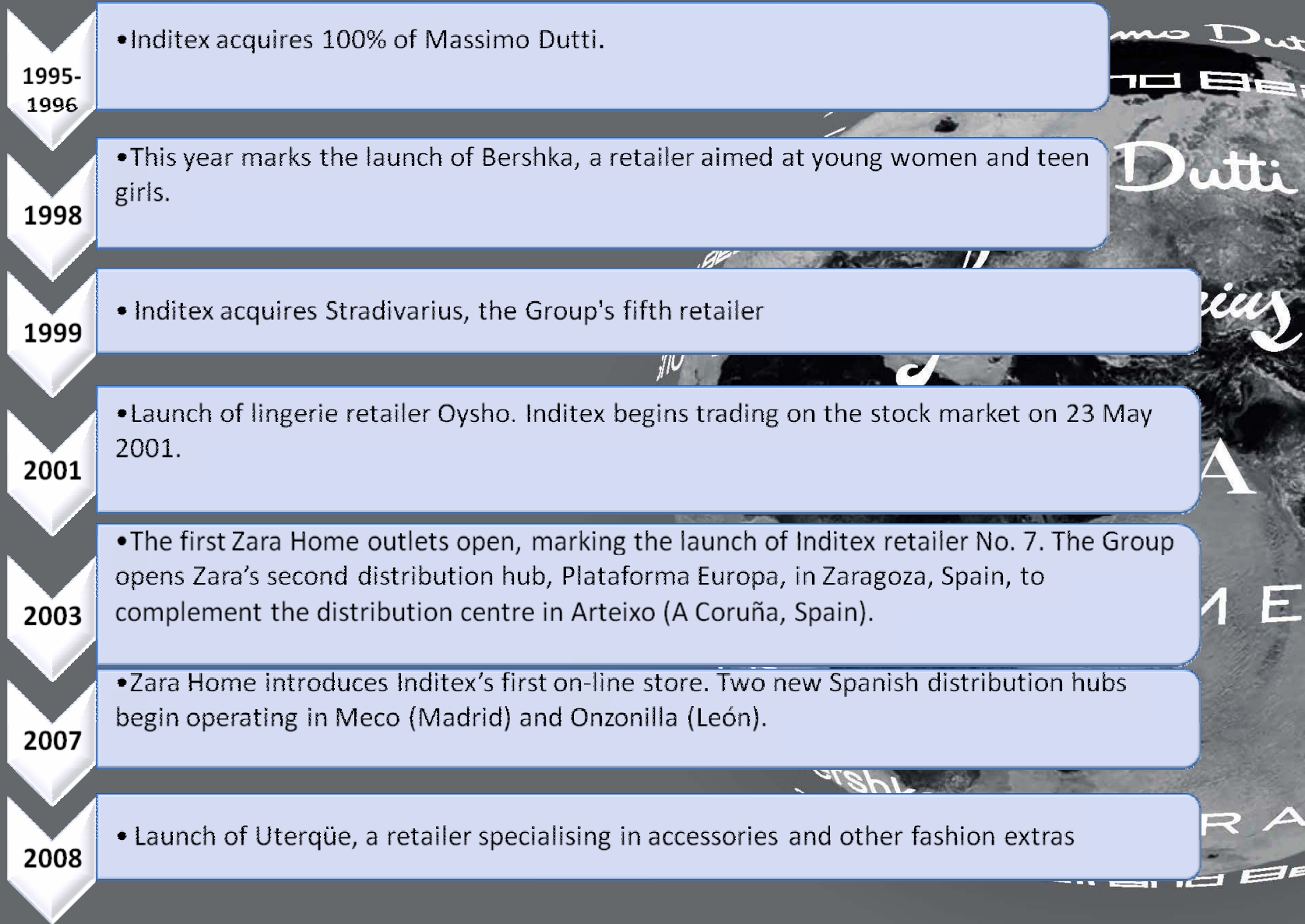
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Evolution of the Group



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Year	2009	2008	09/08
Turnovers	11'084 millions €	10'407 millions €	7% increased
Net Benefit	1'134 millions €	1'253 millions €	119m.€ increased
Number of shops	4607	4264	343
Number of countries	74	73	1
International sales	68%	66%	2%
Employees	92'301	89'112	3'189

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Retail Market 2009

Company	Net Sales (million. €)	Net Benefit (million. €)	Number of Shops.
INDITEX the Group	11.084	1.314	4.607
	10.405	1.681	1.987
	10.517	1.040	3.095

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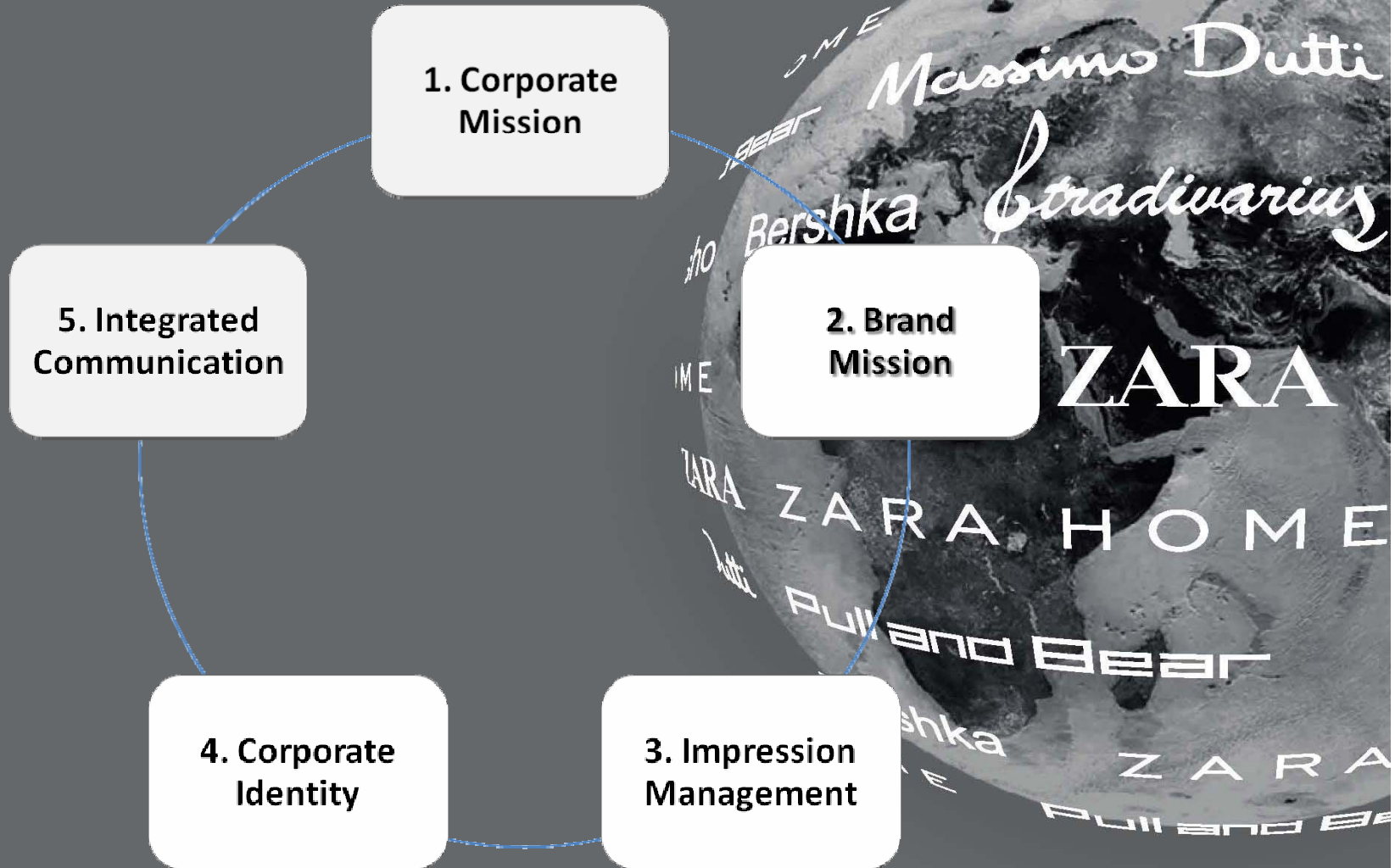
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INDITEX Brand Management



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1. CORPORATE MISSION

IDENTITY

Inditex is one of the world's largest fashion retailers.

VISION AND MISSION STATEMENT

- High priority on the customer combined with a high degree of vertical integration across all the fashion production process: the design, the manufacture, logistics and the sale.
- To respond with agility to the demands of the market.

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2. Brand Mission

2.1. Reputation measurement & analysis

- Inditex was elected in 2009 as the company with the best reputation in Spain by Ranking Merco.
- Is perceived as a low cost brand.
- Fashionable brand.
- Fast stock changes.

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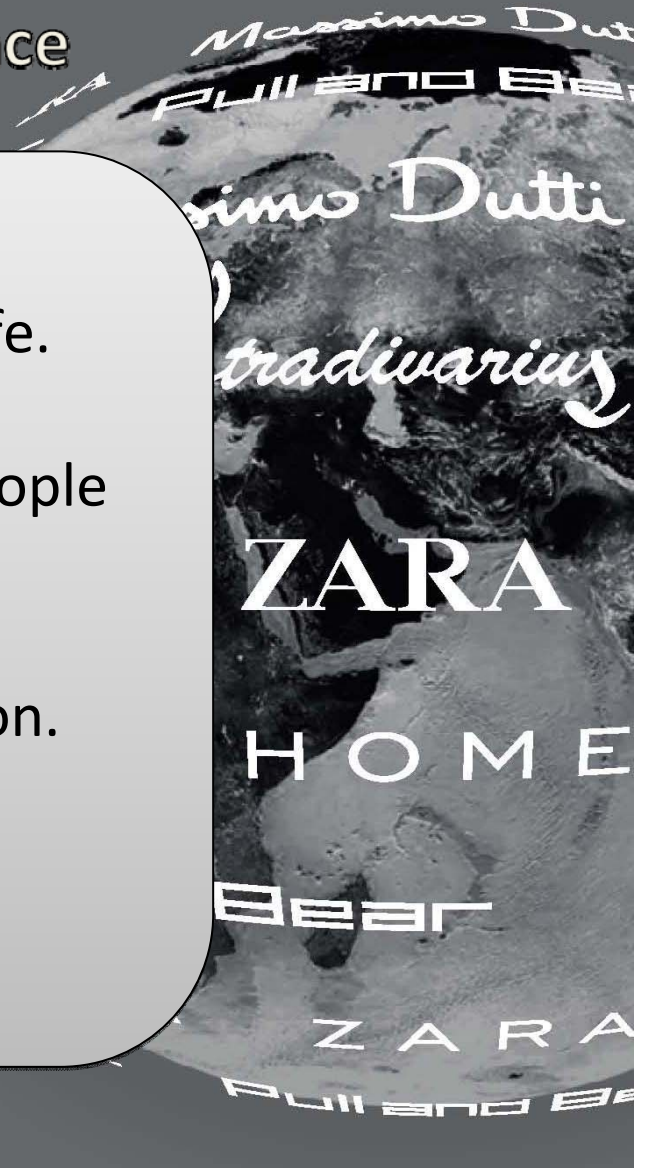
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2.2. Brand personality: the brand essence

- Inditex wants to be a part of customer's life.
- Achieve a customer's experience when people go inside the shops.
- It wants to be perceived by his social action.



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3. IMPRESSION MANAGEMENT

3.1 Brand Architecture:

SEPARATE BRANDING

INDITEX

ONE FIRM

HOUSE
BRANDING

ENDORSE
DBRANDIN

ZARA Massimo Dutti ZARA HOME oysho
Pull and Bear Bershka Stradivarius UTERQÜE

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3.1 S.W.O.T.

Strengths

- Design & Quality : Reasonable prices
- Just in time
- Strong financial system
- Reputation
- Segmented supply: 8 concepts
- Homogeneous group

Weaknesses

- Saturation of the market
- Canibalism within concepts
- Centralized distribution (Spain)

Opportunities

- Creation of outlets
- Increasing interest of the personal image
- Technological development
- Size unification law

Threats

- Increasing competence
- Demanding customers
- Creation shops online

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3.2. Evolvemement of the brand personality

Although shopping there is cheap, **it doesn't feel cheap.**

The stores are large, smart, modern and centrally located.

Cut price interpretations of catwalk styles and getting them into its stores with breathtaking speed (**3 weeks**).

The stores are therefore the **main communication tool.**

Everything is streamlined for **maximum efficiency.**

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3.2. Evolvement of the brand personality



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3.3. Brand Sophistication Ladder

ZARA as an example of Brand-Guided Company

- Growth rates of 20 per cent per annum in the last 10 years.
- The Zara brand is all about “the pleasure of buying high fashion at affordable prices.
- The company relies on word-of-mouth among customers
- By using the brand to drive the business, the company has shortened the distance between its consumers and its designers.

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4. CORPORATE IDENTITY

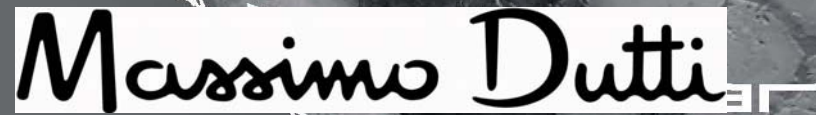
4.1. Creating a fitting visual style



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ZARA



Massimo Dutti

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4.2. Defining stake holder specific messages

- Advertising



- Sales promotion

Affinity Card



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4.3. Developing consistent guidelines

- Code of conduct:

- Internal code of conduct.
- INDITEX code of conduct for external manufacturers and suppliers.
- Internal guidelines for responsible practiques



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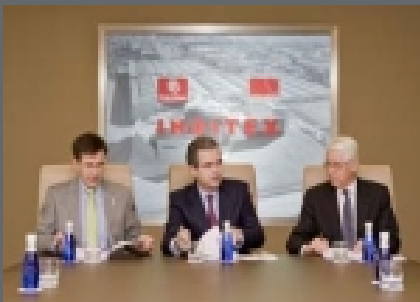
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4.3. Corporate Social Responsibility

- Inditex donates two million Euros for the help and reconstruction of Haiti.
- Inditex and Coruña University, they will collaborate to stimulate actions of Social Responsibility.
- Inditex and the union federation Global UNI Union sign a global agreement of guarantee of the labor laws



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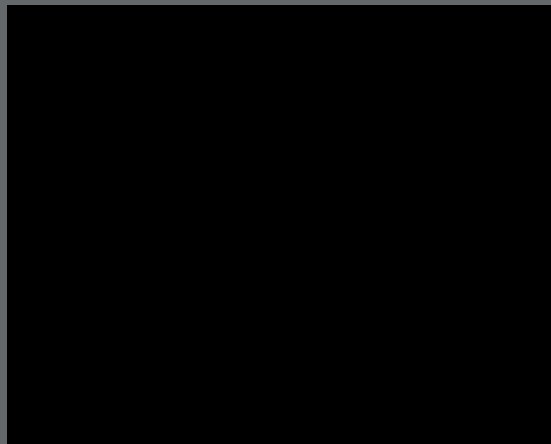
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5. INTEGRATED COMMUNICATION

5.1. Segmentation target groups

- Fragrance for men.

Massimo Dutti



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5.2 Centralization

TIC STRATEGY

Permits real time access to information at all points across our company and to thus organize a world network whereby we can circulate initiatives and customer insights.

MacroLan Objectives:



- Facilitate the **efficient and direct communication** among workplaces located in different locations.
- To have technological network with these characteristics permits **optimize the cost** of these communications

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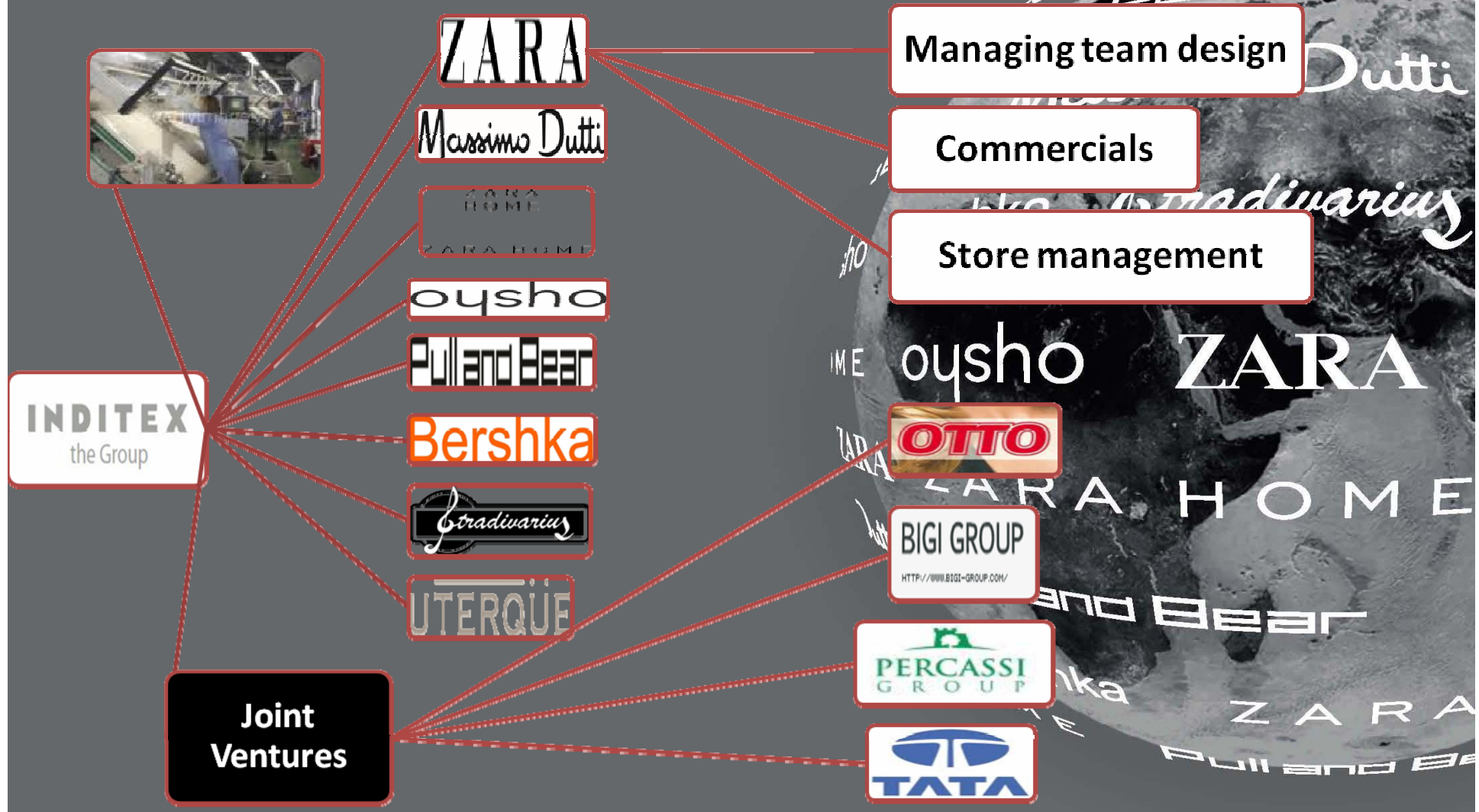
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5.2. Descentralization



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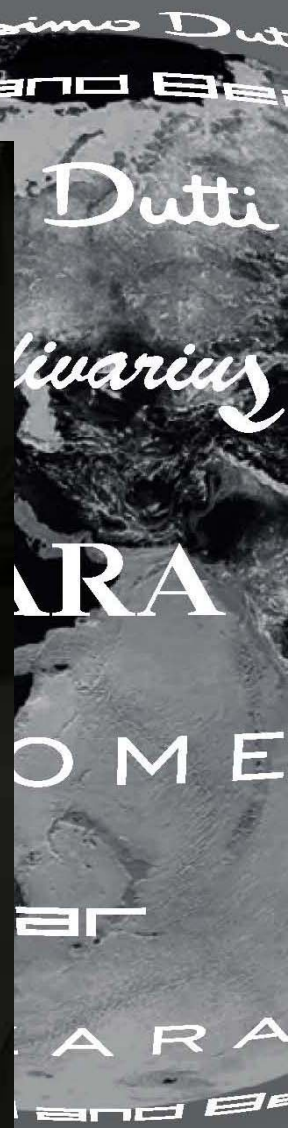
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5.3 Communication & Marketing

Zara in your Phone

You can see the new clothes arriving in the stores every week and also the lookbooks, photos catalog and other collections



Conclusions

- N ° 1 of the retail distribution of textile worldwide.
- INDITEX has made a revolution on the fashion world with his value chain oriented to the customer. (Determines it).
- The advantage of Inditex resides in the high levels of flexibility that can reach.
- Inditex has the advantage that to him the decentralization provides and autonomy of each one of its commercial seals to which the economies generated by the centralization of common services are added.
- The fidelity of the consumers without hardly apparent advertising

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Challenges

- Changing the positioning of the brands leaving behind the image of low cost.
- To extend his zone of production to other near countries as for example Morocco.
- Utilization shop online.

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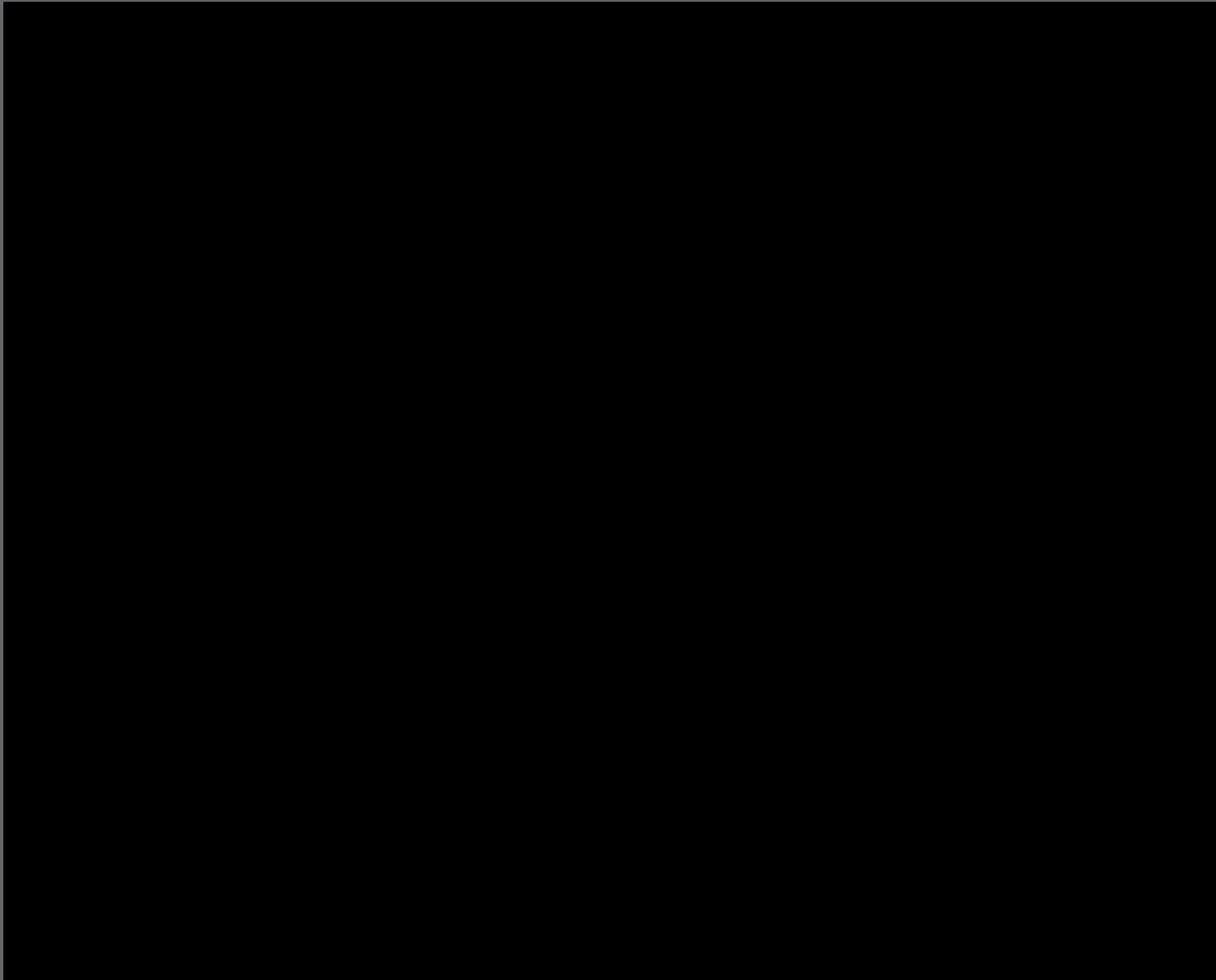
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