

A Comparative Study of the Marketing Strategies of H&M and Zara

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Abstract: Firms in the apparel sector compete successfully by employing various business methods, such as H&M and Zara, to extremes in the industry. H&M's business strategy is mostly based on outsourcing, while Zara's is primarily based on in-house production. The issue is that existing because businesses operating in the same environment and under the same conditions select various business strategies. The goal of this categorization is to elucidate why the two apparel companies H&M and Zara chose distinct business approaches. Although our study applies to H&M and Zara since the complemented trees are based on variables observed in these two organizations, our complementarities help to explain why they chose distinct business methods. Other businesses can benefit from complementary value if they can identify their unique features. This dissertation focuses on how large fast fashion firms, namely Zara and H&M, employ marketing strategies to overcome severe hurdles. Fashion is significantly more than just dressing up, and H&M and Zara's supply chain management is proof of that. Large enterprises, such as Swedish H&M with over 2.5 thousand stores, and Spanish Zara of Inditex with over 1.5 thousand stores, are represented in company cases collected from secondary research. H&M and Zara are worldwide regarded as successful and vast retail giants.

Keywords: marketing strategies, business analysis, management, supply chain management, H&M, ZARA, COVID-19 impact.

1. Introduction

Clothing production, which was once regarded as an art form, has seen several technological advancements. Technological advancements have aided clothes producers, brand merchandisers, and retailers in transitioning to a new global reality in which consumer choice and service are not only priorities but also have the power to determine success or failure in a highly competitive market. Retailers and brand merchandisers now play a major position in the worldwide apparel trade, and the apparel sectors are changing quicker than ever. The retail industry is getting more consolidated, and the world's leading merchants are consolidating their dominance through mergers and acquisitions. It is critical to grasp every facet of the apparel company to be successful in this highly competitive market. The global scenario of clothing production, the main difficulties and solutions, and future trends in apparel production are described in this introductory chapter.

The ready-to-wear garment spawned the fashion business, which subsequently evolved into fast fashion. The global

apparel market continues to evolve. Fast fashion and the delivery of these products to the market rely heavily on speed and flexibility. Changing consumer tastes will probably result in a shift away from strict deadlines, flexibility, and quickness of reaction. The sector can be completely comprehended by conducting a literature review on the fast fashion supply chain, customer behaviour, and environmental repercussions. Only by conducting a comprehensive literature analysis that considers all facets of the industry is it feasible to determine whether or not fast fashion will continue.

A. Research Objective

Objectives of my research are:

1. Overview of H&M and Zara.
2. Short comparison case study about H&M and Zara.
3. Understanding the similarities between H&M and Zara.
4. Covid-19 impact on both the brands and comeback in the market.
5. Key differences between both brands.
6. Understanding the marketing strategies used by H&M and Zara.

B. Limitations

- Because H&M and Zara are involved in the apparel sector, the dissertation focuses on that industry only.
- We chose to investigate the influence of COVID-19 on both brands, as well as the significant contrasts and marketing methods employed by each. None of these ideas can account for the success of two quite different company models operating in the same environment.
- When we talk about our tenement business models, we're referring to the fact that H&M focuses on outsourcing, whereas Zara is focused on in-house production.
- Another restriction we encountered throughout our research was that H&M and Zara were unwilling to participate, making it harder for us to acquire primary data.

2. Literature Review

The study of relevant academic journals, books, and articles, which may be used to acquire additional insight into the target

of research, is referred to as literature analysis. In some ways, it acts as a prism through which we can better comprehend H&M and Zara's marketing efforts. When it comes to comparison between two brands, it can be done through financial elements, customer review, and marketing strategies used by the brands to have a profitable reach. The key to fast fashion lies in brand awareness and proposes. Marketing strategy also means that the customer's needs are constantly changing. The companies should quickly adjust their strategies so that they meet up with the demands of the customers. The brand needs to have a variety of newly designed clothes to characterize fast speed. Possibly, it needs to provide the latest clothing collection in small numbers. Clothes and Fashion trends have always been something that people have been interested in. We're not sure how or why this happened, but we're delighted it did since it has fascinating links to another area of interest- the environment.

These two interests, in particular, became engrossing when I noticed that most clothing tags claimed "Made in China", prompting me to explore the apparel sector and learn about the notion of fast fashion. A country's clothing industry may help it achieve the impetus it needs to thrive, as history has demonstrated. Because it has minimal entry hurdles to the market and does not require qualified labour, the garment industry has thrived in poorer nations. The global apparel market continues to evolve.

Fast fashion and the delivery of these items to the market rely heavily on speed and flexibility. Changing customer tastes will probably result in a shift away from strict deadlines, flexibility, and quickness of reaction. The sector may be completely comprehended by doing a literature review on the fast fashion supply chain, customer behaviour, and environmental repercussions. Only by doing a comprehensive literature review that considers all facts of the business is it feasible to determine whether or not fast fashion will continue.

3. Research Methodology

The most common research method used in this dissertation is a detective technique. Complementarities for H&M and Zara were produced using data gathered from the two companies' research. It covers the study technique, data collecting (both Secondary and Primary), and scientific philosophy. Data is also gathered from several major studies on both brands.

The study that was carried out was qualitative. Secondary research was conducted using literature, which included case studies and numerous research papers related to the textile and fashion sectors that were obtained online. Nonetheless, a lot of articles have to be gathered to obtain a greater understanding of the particular branch in issue, namely Fast Fashion.

4. Overview of H&M

Since the first Hennes shop debuted in the Swedish city of Västers in 1947, the H&M Group has grown to reach fashion aficionados all over the world. They now provide exciting and sustainable fashion and design to the rest of the globe. Hennes & Mauritz is a worldwide apparel manufacturer based in

Stockholm, Sweden. The brand keeps its finger on the pulse of fashion's pounding heart to find trends and fashions that even people can afford. It's famous for its fast-fashion apparel for men, women and kids. H&M encourages goods such as home furnishings and beauty cosmetics in addition to their key product lines to let clients expand their product choice. Their commitment to producing inexpensive, trendy fast fashion has helped them gain a large global audience and position themselves as major performer in the industry.



Fig. 1.

Erling Persson created the company in 1947, with the first store opening in Västerås, Sweden. The store's original name was "Hennes", which is Swedish for "hers," because it only offered women's clothing at the time. Over the previous few years, H&M has grown significantly. As of April 2021, it has 4,372 shops open throughout the world. H&M has announced that many more would be released in the coming years. Simultaneously, H&M has forced to shut several locations as more customers shop online, reflecting a large shift in the retail sector away from physical sales and toward an e-commerce-based strategy.

5. Overview of Zara



Fig. 2.

Amancio Ortega launched Zara in 1975. Zara is counted as one of the world's most well-known fashion brands. Clothing, accessories, shoes, swimwear, cosmetics, and fragrances square measure among the company's fast fashion offerings. Ortega altered the look and design, production, and distribution processes within the 1980s to shorten lead times and respond additional quickly to rising trends. With help of teams of designers and use of information technology instead of individuals were among the advancements. Inditex owns the firm and it is the corporation's flagship brand. The brand's management over the supply chain agrees for faster product turnover; a product may be designed and offered in shops a month later. The brand has almost 2,200 stores in 96 countries. It presently has 99 stores operating in the US, with the bulk of its global sites being in Spain. The brand approaches to have a greater number of items available than its competitors. While other clothing companies develop and sell 2,000-4,000 distinct items each year, whereas Zara's output has been far greater, with around 10,000 pieces manufactured every year. The brand has been able to appeal to a wider range of clients with diverse

tastes because to this distinctive characteristic of the company's approach.

6. H&M and ZARA Case Study

When comparing the fast-fashion business of H&M and Zara, it's clear that they've made a lot of money. Whatever these businesses specialize in, they all have one thing in common as a competitive advantage: the preferences of their clients.

As we know, people want what is trending, and they want it now, therefore these businesses must use a rapid method. The two brand H&M and Zara appear to offer low-cost clothing that meets high design standards. They produce these quickly and at a minimal cost.

Fast fashion is notorious for having short-lived trends. New designs appear on a regular basis, and many individuals are eager to test them out. As a result of which, these fast fashion firms must continue to make these items available in order to fulfil the needs of their clients.

Zara, in particular, is a leader in decreasing the time between design and production. Furthermore, both businesses make certain that their supply chains are able to successfully adapt to demand in a timely manner. When supplies are delayed, it can have a negative impact on sales.

One such example is when clients lose interest in the items, they have been waiting for due to new trends that have emerged. As a result, the fast-fashion idea of H&M versus Zara is built on the cost of items, the buying cycle, and, most significantly, market timing.

A. Similarities Between H&M and Zara

H&M and Zara are two well-known brands that have expanded into an international market. The significance of fashion to global culture is that it differs not only in how it is worn, but also in how it is expressed, whether it is individualised or adapted to meet societal expectations or demands.

- Both the brands are part of the fast fashion business; their product lines are identical, and they offer men's, women's, and children's apparel all over the world.
- Both of these companies feature similar product categories, such as tops, shorts, coats, shoes, undergarments, and accessories.
- The parallels between these 2 brands are that they are both located in planned shopping centres.
- Both of the brands, for example being, have a store at Malaysia's Lot 10 retail mall. Aside from that, both of these stores have a similarity in that they are both global retailers with locations in numerous cities.
- For example, being, H&M has over 3900 locations in 61 cities, whereas Zara has over 2000 stores in 88 countries. Both the brands have stores that are between 20,000 and 25,000 square feet. Both locations have the same operating hours, which are 10 a.m. to 10 p.m.

B. Impact of COVID-19 on H&M Sales

The unexpected spread of a coronavirus strain over the world

in a short period of time has a detrimental influence on economies all around the world. It has badly affected practically every industry, ranging from travel to the acquisition of essential necessities. The Covid-19 pandemic has had a significant influence on sectors and individual enterprises around the world, owing to government restrictions on gatherings, lockdowns, social-distancing regulations, and restriction movement. H&M was also a victim of this fresh infection, which shocked the fast fashion sector to its core.



Fig. 3.

As per December 2020 reports,

“The firm has reviewed the impact of Covid-19 as a result of the company's inability to expand retail locations due to various government rules and, as a result, a decrease in demand for its items,” H&M said in its filings with the Registrar of Companies.

Most malls in the country were closed between April and June in 2020, impacting sales in practically every discretionary category. With stores closed for the most of the first quarter and customers vary of venturing out throughout the year, online sales increased, but not enough to compensate for sales at brick-and-mortar locations.

As a result of the Covid-19 outbreak and lockdowns, H&M's net sales fell 10% in the fourth quarter and 18% year over year, according to the retailer. Despite the continuous decline in sales, the fourth quarter results are an improvement over the third quarter, when sales were down 16 percent compared to the same period the previous year. Before the first wave of Covid-19 struck, the multichannel fashion shop, which was placed first in RXUX Top500 research, believes the year started strong “with positive momentum”. Sales then dropped in the second quarter as a result of numerous stores closing for lockdowns and fewer customers visiting those that remained open. Since then, sales have begun to normalise in the third quarter, before being affected by lockdowns again in H&M's fourth quarter, which runs from November 30 to December 31. Sales fell only 3% between September 1 and October 21 compared to the same period last year. However, sales fell by 22% between October 21 and November 30, due to a second wave of the Covid-19 epidemic, which triggered a new slowdown. H&M announced in October that it will invest in omnichannel as part of its response to altering customer behaviour during the pandemic.

H&M, the world's second largest apparel retailer, has announced plans to close 250 shops worldwide. The closures will take place next year, after the company reported that the Covid-19 outbreak had prompted more people to shop online. During the fiscal year, H&M also became one of the top garment companies online, with internet sales of Rs 579 crore, accounting for nearly 42 percent of total sales.

C. Impact of COVID-19 on Zara's Sales

The unexpected spread of a coronavirus strain over the world in a short period of time has a detrimental influence on economies all around the world. It has badly affected practically every industry, ranging from travel to the acquisition of essential necessities. The Covid-19 pandemic has had a significant influence on sectors and individual enterprises around the world, owing to government restrictions on gatherings, lockdowns, social-distancing regulations, and restriction movement. Zara was also a victim of this fresh infection, which shocked the fast fashion sector to its core.

Zara's capacity to distribute merchandise to its stores was either halted or drastically hampered owing to lockdowns as the company faced a circumstance it had never faced before. Zara had large daily sales and significant increases in inventory turnover prior to the pandemic, indicating that the company was in good financial shape. The coronavirus epidemic caused a 14 percent drop in Zara's app downloads in United States. More than 60% of consumers say they spent less on fashion during the crisis, and about half believe the tendency will continue once the crisis is over. The closure of stores in the first two weeks of march resulted in a 24.1 percent drop in sales. Due to the coronavirus outbreak, the corporation filed a contingency of 287 million euros as their spring/summer inventory loses value. On January 31, the company reported an increase in both sales and earnings. The company's net revenues climbed by 8% to 28.3 billion euros, thanks to a 23% growth in online sales.

When Inditex's fiscal year concluded on January 31, 30 percent of its outlets were shuttered, and 52 percent were subject to limitations. After deferring payment last year, the business has resumed its regular dividend policy of a 60% pay-out and bonus dividends to be paid in May and November 2021. Inditex has closed 751 of the 1,200 outlets it expects to retire by the end of the year in favour of flagship stores that can service both online and in-person customers.

D. Online Sales of Zara

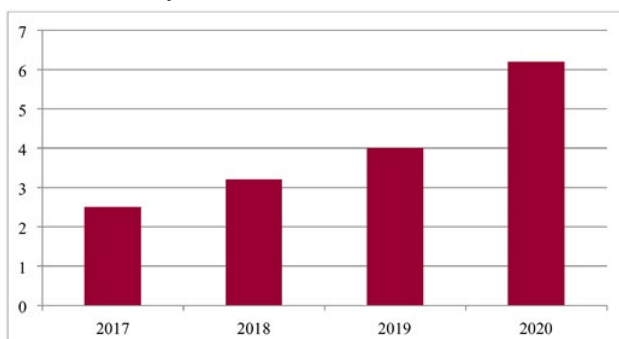


Fig. 4.



Fig. 5.

E. Key Differences Between H&M and ZARA

1) Pricing system for H&M and Zara

To keep people coming into their stores, the H&M brand emphasizes giving its high-quality items at a lower price. Unlike most of their rivals, they are recognised for often offering large discounts.

Zara, on the other hand, charges a reasonable price for their goods as long as they are of good quality. They don't under-price in order to keep customers coming in.

They also provide discounts, although not as generously as the H&M brand. Instead, they place a greater emphasis on the quality of their services.

They build a sense of value around their products, making you believe that what you're getting is worth the money.

2) Target Market for H&M vs. Zara

Psychographics and demographics are used to develop the target market for these two fashion behemoths. The psychographic portion focuses on an individual's lifestyle, hobbies, and social position. Consideration of their consumer's gender, age, income, social status, and other demographic factors, on the other hand, is a demographic method of segmenting their market. H&M's brand is predominantly aimed towards women, particularly those between the ages of 20 and 34.

These are the younger, working girls who still have a strong desire to keep up with the latest trends. Zara, on the other hand, continues to cater to the younger audience while expanding demographically.

They provide apparel and accessories for both men and women, mostly between the ages of 18 and 40. This is, however, only their target demographic, and this brand sells both apparel and accessories for younger children.

3) Promotion for H&M vs. Zara

H&M is known for their frequent product promotions. Their marketing is highly adaptable. They expose a lot about their products through a variety of mediums, including television commercials, print advertisements, billboards, banners, social media, and more. Promotion is a big part of the brand's strategy.

The Zara brand is known for not being interested in advertising. There will be no banners, billboards, or other methods of marketing. Building new outlets is significantly more crucial to them than publicising their products. The corporation, on the other hand, uses a strategy known as evangelism. As a result, rather than bringing their brand to their

clients as ads, they invite them to become part of it. Customers are nurtured as brand influencers, allowing them to expand operations.

4) *Product Distribution for H&M vs. Zara*

Zara is far faster than H&M in getting merchandise on the shelf. The brand does not have its own manufacturing facility. They instead purchase from other wholesalers. Around 60% of H&M's items are made in low-cost countries like Cambodia and Bangladesh. However, because these locations are so far away, leading times are always longer. As a result, this brand has a number of pending orders from customers. This circumstance causes issues for the brand, particularly in terms of sales. This also means that, unlike Zara, they have more unsold merchandise on hand. The worth of these items exceeds \$4 billion. This might also explain why H&M like to employ discounts as one of their pricing methods. Interestingly, despite H&M's lower purchases, the gross profit margins for both companies are nearly identical. As a result, they lose the cost-cutting advantage that comes with purchasing from lower-cost sources.

5) *Even during the work-from-home period, Zara's fashion-forward strategy of flooding the market with aspirational items and campaigns resulted in significant sell-outs. With modest discounting and higher price points, products continue to have a high turnover rate*

6) *H&M continues to be increasingly optimistic about discounts. Its market positioning is wide, connecting with families and appealing the Gen-Z consumer, who are drawn to the hoopla around designer collaborations and inexpensive costs*

7) *Both shops will be able to continue on their ambitious trajectories provided they can maintain their competitive advantages while being responsive to broader market shifts*

8) *High arrivals return at Zara, leading to speedier sell outs*

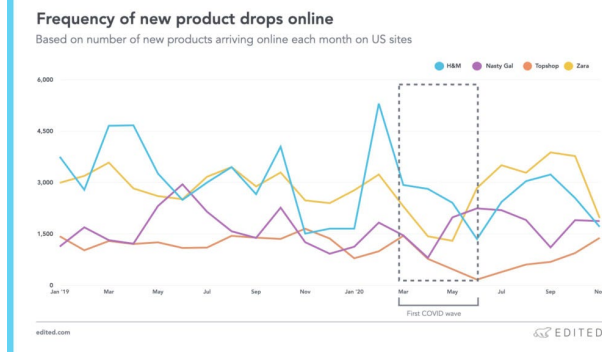


Fig. 6.

Fast fashion shops are known for foregoing conventional seasonal collections in favour of relying on their sleek infrastructure to produce high-volume, frequent newness deliveries. Due to Covid-19, factory closures affected delivery schedules across all market segments. The drop in arrivals between March and June demonstrates this. Order cancellations owing to poor sales saw arrivals struggle to return to pre-Covid levels as the sector adjusted to the new normal. Zara is the only store in the assessed range to exhibit a YoY gain, with arrivals up 11% in the three months ending in November. In

comparison to 2019, Nasty Gal's arrivals are down 2%, H&M's are down 8%, and Topshop's are down 31%. Zara may sell through newness faster even with this increase stock intake. The majority of SKUs sold out in an average of eight days, compared to an average of 12 days at H&M, when new goods arrived in the last month.

9) *Casualwear thrives at H&M while consumers seek dressier options at Zara*

H&M's emails frequently blend men's, women's, and children's wear to create a family-focused offer, while H&M's emails regularly blur men's, women's, and children's wear collected to create a family-focused offer. Zara, on the other hand, sends out more targeted and directing emails based on age and gender. Different items are sought after by different customer segments at each brand. We can dig down on new arrivals within the last three months that sold out of the bulk of their SKUs during that time using EDITED's Assortment tool, displaying the most recent best performing goods by brand. The most popular items are tops and bottoms, which are powered by significant demand for sweaters, T-shirts, and sweatshirts. Shirts, on the other hand, account for 14% of tops sold out at Zara and fewer than 10% at H&M, showing that customers choose the former for dressier products, more proof of this can be found in the bottoms category, where H&M's best-selling item is sweatpants, while Zara's best-selling item is trousers.

Outerwear follows these two categories, accounting for 17% of Zara's sell outs, compared to 9% at H&M. Dresses constitute a bigger proportion at H&M's sell outs following the viral pink puffy house dress's popularity, while accessories account for over 10% of Zara's sell outs. Products sets, which are driven by sell-outs in childrenswear, are another bright area for H&M. While Zara's inaugural intimates' collection only adds a modest proportion to the brand's underwear offering, the bulk of its SKUs sold out in less than a week.

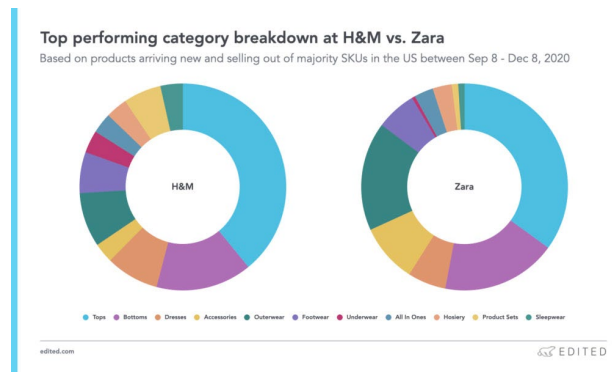


Fig. 7.

10) *H&M command lower price points for core items*

Zara has a somewhat larger online selection than H&M, with 6 percent more things accessible right now. However, the pricing strategies of the two merchants are vastly different. Adult attire from H&M ranges in price from \$2.99 for a short jersey shirt to \$299 for a metallic-coated leather jacket. Zara's prices start at \$5.90 for a ribbed cropped shirt go up to \$599 for a double-breasted leather coat. H&M's average garment price point is \$32.28 compared to \$54.13 at Zara. When comparing

one of the most competitive categories to emerge from the pandemic wardrobe: loungewear, the differences in price structures become even more apparent.

In comparison to Zara, where most T-shirts are priced between \$15-20 and \$20-25, H&M most popular price range for T-shirts is \$10-\$15, with \$5-10 and \$15-20 receiving equivalent weighting. This results in more competitive pricing points. Both stores choose different pricing ranges for hoodies and sweatpants in order to provide a matched set for roughly \$100. The bulk of H&M's selection is priced between \$20 and \$35, whilst Zara's is priced higher, starting at \$35. With two unique pricing categories on the market, consumers will place a premium on quality and attention to detail.

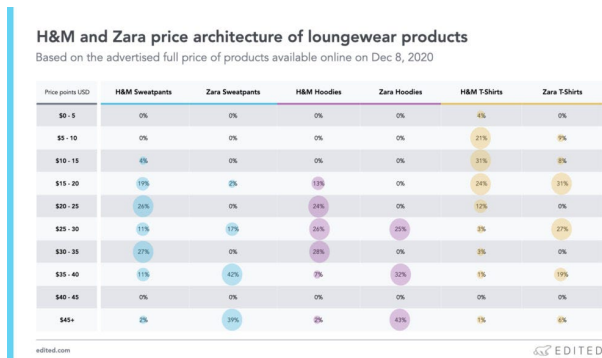


Fig. 8.

F. Marketing Strategy of H&M

1) Affordable Pricing

In marketing, price is really important. Pricing strategy may make or break a company. In H&M's case, it's all about winning. The cause for this is the low cost. H&M offers a wide choice of high-quality clothing at a reasonable price. That is why the brand is popular in so many countries. The brand's high-quality items appeal to the brand's target age range of 25-35. H&M's prices are lower than those of its big competitors Zara and Gap. H&M achieves this low pricing plan through their cost-cutting strategy, which reduces shipping and production expenses. H&M's price is one of the most important selling points.

2) Celebrity Associations

H&M uses a lot of celebrities to promote their products. Customers prefer to follow celebrities and look up to what they do, which is why celebrity endorsements are so effective. Kendall Jenner is a well-known model and media figure in one of the United States. The American model was included in one of H&M advertisements in collaboration with Giambattista Valli. At the Cannes Film Festival, she donned a bright pink dress from the H&M x Giambattista Valli line. Many Indian celebrities, including Harshvardhan Kapoor, Aditi Rao Hydari, Diana Penty, Amyra Dastur, and Aditya Seal, appeared in the H&M x Myntra commercial campaign. For the promotion of their collection, H&M teamed up with American celebrities such as Peyton List, Tyler Posey, and Hannah Simone.

H&M has a large list of celebrities that promote the brand. H&M's most effective marketing technique is celebrity

endorsement.

3) Sponsorships and Collaborations

A sponsorship agreement is an excellent approach to increase a brand's visibility and trustworthiness. H&M supports some of the greatest and most well-known figures in the industry, including The Weekend, Caitlyn Jenner, the Musee Des Arts Decoratifs, and others.

To make their brand look more real, H&M partners with high-end designers, pop singers, style icons, and sports stars. The brand's recent collaboration with Indian designer Sabyasachi sparked a lot of interest, as the whole line sold out within hours of its debut.

Moschino, Giambattista Valli, Kenzo, and a slew of other fashion heavyweights have collaborated with the company.

Customers were treated to a treat when H&M and Myntra collaborated, as Myntra is a prominent eCommerce site. H&M gained access to Myntra's customers as a result of this partnership, and its official website saw an increase in traffic.



Fig. 9. Sabyasachi x H&M

4) Social Media Marketing

H&M's marketing approach makes full use of social media channels. The brand uses social media to market itself, sell products, and govern social media with millions of followers. H&M has a total of 37.4 million Instagram followers. The brand's Facebook page has over 39 million likes, while the company's Twitter account has over 8 million followers. The brand's Instagram account is akin to a fashion magazine, where it showcases all of its newest looks. When it comes to social media, the company highlights its consumers by inviting fans to tag them and utilising the hashtag #HMxME.

The company posts to its social media accounts on a regular basis, and it tags the brands that appear in the posts so that customers may purchase them straight from their social media accounts. H&M also uses sponsored social marketing efforts to promote themselves. If you've visited the H&M website or downloaded the app, you'll almost certainly see a sponsored ad in your social media stream.

The brand's main demographic is young people, who spend a lot of time on social media sites. H&M positions its sponsored advertising at the appropriate time and in the right location to ensure that they do not go unnoticed by the target customer.

5) Forming Customer Community

Customer membership programmes are a popular approach used by many internet companies these days. It works wonders

in converting a purchase into a long-term customer. On its eCommerce site, H&M maintains a digital loyalty programme in which users earn points for every purchase they make. Members can use their points to earn discounts on future purchases.

When a consumer receives a reward for their purchase, they are more likely to buy again. This is how H&M increases the number of loyal clients on their site.

6) *Promo Codes and Discount*

There's a shopping rule that states if anything is on sale, you should buy it. It leads to many clients purchasing items they do not require. This shopping guideline helps H&M increase their sales. H&M provides enticing deals and discounts on its items. During its end-of-season sales, the company provides its items at discounted pricing. Discounts are available both online and in shops.

The brand also offers promotional coupons, which provide customers with an incentive to make a purchase. The brand's discount and promo codes are among the factors that contribute to their increased sales.

G. *Marketing Strategy of ZARA*

1) *Creating Exclusivity & Scarcity*

Zara's success is due in part to the fact that the firm never manufactures too many goods with the same design. This generates a sense of scarcity in the minds of buyers, prompting them to make snap decisions to purchase their favourite designs before they run out of stock.

2) *New range throughout the year*

Unlike most fashion brands, Zara introduces new patterns on a regular basis throughout the year. Customers visit their stores more frequently as a result of this.

3) *Making customer feedback as a part of creative process*

Customer's input is taken extremely seriously by Zara. Employees at their stores have been instructed to take notes on what consumers want, and these notes are swiftly forwarded to the design and production teams, who then create new designs based on the needs. It analyses what clients are looking for on internet platforms on a regular basis. Customer's engagement also aids in the development of brand loyalty.

4) *Location of stores*

Most luxury stores are located away from the general public's view; however, Zara stores are typically found in city centres with constant foot traffic. When it comes to social media, Zara believes in creating fans rather than just followers because of their strong brand devotion. For this reason, Zara never spends a lot of money on billboards and instead works with digital influencers. To summarise Zara's marketing methods for you, the fashion company succeeds by

emphasizing the 'less is more' philosophy, which causes FOMO.

7. Findings

Throughout the paper, I learned that both the brands H&M and Zara have both expanded more effectively over time than other quick fashion firms. Firms that are competing in the same industry should implement similar business models therefore these theories field to explain firms that choose different business models when they are active in the same environment. Two excesses in the clothing industry when it comes to their business models are H&M and Zara. they have reconstructed and modernized technological technology to create higher value clothing and free production in the domestic country. Based on the information gathered, I came through the facts about H&M and ZARA. Came across with information about how COVID-19 impacted both the brands and how the brands manage to come into the market with great profit. Learned the marketing strategies of both the brands that sell passion for fashion.

8. Conclusion

H&M and Zara have both expanded more effectively over time than other quick fashion firms. The evolution of the Zara brand demonstrates why cost isn't everything. Unlike H&M, they lay a greater emphasis on the value of their items. Despite its under-pricing efforts, H&M has nonetheless sustained significant losses.

To minimize inventory losses and maximize revenues, some of the industry's most successful fast fashion retailers, such as Zara and H&M, keep items moving with current trends and a balanced inventory. Retailers like Zara and H&M use quick responses supply chains to get their products from design to distribution in a short amount of time. This effective and efficient rapid response methodology allows these merchants to prevent stock outs and maintain continual rotation of the latest goods for customers, resulting in a rise in store visits and full price sales.

The continual shift in trends, on the other hand, keeps demand alive in quick fashion, but what's more crucial is that these fast fashion firms make these things available.

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