Embracing Smart Retail: Taking the Fast Fashion Clothing Brand ZARA as an Example

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ABSTRACT: *The rapid development of the global economy has led to an escalating consumer demand, and consumers' needs are becoming more diverse and individualized. This change in consumption is very evident in the fast fashion clothing industry, which brings certain risks and challenges to the global fast fashion clothing brand. Therefore, in recent years, many fast fashion clothing brands are exploring new ways of retail development, as a representative of the global fast fashion brand - ZARA,after encountering the retail dilemma, according to the characteristics of the current retail industry,analyses its own problems, and uses cloud computing, Internet of Things, big data and artificial intelligence to explore their own smart retail. ZARA's smart retail approach has brought new inspiration to the entire fast fashion clothing industry.*
The era of smart retail has been opened. Fast fashion brands should change their marketing thinking, use big data to gain insight into consumers' hearts, provide personalized services around the core needs of consumers, and achieve precise marketing.
**KEY WORD**: *Fast fashionclothingbrand, ZARA, Smart retail*

I. INTRODUCTION

At present, the development of the global network communication industry has accelerated the pace of change in various industries. Under the new era of consumption, all types of retail industry are facing unprecedented opportunities and challenges. From the past consumption to the current individual consumption, every upgrade of consumption habits has had a significant impact on the retail industry. Diversification of individuality leads to diversification of choices and diversification into consumption diversification. In the era of experience upgrades and consumer upgrades, the retail industry is undergoing changes again and again to adapt to the rapidly changing needs of consumers.

According to Deloitte data, global retail sales maintained a small increase in 2013-2017, and continued to grow in 2018. The Prospective Industry Research Institute predicts that global retail sales will reach $25.91 trillion in 2018, an increase of 4.2% from 2017 (Figure 1).It is not difficult to see that the growth rate of global retail sales is slowing down. The reason is that the retail industry is undergoing a major change.

Figure 1:Total global retail sales and growth rate in 2013-2018
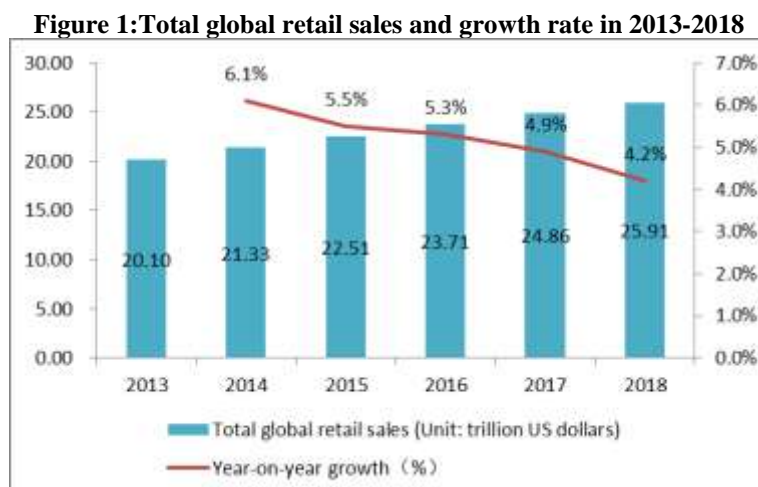
Source:Prospective Industry Research Institute

The retail industry is now gradually becoming fully digital, and in the past few years, new retail has become a popular vocabulary. However, there are very few retailers who can truly understand the core of the new retail. Most of them just follow the trend and carry out some small reforms that are not painful and have little effect. They have not obviously helped and improved the retail performance. From the popular vocabulary "new retail" in the past few years to the "smart retail" today, the retail industry has always been at the forefront of the industry, the first of which is the fast fashion clothing industry.

Compared with other industries, retail retailers may feel more sensitive to retail changes, especially for fast fashion clothing brands. Consumers have higher demands for personalized clothing than other consumer products. The clothing industry emphasizes the contact with people and can better meet the expressive needs of consumers. Therefore, for clothing retailers, it is more important to seize the tail of the retail revolution, keep up with the pace of the times, and meet their own opportunities and challenges. With the continuous upgrading of consumption and the popularity of online shopping, the days of clothing retailers can be described as difficult, and offline stores often become the "fitting room" for consumers online shopping. Many physical retailers have seen people go to the ground, and the competition of fast fashion brands has once again escalated, so more and more clothing retailers are looking for new breakthroughs to break the current rigid situation. For fast fashion brands, it is extremely important to discover the individual needs of users through digital means. Providing experiential consumer services to users, increasing user stickiness, starting from the pain points of users, and providing users with suitable products is what every fast fashion brand needs to do in the era of smart retail.

II.　WHAT IS SMART RETAIL?

The term "smart retail" was first proposed by ZhangJindong (2017), chairman of SuNing Holding Group, at the National Committee of the Chinese People's Political Consultative Conference in March 2017. He clearly pointed out that retail in the future is smart retail. Zhang Jindong (2017) believes that smart retailing is the use of the Internet and Internet of Things technologies to perceive consumer habits, predict consumption trends, guide manufacturing, and provide consumers with diversified and personalized products and services. In general, smart retail is actually a new retail model of online and offline integration.

This article defines smart retail as: using Internet of Things, cloud computing, big data, artificial intelligence and other technologies to open up online and offline, through omni-channel marketing, gain insight into consumers' hearts, and tap consumers' diverse and individualized needs. Transform existing retail models to provide consumers with the ultimate shopping experience.

III.　SMART RETAIL MARKETING

3.1 The evolution of the smart retail business model

With the maturity and development of emerging technologies such as the Internet, big data and cloud computing, new retail has emerged. The term "new retail" was originally proposed by Ma Yun, founder of Alibaba Group, at the Yunqi Conference in October 2016.He believes that there is no e-commerce in the future, only the new retail industry, only the combination of online, offline and logistics can create a new retail in the true sense. In 2016, Alibaba invested in "Box of Fresh Food" and officially opened in the "new retail" era. Then Amazon launched Amazon Go's new retail convenience store, "unmanned retail" became a hot spot, and major retailers launched unmanned convenience stores and smart containers to follow the retail trend. Subsequently, various self-service payment technologies began to emerge, and new retail sales developed into a white-hot stage.

The retail industry experienced four major changes before and after, and is entering the era of "smart retail". XuYinzhou and Lin Likui (2017) pointed out that the retail trade-oriented business circulation industry is in a period of change, from the original single offline channel to the online and offline dual-channel collaborative development, to the omni-channel retail and even step into wisdom. Retail, the entire retail industry is being rebuilt at an incredible rate. Liao Xia (2019) and others believe that the key core of the smart retail business model is the transformation of business models centered on digital technology, with big data, artificial intelligence, cloud computing, Internet of Things, blockchain and AR/VR/MR. Digital technologies such as technology are integrated into the retail enterprise value chain, including raw material procurement, production management, product logistics, marketing, after-sales service and other central links. At the same time, including human resources, financial management, product development and other auxiliary links, the formation of integrated intelligent management In the end, the independent business that realizes intelligent decision-making, and the intelligent system continuously improve the consumer experience. This paper summarizes the evolution of the smart retail business model into the following stages:
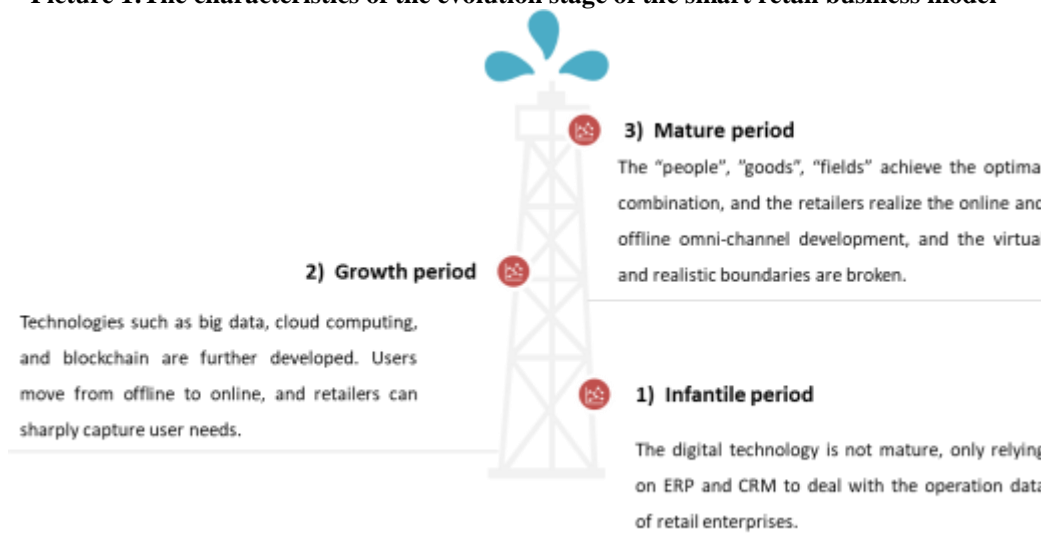
Infantile period: When smart retailing is in its infancy, digital technology is not mature enough and the cost is relatively high. The digital transformation of traditional retail enterprises is mainly based on their internal operations. It relies on information management systems such as ERP and CRM to integrate the activity data generated by enterprises, which greatly improves the space for information storage and ensures the integrity

of information. When companies make decisions, the performance of key indicators is mostly reflected in scoring, such as employee performance appraisal, operating costs and sales. Although smart retail is just in its infancy, with the development of digital technology, the operational efficiency of the retail industry has increased significantly.

Growth period: With the further enhancement of data processing technology, smart retailing has grown into a growth period. The use of digital technology reshapes the operational processes of enterprises, and retailers gradually shift their focus to consumers, innovating services around customers, and providing consumers with a better shopping experience, thereby enhancing consumer stickiness. From germination to growth, the transformation of smart retailing combines big data, cloud computing, the Internet of Things and blockchain. Retail companies can more acutely capture user needs, users begin to move from offline to online, retailers began to integrate the membership system into smart retail, online and offline flow.

Mature period: Under the continuous improvement of various technologies, smart retailing began to enter the mature stage. At this stage, the three elements of "people", "goods" and "field" were optimally combined, and artificial intelligence also entered the deep application stage. First, through the use of RFID, speech recognition and other technologies, retailers can obtain consumer information data. For example, various data boxes can analyze consumer psychology characteristics from consumers' offline purchase behaviors. After in-depth analysis, retailers can then conduct precise marketing. Secondly, the use of advanced technologies such as big data and artificial intelligence can not only help to enhance the consumer experience, but more importantly, the company's operational capabilities are further enhanced. Finally, the use of AR/VR technology has broken through the boundaries of consumption, integrating virtual reality and reality, and further upgrading the consumer experience. After consumers get a good consumer experience, consumers will share retail enterprise products through various social interaction platforms.Thiskind of good word-of-mouth communication is also a good choice for the development of retail enterprises.

Picture 1:The characteristics of the evolution stage of the smart retail business model

3) Mature period
The "people", "goods", "fields" achieve the optimal combination, and the retailers realize the online and offline omni-channel development, and the virtual and realistic boundaries are broken.

2) Growth period
Technologies such as big data, cloud computing, and blockchain are further developed. Users move from offline to online, and retailers can sharply capture user needs.

1) Infantile period
The digital technology is not mature, only relying on ERP and CRM to deal with the operation data of retail enterprises.

3.2 The difference between smart retail and traditional retail

Wu Haihuan (2018) pointed out that as a form of terminal business flow, the difference between smart retail and traditional retail is reflected in the word "wisdom", that is, the former can grasp the preference information of the target consumer group through big data analysis, and then Under the reverse transmission of industrial chain information, it creates value for production enterprises to optimize production capacity structure. The key to creating value for smart retail is information flow, not business flow. The difference between smart retail and traditional retail is the distribution channel. Smart retail subverts the traditional distribution channels and changes B2C to C2B.

Traditional retail mainly refers to offline physical retail, which is generally not easy to see the needs of consumers. Traditional physical retailers approach consumers in a way that communicates with customers face-to-face only as they walk into the store. Most of them use the membership card method to obtain the consumer demand information, which can only be judged from a single sales data and purchase frequency. This way of understanding consumer preferences is very simple, and the information obtained is limited. When consumers step out of the store, the exchange of information between the merchant and the consumer is blocked. The consumer information stored in the membership card is also limited. Most of them simply record the name,

birthday and contact information of the consumer. The common method adopted by the merchant is to send a text message or a phone call to the customer's birthday, and then the event is held at the merchant. At the time of the call, the customer is notified of the event information, and the customer's demand preferences are ignorant. This is also a common problem in most offline retailers and the most deadly issue. For retailers with online sales platforms, some are just e-commerce, and some are both physical sales shops and corresponding online sales platforms. It must be mentioned that e-retailers do not integrate online and offline consumption data, so even if they have customer consumption data, they are only independent and cannot create effective value, so they cannot identify important information such as consumer shopping preferences, spending habits, etc.

Smart retail is a combination of big data, cloud computing, Internet of Things, AR/VR and other technologies to analyze the internal and external data of the business. The development of artificial intelligence can collect consumer data anytime and anywhere, so fast and accurate analysis Out of the consumer's shopping preferences. For example, if a customer opens an online shopping app and browses the kitchen appliance at will, the app can view information such as the style, type, and acceptable psychological price of the customer's favorite kitchen according to the customer's browsing history;For example, an unattended store can automatically sense and identify the consumer's shopping payment information, and consumers can achieve self-service shopping. Not only that, the physical store also added a virtual fitting mirror, the customer does not need to really wear the clothes on the body, as long as standing in front of the virtual fitting mirror, the clothes can be automatically displayed on the customer, the customer can see the clothes to wear 3D effect on yourself. And the customer only needs to change the dressing mirror on the virtual fitting mirror, which not only saves the waiting time of the consumer, but also increases the consumption rate of the customer.In the era of smart retail, the application of big data technology is very mature. Retailers can analyze data through UGC, collect various opinions of users, and customize according to the unique needs of users to achieve precise marketing.

In this way, the new changes brought about by smart retailing are not only the same, but now all aspects of our lives, clothing, food, housing, travel, etc. have ushered in a new revolution under the smart retail.

3.3The value point of smart retail development

The core idea of smart retail is people-oriented. All technologies and services are centeredaround people-consumers, and consumers are at the heart of everything in smart retail. By introducing AI technology, offline retailers have improved their ability to build data and process data, and use data to connect online and offline to connect "people", "goods", "field" and product design to provide consumers with full a shopping experience. Retailers are trying to do everything they can to connect with consumers, connecting consumers and consumers, consumers and product design through a variety of options, the latter being the focus of retailers' research. With the development of the data age and the continuous upgrading of online shopping, the role of smart retail in the clothing industry is becoming more and more apparent. Merchants use digital means to try to get close to consumers, from the user's needs, find user contacts, and provide users with the most suitable products and services to increase user stickiness. The key points of smart retail development must be separated from the following two aspects:

First is the cost efficiency of retailers. The development of smart technologies such as big data, cloud computing, and the Internet of Things has greatly reduced the operating costs of retailers. The development of artificial intelligence and robot technology can enable retailers to realize unmanned warehouses and unmanned distribution. For example, Jingdong used the whole process unmanned warehouse for the first time, which greatly improved the logistics pressure of "Double 11"; Jingdong's logistics and distribution robot realized the unmanned distribution of the last mile, which greatly saved manpower and material resources.

The second is the consumer shopping experience. The way most retailers take it is to lay out the retail experience store online, do the brand collection platform online, and realize the drainage through the online and offline dual channel collaborative development. For example, many clothing retailers use smart fitting mirrors, consumers no longer need to wait in line during the peak holiday season, just need to stand in front of the smart fitting mirror to easily change clothes, try and install, and can place orders online one-click . After shopping in the supermarket, you can achieve self-service scan code checkout, and you don't have to spend a lot of time waiting in line. Consumers can eat at the restaurant and only need to scan the code with their mobile phone to place an order. The shadow of smart retail has been everywhere, and we have unknowingly changed our way of life, making consumers' shopping experience more efficient and convenient. This article summarizes the value of smart retail development into the following points.

3.3.1 Smart retail can provide insight into the heart of consumers.

One of the characteristics of smart retail is digitalization. It obtains consumer data through various channels, analyzes and interprets it, and comprehensively and deeply understands consumers' shopping preferences and consumption characteristics. As long as the data obtained is sufficiently real, smart retailers may know their consumer psychology and consumer preferences better than consumers themselves. For example,

Alibaba'sTaobao uses big data means to recommend relevant or similar products to consumers in a timely manner according to the consumer's browsing history, and capture consumer preferences quickly and accurately.

3.3.2 Second, smart retail can provide personalized services to consumers.

In the context of consumption upgrades, consumer demand is becoming more personalized and diverse. Through the use of big data, cloud computing and other intelligent technologies, Smart Retail can accurately determine the individual needs of consumers, so that personalized customized services can be provided according to the individual needs of consumers, and consumer satisfaction and loyalty.

3.3.3 Third, smart retail can quickly achieve sales conversions.

Smart Retail can make it easier to find the consumer's contacts, provide the optimal product mix according to the individual needs of consumers, and can quickly achieve sales conversion, which is completely different from the traditional sales model. The traditional sales model is that service personnel stick to physical stores and passively wait for consumers to shop at home. This retail model cannot timely convert consumer demand into store sales, but must wait until the consumer makes a certain selection and try on the store. After the purchase, etc., it is possible to convert into sales. This process can take a long time, the clerk needs to spend time to understand the consumer's preferences and provide personalized services for the consumer in a timely manner, the consumer needs to spend time to find the style of clothing that he likes, and so on. It is still not possible to implement sales conversions in a timely manner.

3.3.4 Smart retailing is more emotional and social.

Through the use of technologies such as big data and artificial intelligence, Smart Retail provides insight into consumers' hearts and stimulates consumers' emotional resonance. Smart Retail can connect consumers with the same hobbies and similar attributes for online sharing. For example, Xiaohongshu APP, consumers can share the beauty, wear and other content on the top, interact and communicate at any time and place, put everyone on a platform, very social.

IV.   ZARA EMBRACES SMART RETAIL

4.1 Introduction to ZARA

ZARA is a clothing brand under the Spanish Inditex Group and the most successful brand. The Inditex Group is one of the world's fashion retailers with eight clothing brands, in addition to ZARA: Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, ZARA Home and Uterque. Inditex sells in 202 markets worldwide through an online sales platform and has 7,000 stores in 96 markets around the world.

ZARA is a clothing retail brand established in 1975. The first store was opened in La Coruña, Spain. It is the most successful and widely researched brand. ZARA once became the world's third-ranked clothing retailer in Spain and currently sells in 202 markets worldwide.ZARA has acquired a large number of global fashion youths with fast, low-cost and low-volume business characteristics. According to the survey, ZARA is currently one of the most popular brands in the world. Summarize its business success, summarized as follows:

First, ZARA has a unique clothing business model. The general clothing industry practice is the two seasons of summer and autumn. From the initial concept of clothing, processing and production to sales, this link usually takes half a year or even a year. Many clothing retailers will try their best to guess the next trend during this time, because waiting for the official sales of these clothing, it may not be popular in the market. However, ZARA has adopted a different business model, abandoning the old-fashioned model and adopting a new consumer-centric production and operation model. Consumer demand is diversified and there are many factors affecting the trend. ZARA starts from the rapidly changing needs of consumers, discards the traditional pre-forecast mode, adopts fast-popping low-cost, multi-style, and low-volume business strategies to create unique parity and fashion trends.

Second, build a strong supply chain system. To innovate the business model of the clothing industry, there must be a strong supply chain to support it. Therefore, ZARA does not hesitate to spend a lot of money to build a vertically integrated supply chain system including design, manufacturing, transportation, distribution and sales. The use of IT systems allows information to be fully shared, allowing the company to be strictly monitored at all stages of production. It greatly shortens the time for the company's clothing from concept design, manufacturing to shelf sales. It takes only half a year or even a year for others to complete. ZARA can only be completed in 2-4 weeks.

Third, timely capture changes in customer demand and grasp the trend of fashion. ZARA designers have established an intimate relationship with customers. In order to allow customers to buy clothes with similar styles to international first-line brands, ZARA has developed a dynamic analysis capability that can quickly detect changes in customer demand and fashion trends. In these aspects: First of all, most of ZARA's designers travel to various international fashion trends, high fashion shows and other fashion venues every day

to watch fashion shows such as Paris and Milan, and draw inspiration from top trends. And stop at the major fashion stores to listen to the sales advice of the store owner, and regularly transmit this information to the headquarters every day, so that the headquarters can quickly judge the design inspiration and output of the next batch of clothing, and change the style of clothing flexibly and quickly. The customer's needs are met within a week or two, responding to changes in customer demand in a timely manner. Second, ZARA has a strict, standard information system. Designers can use this information system to make full use of raw materials to design clothing that meets market needs, greatly improving resource utilization efficiency. Finally, the optical tool sorting method is ZARA's winning weapon. Using this method, ZARA's garment sorting efficiency has been greatly improved. The number of garments sorted per hour is up to tens of thousands, and its clothing can quickly reach stores in various regions of the world. ZARA's dynamic analysis capabilities not only keep abreast of market trends, but also satisfy consumers' fast-changing shopping needs.

Fourth, ZARA has a low inventory. ZARA has a limited number of new styles of clothing each week, and there is not much stock in each style, so it creates a limited idea for consumers that they can't buy them later. Even if ZARA does not have a discount, consumers will still be quick to avoid missing their favorite products. On the one hand, the strategy of low inventory can cause short supply, and on the other hand, it can reduce inventory backlog and reduce inventory costs.

4.2 ZARA's marketing dilemma

In recent years, fast fashion brands have ushered in the closing of the store, ZARA's performance growth has slowed significantly, and its parent company Inditex Group's sales growth rate in recent years is also slowing down, its performance is not good. ZARA is the most watched company of the Inditex Group, with a turnover accounting for two-thirds of the Inditex Group. At present, ZARA is also facing a development dilemma. As the leading representative of the fast fashion clothing industry, how to break the status quo and break through the predicament is of great significance to the entire clothing industry.

The current difficulties faced by ZARA are actually the dilemmas faced by most fast fashion brands, mainly in the following aspects.

4.2.1 Online development is insufficient, and e-commerce space needs to be tapped.

ZARA online development is far less than offline, online sales only account for 10% of the company's sales, which is very few compared to other peers. Although the parent company Inditex is determined to do e-commerce, the e-commerce road is not so easy, and fast fashion brands have great challenges in doing e-commerce. ZARA is characterized by "fast". In order to maintain this feature, ZARA must simultaneously improve production design and optimize the supply chain to better adapt to the development of online business. The online shopping experience of consumers also poses certain challenges for the company's operations. In order to develop online business, in addition to coping with its own internal challenges, it also faces competition from online peers.

4.2.2 Marketing is weak and there is not enough interaction with consumers.

Most of the fast fashion brands' revenues come from loyal consumers, and these loyal consumers are usually not sensitive to price. They are more concerned about the services provided by enterprises and whether their consumption experience is good. ZARA should learn to better seize these loyal customers and optimize the shopping experience, which will create new profit margins for the company. Although ZARA's supply chain is its advantage, in other respects, for example, interaction with customers is obviously not as good as online industry brands. These Amoy brands are very good at interacting with consumers. They will interact with consumers before they officially release design products, learn from experiences and opinions, understand consumer preferences, and bring consumer product recommendations into the company's products. Designed to enhance the consumer's brand experience and enhance user stickiness.

4.2.3 Store expansion is too fast, and physical stores need to be transformed.

The shortcomings of ZARA's rapid expansion have already appeared. Due to the focus on market possession, ZARA stores are slow to operate and cannot keep up with the pace of store expansion. Although smart retailing has made the online market a hot spot for directing, online and offline development is still necessary to achieve omni-channel marketing. In order to achieve omni-channel marketing, the first thing to do is to open up the online and offline, and the focus of online and offline is the physical store. The competition of physical stores far exceeds the competition of e-commerce. H&M and other fast fashion brands have begun to deploy smart physical stores. In 2018, H&M launched a voice-activated intelligent interactive mirror at the flagship store in Times Square, New York. There is no button on the smart mirror. Consumers can wake up the mirror through the face, and then use the voice recognition control operation to directly select the most suitable clothing according to the advice provided by the smart mirror, and finally generate the shopping QR code. And

H&M stipulates that consumers who use smart interactive mirrors can enjoy special offers from merchants. Fast fashion brands are constantly exploring "black technology" (new technology) and applying "black technology" to practice to enhance the consumer shopping experience. ZARA does not do enough in the "black technology" application of the store. It must pay attention to the intelligent operation of the physical store, so that it can stand out in the wave of fast fashion brands.

4.2.4 The consumer market has undergone a transformation and upgrading situation, and the target customer base has shifted.

ZARA's main target customer group is the fashion youth of 20-39 years old. With the arrival of consumption upgrade, consumer demand is undergoing major changes. Fast fashion brands are gradually being labeled as "cheap, low-end" by consumers, and consumers who are pursuing individualized needs are gradually abandoning these fast fashion brands. In addition, ZARA was still caught in the quality door incident. Consumers reacted to ZARA's clothes and caused an allergic reaction. It also easily faded and stained, which would harm the skin of the human body. Exploring the reasons is mainly due to the cost of compression. In addition, ZARA's expansion speed is too fast, and the regulatory efficiency is far behind the speed of store expansion. These factors are the reasons for the shift of the target customer base. "cheap" and "poor quality" have been defined in ZARA. ZARA urgently needs to reposition the target market and find its own "blue ocean market".

4.2.5 ZARA frequently falls into plagiarism and lacks independent innovation capabilities.

ZARA has been in the plagiarism for many years, and in 2018 it was the first to lose in a suspected plagiarism case. In fact, the companies suspected of plagiarism are not only ZARA, but many fast fashion brands actually have similar situations. To a certain extent, these cases can reflect the shortcomings of ZARA's fast fashion brand business model. To be "fast and new", the speed of clothing must be faster than the speed of the market, and if you do not choose plagiarism, all Original design makes it difficult to meet the rapidly changing needs of consumers. The frequent occurrence of plagiarism is also related to the inadequacy of local trademark law and copyright law. It is widely used by many fast fashion brands to play the law. If ZARA continues to stick to the rules and plagiarizes the originality of others, once the global law is perfected and plagiarism is strictly prohibited, ZARA may fall into a crisis. No change at this time, I am afraid it is difficult to stand in the future.

4.3ZARA's smart retail approach

Picture2:ZARA's Smart Retail Approach

4.3.1 Make full use of big data, artificial intelligence and other technologies to achieve online and offline collaborative development.

The fast-fashion brand's e-commerce road is not easy, and ZARA's online development is far less than offline. In the era of big data, we must achieve online and offline omni-channel synergy development to win. In fact, ZARA's operational thinking is that product design is the best marketing. ZARA has always used products to attract consumers into physical stores. When consumers enter the store, consumers can freely purchase and try on them. There is no one-on-one service for the waiters, and ZARA can be said to be the best in this regard. But if you keep focusing on the operation of physical stores, you will miss out on huge online flow over time. Therefore, ZARA must attach great importance to the development of online passenger flow, to achieve offline

lead-through line purchase, while the line can also drive offline flow, fully realize the coordinated development of online and offline.

Previously, some online customers reported that ZARA online offers too few discounts, basically no discounts, and there are some differences between the quality of clothing that customers buy online and offline stores. The quality of online clothing is not as good as online. When tried on, the hardness of the clothing materials is different. This can reflect that ZARA is obviously insufficient in terms of online operations. In the era of big data, we must fully develop online resources, use cloud computing, big data, Internet of Things and other technologies to fully tap consumers' online consumption information, and conduct in-depth analysis. According to the analysis results, the variety and style of online and offline clothing can be adjusted in time to meet the rapidly changing needs of consumers.In addition, we must ensure that online and offline clothing are of the same quality and the same price, to ensure that the services enjoyed by consumers online and offline are the same, to enhance consumers' recognition and confidence in ZARA online product quality, and establish a good brand image.

4.3.2　Optimize marketing strategies, strengthen interaction with consumers, and enhance the shopping experience of consumers.

The current core of ZARA is: Everything is consumer-centric. The corporate marketing strategy has also been optimized from the previous "4P" to the current "4E". The past "4P" refers to: Product, Price, Place, Promotion, and now "4E" means: Experience, Expense, E-shop, Exhibition.The core difference between the two is that the former focuses on the company, the latter focuses on consumers, and the 4E theory puts the consumer experience at the core.

ExperienceZARA's business philosophy has always been to focus on consumers. In recent years, ZARA has been committed to applying advanced technology to enhance the consumer's shopping experience. In the face of fierce competition from H&M, UNIQLO and other fast fashion brands, ZARA's parent company Inditex has always paid great attention to the company's internal innovation, hiring a large number of outstanding talents to research and develop new technologies, connecting offline physical stores and online business, creating an "intelligent operation" system. For example, the use of sound wave technology to count offline store flow, virtual assistants to provide services to consumers. Through the "smart operation" system, consumers can install the app on the mobile phone before entering the physical store, and set it into the in-store mode, so that they can quickly find their favorite products, and can search for relevant product information in the APP.Consumers can place orders online anytime, anywhere, and the consumer's shopping experience is optimized to the maximum extent possible.As early as 2014, ZARA's parent company Inditex announced that ZARA will adopt RFID technology (radio frequency identification technology) in the future. At present, ZARA has fully introduced RFID technology. RFID technology is an electronic tag system based on radio frequency identification. With this technology, ZARA can quickly trace the whole chain dynamics of goods from production source to physical stores. Its more than 2,000 retail stores and logistics centers are able to perfectly identify all clothing stock keeping units (SKUs) and help develop interactive digital fitting rooms.The use of RFID technology not only improves operational efficiency, but also greatly enhances the user's shopping experience.

Expense In the Internet era, more and more businesses are beginning to implement free strategies, and product free phenomena abound. Behind the seemingly loss-making situation is the value of flow. Today's retailers are also relying on user flow to make money, as in the past Internet companies. What is flow? Flow is the amount of page flow, pageviews, and online and offline retention time of users. For users, flow is the time spent. Therefore, it can be judged that the user's expenditure has time in addition to money (price), so the cost here sums it up as: money (price) + time, then the corresponding retailer's income is: sales + flow amount.

For ZARA, how to get more online and offline flow and how to reduce the customer's time and cost is an important issue worth considering and solving. ZARA has already launched touch screen technology in the fitting room to reduce the time for consumers to try on clothes. In 2016, ZARA launched a user self-service settlement service in the Spanish store to reduce the waiting time for user settlement queues.Fast fashion brands such as ZARA and H&M have successively upgraded their mobile payment methods, trying to shorten the queue time and payment time of consumers. In 2018, ZARA launched the AR (Augmented Reality) experience in more than 120 flagship stores around the world and introduced the ZARA AR app. The technology can be applied to the user's mobile device, unlocking the application through three ways: in-store window, in-store identification code and online order box. Users can simulate and try on the purchase. The use of these "black technologies" is gradually improving the consumer's time experience. AR virtual fittings not only increased the time spent by consumers in offline stores, but also captured a large number of online users, killing two birds with one stone.

E-shop (electric shop) What is electric shop? The so-called electric shop, which is easy to understand, is to use the Internet means to sell products online, or to introduce product electronic information in physical

stores to improve sales efficiency. In addition, people can also become mobile sales terminals.ZARA's product sales methods are mainly online and offline. The online sales are carried out with the Ali Taobao platform, and the offline products are mainly global entities.With the help of Weibo, Taobao and other platforms, ZARA realizes online drainage and offline consumption. Consumers can download the ZARA APP on their mobile phones and turn on the Bluetooth positioning function of the mobile phone. Consumers only need to scan the barcode of the favorite product with the mobile phone, and the clerk will take the initiative to send the clothes to the fitting room. The consumer can try on it at the same time and scan at the same time. The product barcode, the consumer can also view the real-time inventory of the item.

ExhibitionThe past 4P emphasizes offline advertising and offline promotion. As the era of consumption changes, the immersive shopping experience is increasingly popular with consumers. Therefore, ZARA keeps pace with the times, grasps the psychological demands of consumers, makes full use of the Internet to formulate marketing strategies, and fully demonstrates its advantages to consumers. In addition to the offline display, ZARA also makes full use of the network to show the company's style, and displays the company's product features on the PC official website and mobile official website. In addition, ZARA also has two apps, ZARA and ZARA HOME. It is worth mentioning that the ZARA official website and the ZARA APP page are designed to be simple, which is very convenient for consumers to select products. Of course, in addition to this, ZARA's WeChat public number, WeChat applet, Taobao and the official Weibo operation industry are in place. ZARA will release the company's new products on a regular basis, and will also release some seasonal discount products to share these key information with consumers in a timely manner. . In the era of rapid development of cloud computing, the Internet of Things and big data, in addition to quickly predicting the needs of consumers, retailers are equally important to disseminate and share information. And ZARA makes full use of the Internet platform to achieve consistent display online and offline.

4.3.3Control the expansion speed of stores,strengthen the transformation and upgrading of physical stores.

Under the pressure of rising rents in physical stores, too many physical stores have become ZARA's burden. In addition, the change in user spending habits has once again increased the burden of ZARA physical stores, so ZARA began to optimize and upgrade the physical stores, began to control the number of offline physical stores, and tried to introduce online flow. In the context of fast fashion and low tide, ZARA is also constantly optimizing the store layout. In 2017, ZARA closed its flagship store in Chengdu, China. ZARA is currently slowing down the expansion of physical stores step by step, shifting its focus to online channels. Expanding online channels and shrinking offline channels has become a common choice for fast fashion brands. The launch of ZARA online mall can also make up for the disadvantages of insufficient physical business. At the same time as tightening the store and laying out the online store, ZARA has also carefully modified the physical store layout. By trying different types of "black technology", for example, the use of RFID technology, most of ZARA's returns are in online stores; the introduction of AR technology allows consumers to purchase as much as they want, saving a lot of waiting time. ZARA enhances the consumer's shopping experience by using a range of high technology. In addition, ZARA has also adjusted its physical operations. The number of updates to all offline stores has been increased to twice a week, and the online store will be updated simultaneously.

4.3.4Position the long tail market and carry out model innovation.

In the upgrade of consumer experience, consumers have more and more personalized demands. Consumers are no longer blindly pursuing low prices. Instead, they have changed the state of low-cost consumption in the past and become more and more accepting high quality big brand products. ZARA, H&M, etc. are being seen by consumers as a representative of "low-end consumption", and qualitative changes have taken place in consumer preferences. Today's consumers are more willing to choose niche, unique products that show their individuality, and non-popular markets are emerging. According to the long tail theory, most of the demand in the market is concentrated in the head. We call this part of the market "popular market", and the rest of the tail we call "niche market" or "non-popular market".Most companies will target the so-called "popular market" and ignore the "non-popular market", which is one of the reasons why the homogenization of the clothing market is serious. In fact, the "non-popular market" demand in the tail is very high, but few wise companies will look to this part of the market. The cumulative share of all non-popular markets is far greater than the popular market, and the popular market has become "Red Sea Market",In the face of constant changes in the consumer market, ZARA quickly adjusts its market positioning and targets the "long tail market", that is, non-golden customers, that is, ordinary young people who want to buy fast fashion at low prices. This group of young consumers, who pursue fashion and like products similar to luxury goods, are far less expensive than luxury goods. ZARA firmly grasps this group of target groups and repositions the price of the product. Finding

the latest product trends in the world and imitating designs greatly reduces the risks and costs of product development and design.

And ZARA has also entered the makeup industry to carry out brand extension. From the original single clothing and accessories, to the home, makeup and other fields, the implementation of diversified development. In December 2018, ZARA launched its first lipstick series ZARA Ultimatte, which is priced at around RMB 100-200, marking ZARA's official entry into the beauty market. In addition to lipstick, ZARA also launched a perfume series, the appearance of packaging is not inferior to the international big name, mainly the price is very close to the people, the price of different specifications of perfumes, but the overall price is very affordable for the average consumer. ZARA's brand extension strategy is generally quite successful. Launching the makeup series is a very smart decision to retain young consumers who are pursuing fashion.

4.3.5 Innovate business models and build a fast-responding smart supply chain.

The biggest feature of fast fashion brands is "fast". Driven by the diversification of consumption and fast-paced consumption, ZARA, H&M and other brands have begun to expose problems, such as serious plagiarism, insufficient innovation and lack of design. In recent years, ZARA has been deeply plagued by plagiarism, and plagiarism has had an adverse effect on ZARA. Therefore, the innovative business model is imminent for ZARA. In the era of consumption, all consumers are at the core, product design is based on the diverse needs of consumers, and consumers' information is collected through the Internet big data. After understanding the preferences of consumers, ZARA can introduce products to consumers. Gradually abandon the habit of imitating and copying, cultivate their own clothing innovation team, provide design teams with opportunities for external communication and learning, and enhance their ability to innovate from within. In addition, innovative business models also need to build a smart supply chain information sharing platform to enhance the information exchange of product design and process innovation, so that information can be shared within and between enterprises. Continuously improve the warehousing and logistics system, and strive to achieve "integration of warehouses" to achieve a seamless connection between warehousing and distribution. ZARA also needs to improve the visibility of inventory, and strive to achieve automated layout and management of inventory, and ensure the agility of the supply chain from all aspects.

V.   SUMMARY

The changes in the era of consumption have led to constant changes in the retail industry, and consumers' individualized demands have become stronger and stronger. Fast fashion brands should follow the trend and seize the opportunities of the times to innovate. ZARA's retail transformation has successfully demonstrated the importance of consumer data in the era of big data. Fast fashion brands have to do more than just collect consumer information, and more importantly, learn to analyze this information in depth and turn it into usable flow. Especially for fast-fashion companies that want to quickly fashion, it's especially important to quickly sort and filter data. Because the era of smart retail has come, consumers are the core of retail. For fast fashion companies, what they need to do is to firmly grasp the core needs of consumers and make good use of cloud computing, Internet of Things, big data and other technologies to integrate online and offline resources. Retailers need to fully capture flow, identify brand positioning, and provide consumers with diversified and personalized services to win in the fierce market competition.

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