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How Zara Grew Into the World's Largest Fashion Retailer

By SUZY HANSEN

Today, even as Spain teeters on the edge of economic catastrophe, the Galician city La Coruña has attracted notice as the hometown of Amancio Ortega Gaona, the world's third-richest man and the founder of a wildly successful fashion company, Inditex, more commonly known by its oldest and biggest brand, Zara.

The company's outward modesty reflects its surroundings. La Coruña is a quiet place. It's an odd location for an aggressive, global company like Inditex.

The campus consists of corporate headquarters for the entire company, as well as headquarters for Zara and Zara Home, two of Inditex's eight brands. There are also factories and a distribution center where clothes are loaded onto trucks to be sent around the world.

Inditex is a pioneer among "fast fashion" companies, which essentially imitate the latest fashions and speed their cheaper versions into stores. Every one of Inditex's brands — Zara, Zara Home, Bershka, Massimo Dutti, Oysho, Stradivarius, Pull & Bear and Uterqüe — follow the Zara template: trendy and decently made but inexpensive products sold in beautiful, high-end-looking stores. Zara's prices are similar to those of the Gap: coats for \$200, sweaters for \$70, T-shirts for \$30.

Inditex now makes 840 million garments a year and has around 5,900 stores in 85 countries, though that number is always changing because Inditex has in recent years opened more than a store a day, or about 500 stores a year. Right now there are around 4,400 stores in Europe, and almost 2,000 in Spain alone. Inditex's main rivals are way behind. Arcadia Group, which owns Topshop, among others, has about 3,000 stores worldwide; H&M, based in Sweden, has 2,500 (when you include its smaller lines of stores); and Mango, based in Spain, 2,400

Merchandise moves incredibly quickly, even by fast-fashion standards. All those thousands of Inditex stores receive deliveries of new clothes twice a week. Inditex has completely changed consumer behavior. "When you went to Gucci or Chanel in October, you knew the chances were good that clothes would still be there in February," he says. "With Zara, you know that if you don't buy it, right then and there, within 11 days the entire stock will change. You buy it now or never. And because the prices are so low, you buy it now."