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BRAND W: Strategizing for Omni-channel Retail[[1]](#endnote-1)

Jones Mathew, Banasree Dey, and Sandeep Puri wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In March 2018, the India Fashion Forum recognized the brand W as the most admired fashion brand of the year.[[2]](#endnote-2) The W brand was owned by New Delhi–based TCNS Clothing Company Limited (TCNS). In 2017, TCNS became the first home-grown Indian apparel company to earn ₹[[3]](#endnote-3)11.5 billion.[[4]](#endnote-4) The company achieved this with its four brands: Weve, W, Wishful, and Aurelia. This achievement was driven to a large extent by the phenomenal growth of TCNS’s main brand, W, in a fashion apparel retail market worth ₹2,970 billion.[[5]](#endnote-5) Inspired by this success, W had been expanding its retail presence in the country, and had ambitions of opening 100 stores every year across India. The company had been building its online presence through a company website and online marketplaces.[[6]](#endnote-6) Targeting modern Indian women with a need for contemporary designs that combined Western and Indian styles, the brand had clearly captured the interest of many.

However, W operated in a changing retail environment, where both retail giants and online brands had been struggling with their returns. The company realized that it would not suffice to simply add channels, and it recognized omni-channel retailing as the way forward.[[7]](#endnote-7) Omni-channel retail was a business strategy that enhanced customer experience, business performance, retail sales, and loyalty. It aimed to integrate all channels of a business to make it possible for both customers and salespeople to enjoy an optimally functional range of sales capabilities.[[8]](#endnote-8) However, Anant Daga, chief executive officer (CEO) of TCNS, was aware that adopting an omni-channel approach came with its share of challenges like price discounts.[[9]](#endnote-9) He needed to find a way to seamlessly manage customer interactions across multiple touchpoints, manage a complex supply chain, and achieve product and messaging consistency across channels. Further, he had to determine how an offline-dominant brand such as W should traverse the journey from traditional to multi-channel to omni-channel retailing. In the competitive branded women’s apparel market, could W sustain its foothold? Would an omni-channel strategy help W build a strong base of loyal customers?

**COMPANY BACKGROUND**

In 2002, the Pasricha brothers Arvinder Singh and Onkar Singh, experts in exports, saw an opportunity in the domestic Indian apparel market. “Two developments got us to think inwards,” said Onkar. “First, India opened up its economy, and second, we started facing export trade blocks. That’s why we took a strategic decision to enter the domestic market.”[[10]](#endnote-10) TCNS, which was named after the brothers’ grandfather, Trilok Chand, and father, Narender Singh, launched the W brand in a middle-class market in Delhi with an impressive 278-square-metre (3,000-square-foot) store that exclusively showcased Indian ethnic wear.[[11]](#endnote-11) They closed it down after a few months and noted that the store had intimidated Indian women shoppers, who felt that such a big store in the heart of a middle-class market must be offering high-priced products. “Women would look at the store from outside, conclude that it was pricey, and walk away without coming in,” Onkar noted.[[12]](#endnote-12) The Pasricha brothers were fast learners, and they took a quick decision: they shut the large store and opened a smaller one in the same market, and business took off. They had just mastered an important facet of the Indian shopper’s psychology. Starting with just 30 stores in 2008,[[13]](#endnote-13) W had a retail presence of 250 stores by 2017,[[14]](#endnote-14) and sales for W and Aurelia combined rose from ₹3,590 million[[15]](#endnote-15) in 2014 to a projected ₹10,000 million in 2017.[[16]](#endnote-16) In 2017, the company had four brands in its portfolio (see Exhibit 1).

According to retail consultant Harminder Sahni, TCNS owed its success “to the design, fit, and affordability of its outfits. . . . It created a new contemporary ethnic-wear category. . . . The initial struggle it faced was due to it being a new concept, but once this category took off, the company was one of the first to gain from it.”[[17]](#endnote-17)

Early Success

W had been able to carve out a place for itself since its founding in 2002 based on two main factors. Firstly, it focused on profitability rather than vanity. The owners learned very early on, as they went about building the brand into one that was familiar among India’s women consumers, that large and glamorous retail touchpoints created a misplaced perception of a brand that was “intimidating” or “too pricey.” This was their experience when they launched a large retail store in New Delhi’s Lajpat Nagar, where bargain-hunting middle-income Delhi women shopped.[[18]](#endnote-18) To their credit, they quickly retraced their steps, closing this store and opening stores in more familiar sizes of 55–93 square metres (600–1,000 square feet).[[19]](#endnote-19)

Secondly, innovative styling was a key characteristic of the brand. Indian women were increasingly venturing into formal workspaces. By 2012, 33 per cent of Indian working-age women were working outside their homes,[[20]](#endnote-20) and women comprised 16.2 per cent of all urban workers in 2015–16.[[21]](#endnote-21) For W, this was a large enough market. No other major brand offered competitive products that combined pricing, approach, and targeted clientele.[[22]](#endnote-22) This growing segment of working urban and semi-urban women who sought to wear a fusion of fashionable and traditional Indian clothing formed a lucrative market.[[23]](#endnote-23)

Repositioning

In keeping with changing fashion trends, W changed its brand positioning to emphasize fashion-oriented fusion wear for the contemporary Indian woman. In 2007, roughly five years after it launched, W understood that its target audience of contemporary Indian women needed more than the ethnic wear they were being presented with. In response to changing consumer preferences, W came up with a contemporary product mix.[[24]](#endnote-24) At that point, in 2007, W stopped being an ethnic brand and was reborn as a fusion-wear brand. As Daga stated,

Over the years, we have realized that the traditional definition of ethnic wear is undergoing a sea-change. And this compartmentalization of fashion—on the basis of ethnic or western wear—is only limited to the brand’s point of view. Consumers have stopped looking at them under two different lens.[[25]](#endnote-25)

By 2017, W was clearly focused on transitioning and occupying a predominant lifestyle positioning by adding multiple categories as part of this long-term goal[[26]](#endnote-26). Daga said,

In the past, we have successfully added jewellery as a category under the W brand. We are now adding bags and we might very soon come up with footwear. Looking at the pace at which the brand is growing—both geographically and monetarily—it won’t be long before it turns into a complete lifestyle brand, of course keeping our core competencies intact.[[27]](#endnote-27)

The repositioning of W from a fusion-wear brand into a lifestyle brand appeared to be the next logical step.

W Brand Ethos

The brand identity of W reflected the image of a modern Indian woman. In keeping with the changed aspirations of this new-age woman, brand W focused on constant innovation. It offered a complete wardrobe solution, which catered to the different moods of the target consumer. In order to fulfill the promise of being an exciting fusion-wear brand, it introduced five fresh collections every year. This filled a significant void in the mix-and-match/fusion-wear segment, and W carved out a unique identity. The brand focused on fashionable and contemporary silhouettes and broke the standard mould. It also borrowed heavily; it was inspired not only by Indian ethnic designs but also by Turkish and Nordic design palettes.[[28]](#endnote-28) The former CEO of W, Vijay Mishra, pointed out that the collection combined both Indian and Western designs to create a unique look for the contemporary Indian woman. Through a signature design language, W had achieved fashion leadership in the segment. These innovative ready-to-wear products offered the twin benefits of fashion and functionality.[[29]](#endnote-29) In this first attempt to reinvent Indian fashion, the traditional *salwar-kameez* was transformed into a chic, urbane, and comfortable product.[[30]](#endnote-30)

The brand was strategically targeted to Indian women who adopted fusion wear in a big way, but W realized that women increasingly experimented with fusion wear, and the correct fit and size had been a problem. To address this issue, the brand added a seventh size to the existing six-point sizing scale, for a better and smarter fit. The company measured 4,000 women across India and arrived at seven sizes, which fit 96 per cent of W’s customers. With an advanced technique and better understanding of the relation between body shape and size, the fits at W became better.[[31]](#endnote-31) As Arvinder Pasricha said, “Our fit is our strength.”[[32]](#endnote-32) Earlier, most women’s apparel brands had only three sizes—small, medium, and large—but W introduced an extra small, a size between medium and large, and also a bigger size. According to Daga, W was “one of the few brands worldwide to have conducted an anthropometric study to arrive at the perfect fit for the Indian women body type.”[[33]](#endnote-33) With the brand’s focus on unmet customer needs, it also added a maternity line to its range in 2013.[[34]](#endnote-34)

W Consumer Persona

W was targeted to the new-age woman and the values of modernity, individuality, and fashion awareness that she represented. The brand was designed to serve women looking for innovatively styled, ready-to-wear, functional, and affordable clothes. The W woman was visualized to be spirited, confident, innovative and contemporary—someone who exuded inner beauty in her personality and action.[[35]](#endnote-35) By 2016, the age profile of a W woman had changed from 27–35 to 25–40, as younger women started working and an increasing number of older women became conscious of how their attire expressed their personality. The W consumer did not believe in strictly compartmentalizing ethnic wear and Western wear. She had been seeking out contemporary Indian wear that cut across all product segments.[[36]](#endnote-36) W, along with a clutch of other apparel companies, was catering to changing trends by investing in product innovation and distribution reach. Indian wear started gaining acceptance among younger consumers as W rightly identified itself as fusion clothing—a crossover style between traditional and modern wear—instead of pure ethnic wear, which was usually reserved for special events or festive occasions. The W woman was “rooted at home and taking on the world with panache, playing myriad roles” effortlessly. W stepped in to fulfill the needs of this woman. [[37]](#endnote-37)

**STRATEGIES FOR GROWTH**

Retail Expansion

Over the years, TCNS had expanded its retail footprint aggressively. W spread steadily, from 30 to 250 stores in nine years. TCNS’s revenue had grown at a compounded annual growth rate (CAGR) of 45 per cent. “Our profit has increased by ten times in five years, and our return on capital employed will be in the range of 40–50 per cent this financial year,” declared Daga in an interview in 2015.[[38]](#endnote-38) The growing popularity of online shopping had helped these brands reach out to customers in smaller cities, especially Tier 2 and Tier 3 cities.[[39]](#endnote-39) Online retailing now accounted for about 10 per cent of the company’s sales.[[40]](#endnote-40) W’s growth plans included achieving a pan-Indian presence in retail points of sale through both premium and budget brands and across formats such as exclusive brand outlets, franchise stores, and shop-in-shops. Over the years, W had been “on a high growth trajectory, registering a growth of more than 50 per cent year on year.”[[41]](#endnote-41) In 2015, the brand announced that it aimed to double its turnover to 10 billion by 2017 on the back of new stores, innovative product offerings and increased online sales. “We are looking at 50 per cent increase in our top-line growth and ₹7.5 billion sales in the current fiscal [2015]),” declared Daga.[[42]](#endnote-42) TCNS’s consumer sales in 2016 reached more than $120 million, and its year-on-year growth rate was 70 per cent.[[43]](#endnote-43)

Apart from organic growth, the brand saw significant avenues for expansion through the possible introduction of additional womenswear brands and complementary offerings and through expansion into international markets. U.S.-based private equity investor TA Associates, which had experience in consumer sectors and fashion verticals, invested $140 million in the company in 2016, and TCNS firmly believed the partnership would add value across all strategy and operations spheres.[[44]](#endnote-44) In March 2018, brand W had displayed its innovative approach by launching a new line of Harit Khadi products that were both eco-friendly and scalable. Produced using solar-powered *charkhas* (spinning wheels) and looms, this line was designed to appeal to the sensibilities of modern Indian women.[[45]](#endnote-45)

Global Foray

In 2011, TCNS began to consider expanding into foreign markets based on parameters such as the overseas markets’ prospects, magnitude, seasonality, and partnership models. The firm decided to venture into the global arena in 2012.[[46]](#endnote-46) It focused on the Indian diaspora in the United Kingdom, the Middle East, and Southeast Asian countries including Singapore, Mauritius, and Sri Lanka.[[47]](#endnote-47) The company’s decision to go global was aided by the interest non-resident Indians showed in the firm’s website. Daga confirmed that about 10 per cent of the orders on its site Shopforw.com (one of three websites) was from international locations.[[48]](#endnote-48) In 2014, the Indian ethnic fashion market was estimated at more than US$2 billion globally.[[49]](#endnote-49) The large Indian diaspora was an important target market for W. This market did not have much access to quality Indian attire. The brick-and-mortar retailer Fabindia had a presence in about five countries, and only a handful of online sites, such as Utsav Fashion, CBazaar, and IndianRoots, catered to this segment. Two reasons for W’s acceptance among members of the Indian diaspora were the inherently international feel of the W range and the absence of competing relevant brands. [[50]](#endnote-50)

With the entry into the Indian market of highly aspirational global fashion brands such as Zara, Forever 21, Zegna, and Hermes, there was a clear and present danger that the domestic market could become extremely competitive for brands like W. [[51]](#endnote-51)

The global market entry strategy that W had adopted with respect to retail had always been to run a pilot store for about six months, learn from the challenges, and then pursue aggressive expansion. The ultimate objective of the company’s Go Global strategy was to target all leading areas of the Indian diaspora.[[52]](#endnote-52) Its experience so far had been encouraging, with from one to five stores going up in a 12- to 18-month period in each of the countries W had entered.[[53]](#endnote-53)

W’s ONLINE PRESENCE

The growing popularity of online shopping had helped TCNS’s brands reach customers in smaller cities, especially Tier 2 and Tier 3 cities. Online retailing accounted for about 10 per cent of its sales in 2016.[[54]](#endnote-54) By 2014, online sales had grown to 4 per cent of W brand’s overall sales in just two years. According to retail advisory firm Technopak Advisors, apparel and lifestyle, which contributed 25 per cent of all online sales, was expected to increase this share to 30 per cent over the next five years, and online retail sales were estimated to grow up to ₹2,300 billion in 2019.[[55]](#endnote-55)

Sales from W’s own website were insignificant in 2014, and the company was attempting to rebuild this. “We are in the process of rebuilding it. Reference points have changed in three years when we launched the website,” Daga said in an interview to Press Trust of India in October 2014. “We have seen good traction in the online space. It (i.e., the website) will also drive brand image.”[[56]](#endnote-56) TCNS was targeting 5 per cent sales from its website in three years’ time.[[57]](#endnote-57) When asked why the company was looking at overseas markets, Daga stated that “the W range has a very international feel. There is a huge demand for our products from the Indian diaspora. It will give more growth in future. In fact, 15 per cent of orders on our in-house websites come from international customers.”[[58]](#endnote-58) From 2002 to 2017, W had been an offline-dominant brand. Its focus had predominantly been on traditional media, and it had had limited online interactions with its target customer base. It had been operating at the lower, affordable end of the price spectrum, with a limited foray into the premium segment and no presence in the luxury segment.[[59]](#endnote-59)

**APPAREL RETAIL IN INDIA**

Apparel brands operating in India could be broadly divided into four categories: offline-dominant brands, purely e-commerce brands, e-commerce–dominant brands, and hybrid-channel brands (see Exhibit 2). Each category had its own channel mix, promotions mix, and price segment, and both new and established players fought for a large and profitable market in each category.

The Indian retail market was worth US$641 billion in 2016, and it was expected to reach US$1.57 trillion by 2026, growing at a CAGR of 10 per cent. The fashion apparel retail market, worth US$ 46 billion in 2016, was expected to grow at a CAGR of 9.7 per cent to reach US$115 billion by 2026.[[60]](#endnote-60) The Indian e-commerce market was expected to grow to US$188 billion by 2025 based on smartphone penetration and 4G networks.[[61]](#endnote-61) By 2020 the digitally influenced[[62]](#endnote-62) branded apparel market was expected to reach US$30 billion—equivalent to 60 per cent of the total branded apparel market of US$50 billion.[[63]](#endnote-63) The Indian apparel market consisted of three categories: men’s wear (41 per cent), womenswear (38 per cent), and children’s wear (21 per cent). By 2026, the market share of womenswear was expected to equal that of men’s wear, at 39 per cent. With the increasing penetration of smartphones, there was already significant demand from Tier 2 and Tier 3 cities. [[64]](#endnote-64)

Since late 2016, in the context of macroeconomic indicators such as slow gross domestic product growth rate, double-digit inflation, dampened investment sentiment, and falling job creation, Indian fashion apparel consumers were aggressively trading downwards on price points and purchased goods categories. Apparel brands had to deal with increased heterogeneity in tastes, preferences, and choices and with a desire to buy from fresh stocks.[[65]](#endnote-65) On a positive note, the branded women’s apparel market had seen growth in revenues due to changed consumer preferences for fashionable, ready-to-wear garments. This growth was driven by players such as TCNS, BIBA, House of Anita Dongre (AND) and Global Desi, and Ritu Kumar.[[66]](#endnote-66)

**EVOLVING INDIAN CONSUMERS**

Triggered by changes in lifestyle and technology, consumers in India had become more demanding and value conscious.[[67]](#endnote-67) According to a 2017 Boston Consulting Group study, several factors had contributed to changes in the buying behaviour of Indian consumers: these included greater urbanization, better salaries, more women in the workforce, and a younger population that focused more on aspirations, lifestyle considerations, and the need to belong—rather than on functional necessities—when making consumption decisions, especially in categories such as consumer durables and apparel.[[68]](#endnote-68)

Rapid Internet penetration across the country and higher e-commerce adoption had led to a surge in online shopping.[[69]](#endnote-69) Digitally connected consumers who were open to new experiences had increasingly compelled retailers to engage with them at multiple touchpoints during their decision-making journeys (see Exhibit 3). According to a report by A.T. Kearney, retailers were moving toward omni-channel retailing strategies to provide seamless shopping experiences to their customers, from discovering needs to post-purchase service. Brands viewed this online–offline synergy as vital to achieving a better customer experience. They used a variety of digital tools to enable personalization at each stage—for example, customized promotions during the need-discovery stage. [[70]](#endnote-70)

**THE WAY AHEAD**

Loyalty in Retail

TCNS had been in business for 15 years, so acquiring customers was no longer as important for the company as retaining them. Retaining customers offered the dual benefits of lower costs and higher returns (see Exhibit 4). To retain customers, some form of engagement and benefits were essential. However, W had not been proactive enough to create a loyalty program. Customers who liked the brand enquired about loyalty programs and were disappointed by the negative response. It was common knowledge among retailers that the probability of converting a new customer to a brand was around 5–20 per cent, whereas the probability of converting an existing customer was 60–70 per cent.[[71]](#endnote-71) However, Daga stated,

I think, there is hardly any well-entrenched ethnic wear brand in the market. If you talk about brands, then there are just five or six, rest are just small labels who are either channel specific or customer specific and most of them are discounted and copycats. Moreover, competition, if any, is only for those [brands] who play around pricing and don’t have any distinct product to offer. We at TCNS have always differentiated between the pricing, approach, and clientele of our product which has helped us to grow in the market.[[72]](#endnote-72)

Daga felt strongly in making W what Rishi Navani, managing director of Matrix Partners India, called a “product design-led” approach and therefore did not want to let its strategy be one of discounts. This strategy ended up not catering to W’s loyal Indian customers, despite their deep interest in the brand. Retail employees of W also felt the need for a loyalty program; and customers wanted a long-term relationship with W, but W had not responded yet. [[73]](#endnote-73)

In general, enrolment in loyalty programs had been rising, but engagement rates had primarily remained flat.[[74]](#endnote-74) This presented a tremendous opportunity for the company. Today’s hyper-informed consumers expected personalized and shared interactions through a combination of digital and human experiences. Loyalty programs had to achieve increased profits by encouraging more frequent customer visits and increased customer spending.[[75]](#endnote-75)

W retailed mainly through traditional retail channels, and this needed to change. A survey report by Ernst & Young (EY), reiterating the poor effects of loyalty programs, indicated that only 27 per cent of retailers were confident about the success of loyalty programs and only about 5 per cent believed that their customers were loyal.[[76]](#endnote-76) Patrick Moriarty, executive director of EY, said, “legacy methods of creating and maintaining brand loyalty are failing. Many retailers are capturing data, but struggling to generate and activate insights in ways that help them stay relevant.”[[77]](#endnote-77) Given this scenario, loyalty in retail would be only an illusion without efforts to truly engage with consumers at an emotional level. In fact, a report on Indian consumers found that a strong emotional engagement with consumers could build loyalty and enable retailers to increase their annual revenues by 5 per cent. This reinforced the insights of an earlier study that suggested emotionally connected consumers were even more valuable than satisfied consumers.[[78]](#endnote-78) According to Moriarty, “driving personalized offers, capturing real-time insights, understanding individualized customer needs and maintaining their trust are all keys to success.”[[79]](#endnote-79) Vineet Ahuja, the managing director of Accenture India, made a similar statement: “New languages of loyalty have emerged, driven by brands experimenting with creative digital experiences, which have changed the dynamics of customer loyalty today.” [[80]](#endnote-80)As an apparel retailer aiming to consolidate its position in the competitive Indian womenswear landscape, W would most likely do well to map the customer decision journey, identify the emotional motivators of its target customers, and then use technology to weave its strategies around creating deeper emotional connections with its customers while providing a complete customer experience across multiple touchpoints in the journey.

Omni-Channel Strategy

An omni-channel strategy was “the synergistic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized.” To move to an omni-channel strategy, W would have to re-examine its segments, pricing strategy, and go-to-market channels and rework its promotional marketing outreach programs. [[81]](#endnote-81)

Going from an offline-dominant to an omni-channel strategy was likely to pose many challenges for W. First, there would be stiff competition from online aggregators and e-commerce platforms with private labels. Naturally, these aggregators pushed their labels over independent brands. Second, the hefty margins demanded by Indian e-commerce platforms in the apparel category ranged from 36 to 40 per cent, which could significantly erode profitability.[[82]](#endnote-82) Further, trust—the intangible glue that stuck all of e-commerce together—seemed to be deteriorating as increasing numbers of customers were facing quality and delivery problems. Globalization and a digital ecosystem had led to borderless inventories and brand choices, which companies in any field had to manage in their favour. Building brand loyalty was very difficult in the e-commerce arena, where customers moved on to “the next big thing” without any qualms. Incompatible or poorly integrated systems across a value delivery chain that had different independent channel partners—the manufacturer, the e-commerce platform, the payment gateway, and the logistics vendor—led to a poor customer experience. It was essential to carefully leverage a repository of consumer data to come up with customized content in the form of specific offers and focused advertisements.

For consumers in India, online shopping came with problems related to shipping, returns, lost products, and errors in calculating duties and taxes, which led to a poor experience. Retailers in the past had not been careful to avoid such issues, and retailers pursuing an omni-channel strategy needed to ensure that the brand experience for customers—the merchandise as well as promotions—was consistent across offline, website, and mobile channels. Being omni-channel also meant being omnipresent for the customer. A customer may have begun an interaction on the website, moved on to social media or mobile apps, and completed the transaction in the store. Brands needed to engage with customers at every point in this journey and make the experience totally seamless for them.[[83]](#endnote-83) However, having to negotiate a unique journey for each consumer presented several clear challenges to retailers. Would W be able to overcome these challenges and move to the next level?

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**EXHIBIT 1: TCNS BRAND PORTFOLIO**

|  |  |
| --- | --- |
| **Brand** | **Description** |
| **Weve** | [[84]](#endnote-84)Weve was TCNS’s budget ethnic womenswear segment offering, sold through Reliance Retail stores in a shop-in-shop format. Weve products were priced between ₹250 and ₹495. Over time, Weve was phased out, perceived as an obstacle in W becoming a preferred brand. |
| **W** | This was the flagship brand under TCNS. W offered affordable fashion, ranging in price from ₹799 to ₹2,999. W, with its Indo-Western appeal, contributed 65 per cent of TCNS revenue. |
| **Wishful** | The Wishful collection was the premium range from TCNS, with price points between ₹2,999 and ₹7,999. Conceived and retailed as a private label within W stores, its strategy was to become an independent, standalone brand. Wishful contributed approximately 10 per cent of the overall turnover. |
| **Aurelia** | Aurelia was TCNS’s entirely ethnic, affordable offering, in the price range of ₹599 to ₹3,299. It accounted for 25 per cent of TCNS’s turnover. |

Source: Compiled by the case authors based on data from Debdatta Das, “Women’s Wear Brand ‘W’ in Expansion Mode,” *Hindu Business Line*, August 30, 2007, accessed October 10, 2017, [www.thehindubusinessline.com/todays-paper/tp-marketing/womens-wear-brand-w-on-expansion-mode/article1667854.ece](http://www.thehindubusinessline.com/todays-paper/tp-marketing/womens-wear-brand-w-on-expansion-mode/article1667854.ece); India Retailing Bureau, “TCNS to Make W a Lifestyle Brand and Wishful Independent in Two Years,” Images Business of Fashion, February 7, 2017, accessed October 22, 2017, www.indiaretailing.com/2017/02/07/fashion/tcns-to-make-w-a-lifestyle-brand-and-wishful-independent-in-two-years/; “Experience New World of Pants and Palazzos with W’s,” Fibre2fashion, accessed October 15, 2017, [www.fibre2fashion.com/news/garment-company-news/newsdetails.aspx?news\_id=110379](http://www.fibre2fashion.com/news/garment-company-news/newsdetails.aspx?news_id=110379); Shabana Hussain, “TCNS Clothing: An Ethnic Jewel”, *Forbes India*, September 17, 2015, accessed October 8, 2017, [www.forbesindia.com/article/hidden-gems/tcns-clothing-an-ethnic-jewel/41081/1](http://www.forbesindia.com/article/hidden-gems/tcns-clothing-an-ethnic-jewel/41081/1).

EXHIBIT 2: RETAIL STRATEGIES of APPAREL BRANDS IN INDIA

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Brand Type** | **Channel Mix** | **Promotions Mix** | **Price Segments** | **Examples** |
| Offline-Dominant Brands | Mainly offline; Limited online | Traditional media dominant; Limited digital media | Low end;  Affordable; Premium; Luxury; Designer | Biba, W, AND, Skult, Libas |
| Purely E‑commerce Brands | Only online | Digital media dominant; Limited traditional media | Low end;  Affordable | Voonik, Varanga, All About You, Koovs |
| E-commerce-Dominant Brands | Mainly online; Limited offline | Digital media dominant; Limited traditional media | Low end; Affordable;  Premium | The Vanca, |
| Hybrid-Channel Brands | Balanced online and offline | Digital media marginally dominant; High share of traditional media | Affordable; Premium | Fabindia, H&M, Zara |

Source: Authors’ conceptualization.

**EXHIBIT 3: CONSUMER DECISION JOURNEY (CDJ) PROCESS IN RETAIL**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Decision Step** | **Need Recognition** | **Information Search** | **Evaluation of Alternatives** | **Purchase Decision** | **Post Purchase** |
| CDJ1 | Online/Offline | Browse online | Online | Shop online | Delivery at home |
| CDJ2 | Online/Offline | Browse online | Online/Offline | Shop offline | In-store delivery; Delivery at home |
| CDJ3 | Online/Offline | Search offline | Online/Offline | Shop online | Delivery at home; In-store delivery |
| CDJ4 | Online/Offline | Search offline | Offline | Shop offline | In-store delivery |

Source: Authors’ conceptualization.

**EXHIBIT 4: COMPONENTS OF LOYALTY PROGRAMS AND RETURN ON INVESTMENT**

**Program**

**Costs**

Members Visiting Stores More Frequently due to Loyalty Program

(C)

**Program**

**ROI (G)**

Members Buying More due to Loyalty Program

(B)

Program Costs

(F)

Reward

Costs

(E)

Marginal Costs

(D)

Non-Members Buying Value without Loyalty Program (A)

Note: Loyalty Program Return = A + B + C – D – E – F.

Source: Adapted by the case authors from “Building Your Loyalty Program ROI,” Paytronix, accessed April 20, 2018, https://www.yumpu.com/en/document/view/8690022/building-your-loyalty-program-roi-paytronix.

ENDNOTES

1. This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of TCNS Clothing or any of its employees. [↑](#endnote-ref-1)
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