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Charagh Din: Dressing the Elite

Amita Mital and Vijayalakshmi Natarajan 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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Charagh Din is a brand that has been created with great passion. We work from our heart.

Raju Daswani

Raju Daswani, son of the founder of a family-owned fashion enterprise, Charagh Din (CD), was focusing on the growth strategy of his business. Though the Daswanis prided themselves on being the best quality provider of shirts, they refrained from getting into the business of trousers and accessories; they also did not cater to women. By 2017, Raju needed to provide a more enriching experience to CD’s customer base of over 500,000 to ensure the future growth of the business. The Daswanis had several options to consider, including expanding the product portfolio and geography, extending their target to include women customers, foraying into online sales, and branching out into in-house manufacturing. They wanted to move cautiously to target growth while being able to maintain family control over the company.

GROWTH OF CHARAGH DIN

The textile industry in India played an important role in generating foreign exchange reserves and creating employment opportunities. The concept of ready-made garments was relatively new for Indians. Traditionally, Indians preferred dresses stitched by local tailors in townships or cities that catered exclusively to local demand. When CD started, it was an early mover in the branded apparel industry.

Arjan Daswani: Inception by the First Generation (1950–1970)

CD evolved from New Lord and Company, a small tailoring shop that started in 1947, the year of India’s independence. The erstwhile owners of New Lord and Company responded to changing times and re-named their business Charagh Din. Arjan Daswani, who had migrated from Pakistan, bought the shop in 1949 and set up a tailoring shop in it. He started making ready-made shirts with the CD brand at a time when branded apparel was rarely available in India.

Arjan stocked fabrics for suits, shirts, and trousers, and continued to run CD as a tailoring shop for a number of years, employing more than 100 tailors to manufacture men’s garments. The tailoring shop had a client base of film stars such as Dilip Kumar and Raj Kapoor, who were known to wear CD shirts, and it was easy to extend those relationships to drive a business in ready-made shirts.

By 1954, Arjan’s vision and determination had transformed the miniature boutique into a four-storey mega-shirt store spread over 10,000 square feet in the upscale Colaba area of Mumbai. CD was considered the largest shirt store in the world with 25,000 shirts available at any given time—a claim that had led to CD being listed in India’s *Limca Book of Records*.[[1]](#footnote-1) The showroom launched 25 new designs every day, which, Raju claimed, surpassed the quality of even the best shirt stores in the world. CD developed an established name in the Indian fashion community, which attracted clientele ranging from film stars to industrialists and politicians. Services were customized by keeping track of customer shopping. Catering to the tastes and service standards of customers became CD’s motto.

Being a tailor himself, Arjan had an eye for fashion, which enabled him to establish CD on the pillars of variety, innovation, and quality, thereby offering the latest fashion and designs. A team of designers created more than 100 designs every day, out of which 20–25 were selected and put into production. By the early 1960s, CD had transformed its earlier image and established itself as a shirt retailer in South Mumbai offering formal, semi-formal, and informal men’s shirts (see Exhibit 1).

In the 1960s, the tailors and workers at CD collectively went on strike. Raju had by then joined his father and was actively involved in the business. The steep demands of the employees were not acceptable to Raju. For months the company suffered because of the strike. Family members came to the rescue and helped Raju run the store, while the tailors, who doubled as customer service staff, continued the strike outside the store. The experience taught Raju that the store could run without the support of the workers, so he ended their employment and resolved not to employ any tailors again. He decided, instead, to convert the business into a ready-made garments showroom.

CD developed relationships with suppliers and had them do the manufacturing. Because CD had a reputation for offering the best quality products to discerning customers, it had to ensure its suppliers provided merchandise of an unquestionable standard. CD contracted about a dozen exclusive shirt manufacturers, and although it retained control over the designs and type of material, CD allowed the manufacturers to source the material from a place of their choosing. The final shirts were put through rigorous quality checks. CD restricted its manufacturers from supplying shirts to other firms or from selling shirts under their own brand. The manufacturers complied because of the status they enjoyed as suppliers to CD.

Apart from contract manufacturers, Raju partnered with a friend in Singapore to import shirts from there made of a unique banana leaf fabric, and with Manila prints and embroidery. This type of innovative designer shirt was sold for the first time in the local market, and was a big hit among CD’s customers. This had two major outcomes for CD: first, Raju decided to switch completely to ready-made shirts, and second, the designs became CD’s prime differentiating factor. Even after 60 years in business, CD continued to experiment with designs to provide a vibrant and contemporary look. Years later, Raju expressed his view on fashion:

We believe that fashion is something which lies in the eyes of the beholder, so it would make sense for us to produce unique and different-looking shirts with the help of a variety of designers.

Raju Daswani: Growing the Firm (1970–2000)

By the 1970s, Raju was at the helm of the business working under his father’s guidance to grow the business beyond the local market. Together, Arjan and Raju had realized that CD shirts were in demand by businessmen and clients from other cities and abroad. Consequently, they began advertising their shirts across different cities on billboards and in magazines. As the fame spread, visitors to Mumbai dropped in to CD to buy shirts. The elite adopted the brand and CD became a landmark showroom in Mumbai. According to Raju, customer service was the most crucial aspect of his business, which helped him retain clients:

Our motto to the staff is to spoil our customers. I have been to many showrooms, but no one can give the service that we do because in other places, no one is there to monitor the staff and see whether they are doing everything correctly or not. It’s a big difference when an owner is present and when he is not. Thus, we ensure that our customers return to us.

During the 1970s, the business landscape changed and sustaining the business became a challenge. The government enacted inhibitive regulations that imposed an excise duty on businesses with a turnover of more than ₹0.5 million.[[2]](#footnote-2) The tax was putting financial pressure on companies. Competing brands of that time such as Liberty, Armour, and Bonds, which were much larger than CD in scale, could not sustain their business. The competitors had to increase their prices to cover the tax, but the higher prices were unacceptable in the Indian market, so the competing manufacturers resorted to manufacturing for export. This created a vacuum for good quality shirts in India, which provided an opportunity for CD to consolidate its position as a premium shirt retailer; and because CD had a lower turnover, it was not affected by the excise tax.

A marked difference between CD and other brands was that CD refrained from offering discounts or end-of-season sales. Since CD’s inception, Arjan and then Raju had been clear that discounts were a deviation from its value proposition. A balanced stock-keeping system ensured that CD did not require end-of-season sales to dispose of inventories. One of CD’s competitors had been forced to leave the business because of losses incurred during discounts. This instance cemented CD’s stance to retain its prices.

In the 1980s, while focusing on the growth of the business, Raju ruled out expanding geographically across different cities. Instead, he wanted to retain CD as a landmark showroom where he could offer his renowned customer service. Raju received attractive realty and funding options to open showrooms in other cities in India and internationally, but he was adamant that he wanted to retain only one showroom. Raju strongly believed in growing debt-free and profitably, so he avoided rapid expansion and opening multi-brand outlets across cities. However, Raju realized it was important to keep evolving to sustain the business; hence, he decided to move into a larger showroom. He explained,

While my father was still in the CD office, I found a brand new palatial showroom on a main road of South Bombay for sale. I . . . explained to my dad the merits of shifting to the new showroom. However, he rejected the proposal downright saying that it would be of no use [and would] only end up confusing our existing customers and losing half of them. CD is a place recognized by taxiwalas [cab drivers]; we would end up confusing them too. So he told us to continue in the same showroom. Fortunately, this building’s floors opened up and we continued to expand in the same building.

Raju converted CD from a miniature boutique covering 800 square feet to a large shirt store spread across 100,000 square feet. The sole CD showroom at Colaba in Mumbai was considered the largest shirt store in the world. Yet, in the 1990s, CD was experiencing growing pains. The response from customers, as well as the industry, signalled that the brand was “living in the past.”

CD had become a maturing product line, catering to the older generation. As a result, Raju decided to attract younger customers and revamped the shirt portfolio. He launched “Ditto,” a sub-brand with semi-formal and party shirts that aligned with the style of younger men. CD became the first branded party-wear shirt in India, with Ditto being the most successful merchandise line.

Yohan Daswani: Gearing up for Competition (2000–2017)

At the turn of the century, the third generation of ownership began at CD when Raju’s son, Yohan, took control. In 2002, Yohan completed his education at the University of Michigan and joined the family business immediately. Although he had not planned earlier on joining his father (CD’s legacy), Yohan was beckoned to contribute to the legacy that had been treasured and grown over decades. He joined the business with a challenging task: to keep CD relevant in a retail industry that was facing stiff competition from foreign entrants and online retailers.

Yohan’s first move was to expand CD digitally. CD established a website in 1997, but Yohan wanted to leverage the e-retailing opportunity to attract business from national and foreign clients. The online retailing option was not a big business when it started. CD had a few regular customers who trusted its brand and quality, and they started purchasing online frequently. As time passed, online sales picked up, but the ratio of online to offline sales varied based on seasonality and promotional activities. However, the cumulative response was positive, and the efforts enabled CD to brand itself across untapped customer segments and to adapt to the aggressively competitive landscape of the 2000s.

Yohan also developed several novel promotional initiatives to consolidate CD’s position as a “young brand”:

Firstly, we launched a green campaign in 2010, mainly to spread the word and create an awareness about global warming. Another successful campaign that we conducted was the CD Rocks—Ultimate Party Campaign in 2014. And although it was just a means of promotion, we wanted to do something different and gain attention. And essentially, these initiatives are targeted towards the youth.

CD also developed a strong social media presence—something Yohan believed was crucial for an instant connect with the burgeoning online generation. Yohan, like CD’s earlier generations, was focusing on developing a shirt line and was foraying into slim shirts with the intent of expanding the consumer base.

The brand that had developed across the three generations was a result of consistent marketing excellence and a passion for quality and precision.[[3]](#footnote-3) Over the years, the brand came to be not only known as the “shirt that fits” but also associated with sophistication, good taste, and special identity with the three factors that would never be compromised: innovation, quality, and product range.

BRANDED SHIRT INDUSTRY IN INDIA

The shirt market in India had evolved along with the global apparel market. With increasing disposable income and acceptance for branded apparel, consumers were embracing fashion not merely as a functional purchase but also as a means of self-expression. By 2015, the shirt market in India was estimated at ₹347.17 trillion and was expected to grow at a compound annual growth rate (CAGR) of 8 per cent to reach ₹519.13 trillion by 2020. Shirts accounted for 13 per cent of the apparel market, dominated by the men’s segment, which accounted for 94 per cent.

The market for shirts was transiting from limited colours and designs to distinct categories of formal and stylish shirts. The super-premium and premium segments were dominated by both national and international brands. Consumers in these segments wanted brand image and exclusivity. Women’s shirts were a relatively small segment in women’s apparel, which was dominated by ethnic wear. Shirts contributed less than 2 per cent of the women’s apparel market and had limited penetration. However, because an increasing number of women were entering the workforce and had a growing desire for Western attire, the shirt segment was expected to grow at a CAGR of 14 per cent.[[4]](#footnote-4)

Competition

In India, Aditya Birla Fashion and Retail Limited (ABRFL), Raymond Limited (Raymond), Arvind Limited (Arvind), Zodiac Clothing Company Limited (Zodiac), Mohan Clothing Company Private Limited, and ITC Limited were the major players in the shirt segment.

Aditya Birla Fashion and Retail Limited

ABFRL was part of the US$41 billion[[5]](#footnote-5) Aditya Birla Group, which was in the league of Fortune 500 companies and had a turnover of ₹66.3 billion in 2017. Apart from other businesses, the Group held 11 companies that were producing viscose staple fibres, acrylic fibres, yarns, spun yarns and blends, and textiles.

The Group acquired Madura Fashion and Lifestyle (Madura) in December 1999 to gain a leadership position in ready-made menswear. Madura had its origins in Coats Viyella Plc, a leading clothing supplier in Europe. Madura was leading in fashion and innovation, and it sourced fabrics, technology, and products globally. The latest finishes, fabrics, fits, technologies, and product development in fashion and clothing styles were incorporated in its brand portfolio.

In 2015, the Group acquired Pantaloons from India’s largest big-box fashion retailer. After the acquisition, ABFRL had over 7,000 points of sale across 375 cities, including more than 2,000 exclusive ABFRL brand outlets. The company claimed to be creating more than 20,000 designs per year. It was India’s largest fashion network, in ownership of the top four fashion brands: Allen Solly, Louis Philippe, Van Heusen, and Peter England (see Exhibit 2).[[6]](#footnote-6)

ABFRL also had People, India’s first fast fashion youth brand; Planet Fashion, India’s largest fully integrated fashion multi-brand outlet chain; The Collective, India’s largest premium international brand retailer; Hackett London’s mono brand retail; and exclusive rights to market the global brand Forever 21. It also had exclusive partnerships with Simon Carter and Ted Baker, two of the United Kingdom’s most successful fashion brands.

Raymond Limited

Raymond, part of the Singhania Group, was incorporated in 1925. It had the capacity to weave 38 million metres of wool and wool-blended fabrics per year. It had a 60-per-cent market share in worsted suiting in India and was among the first three fully integrated manufacturers of worsted suiting globally. Raymond exported products to 55 countries including the United States, Canada, Japan, and several countries in Europe and the Middle East.

Raymond began making blended fabrics in 1964, and in 1968 it forayed into ready-made garments by setting up a plant at Thane near Mumbai. Raymond launched Park Avenue, a premium lifestyle brand that provided a complete wardrobe solution to men, in 1986. It launched the premium semi-formal and casual wear brand Parx in 1999, and launched Be in 2000—a ready-to-wear designer clothing line for men and women. In 2002, the company acquired ColorPlus while continuing to invest in upstream innovations for producing premium fabrics and jeans wear, and collaborating with firms internationally for the latest technology in fabrics. Raymond launched Zapp!, a children’s wear brand, in 2006, and launched Makers, a value-for-money fabric segment, in 2011.

By 2013, Raymond had a design catalogue of over 20,000 items across different fabrics, ages, occasions, and styles, and its premium apparel business had sales of more than ₹1 billion. Its major brands—Park Avenue, Parx, and ColorPlus—were sold across 4,000 multi-brand outlets and over 637 exclusive retail stores (see Exhibit 3).

Arvind Limited

Arvind (formerly Arvind Mills) was part of the Lalbhai Group. Founded in 1931 by the Lalbhai brothers, whose family had been in the business of cotton yarn since 1897, Arvind made cotton fabrics. It started manufacturing denim in 1985, entered the export market in 1987, and went on to become the largest manufacturer of denim globally, rolling out 100 million meters per year. Arvind was also a leading manufacturer in woven fabrics with a capacity of 132 million metres, and it was a market leader in voiles,[[7]](#footnote-7) producing 40 million metres per year.

Arvind established a garment manufacturing facility in 1997, and then began exporting to global markets through an export division called Lifestyle Apparels. Like Raymond, Arvind’s portfolio included shirts, trousers, ties, suits, and accessories for formal, casual, evening, club, and ceremonial wear, which were sold through 273 stand-alone brand stores and at 975 counters selling through key accounts and multi-brand outlets (see Exhibit 4). Arvind’s turnover from the garments business was ₹11.2 billion in 2017, which included sale of garments for men, women, and children.[[8]](#footnote-8)

Zodiac Clothing Company Limited

Zodiac started in 1954, and was essentially an export-oriented company known for producing quality products. Zodiac manufactured shirts, trousers, suits, ties, and accessories exclusively for men (see Exhibit 5) at six manufacturing facilities in India and one in the United Arab Emirates. Zodiac produced apparel made of pure cotton, pure wool, wool blend, pure linen, and linen blends. The products were sold through 100 exclusive Zodiac showrooms across India and at over 2,000 multi-brand retailers. Zodiac’s turnover was ₹2.9 billion in 2017.

Mohan Clothing Company Private Limited

Mohan Clothing Company Private Limited manufactured and sold shirts under the brand name Blackberrys. Launched in 1991, the formal wear brand catered to men with products like formal shirts, accessories, suits, jackets, shoes, and innerwear. It was sold across 111 cities in India through 190 exclusive stores.

ITC Limited

ITC Limited, a multi-business Indian conglomerate, sold apparel to adolescents and young adults under the brand name John Players, launched at the end of 2002. The brand included complete wardrobe solutions across three categories: formal wear, party wear, and casual wear. John Players also offered denim wear under the sub-brand John Player Jeans. Apparel under these brands was sold in over 1,300 multi-brand outlets, 400 exclusive showrooms, and 20 exclusive John Player Jeans outlets.[[9]](#footnote-9)

Other Competitors

Leading international brands like Lacoste (Lacoste Operations SA), Armani (Giorgio Armani S.p.A.), Louis Vuitton (Louis Vuitton Malletier), Gucci (Guccio Gucci S.p.A.), Versace (Gianni Versace S.p.A.), and Zara (Industria de Diseño Textil, S.A., also known as Inditex) had also become accessible to customers in the premium segment through both physical outlets and online platforms.[[10]](#footnote-10)

CHALLENGES FACED BY CHARAGH DIN

The branded apparel industry in India began to grow in the 1980s, fuelled by increased fashion consciousness and the convenience offered by ready-to-wear garments. In the 1990s, India’s economy was liberalized and new investment policies came into existence. This affected the apparel industry as well. The growing young population not only had greater purchasing power but also had access to fashion trends outside the country and access to a superior quality of fabrics. This enabled many international brands to enter the Indian apparel industry. The steady growth culminated in an atmosphere of intense competition and consolidation among branded, ready-made apparel firms.

By 2015, the ready-made garments market was estimated at $45 billion. The domestic component comprised around $27 billion, while exports stood at $18 billion. The Indian branded apparel industry was growing at 10–12 per cent per annum. Between 2010/11 and 2015/16, apparel had increased from 7 to 16 per cent of the modern retail trade and was set to grow to 37 per cent of the overall trade by 2021. As fashion brands expanded and online shopping gained momentum, the branded garments segment was forecasted to grow at 48 per cent of the overall ready-made garments segment in 2019, up from 35 per cent in 2014.[[11]](#footnote-11) The online retail market was also expected to grow—to $44 billion by 2018, up from $13 billion in 2014, with apparel accounting for 31 per cent of online retail.

Apart from this, womenswear constituted only 41 per cent of the apparel market in India in 2015 versus menswear, which occupied 48 per cent. However, globally, womenswear was a bigger market than menswear. In India, the womenswear segment was also highly fragmented, with only 5 per cent of the segment going to organized retail. However, this was expected to change, particularly in the fast fashion segments, which had a share of 25 per cent of the apparel market with brands like Zara, Westside Apparel, and Max (a fashion brand owned by Landmark Group) focusing on womenswear. Menswear retailers were also turning to womenswear for growth. Allen Solly (a brand under Madura) had launched a womenswear range, which was contributing about 15 per cent of the brand’s revenues and was one of the fastest growing womenswear segments, expected to reach 20–25 per cent including children’s wear.[[12]](#footnote-12)

The menswear segment was also transforming, with denim, activewear, and T-shirts growing at a CAGR of 16, 14, and 12 per cent, respectively. The activewear category comprised sportswear, gym wear, and swimwear. The activewear segment was also growing due to increasing health consciousness, which made sports, gym activities, jogging, swimming, and yoga an essential part of modern life, especially in metropolitan cities. Demand for denim and men’s T-shirts was growing due to a shift in preferences from formal attire to comfort-oriented casual attire. The heightened acceptance of casual or “Friday” dressing, and the penetration of denim into Tier 2 and Tier 3 cities and rural India, also contributed to the growth of this attire in India. The accessories market was also growing, witnessing a CAGR of 5.4 per cent.

CHARAGH DIN’s FUTURE STRATEGY

Raju and his son Yohan realized that CD was not well aligned with the changed environment of 2017. They were rethinking CD’s strategy and considering several alternatives.

* The first option involved assessing CD’s product portfolio: Should CD continue with only shirts or should it provide trousers and accessories as well? Given CD’s tailoring background, it would not be difficult to venture into trousers, scarves, and ties.
* The second option involved evaluating who CD was targeting as customers: Should it focus only on men or should it add women to its customer group?
* The third option was to consider CD’s geographical spread: Should it retain only one store in India or should it try to spread to other metropolitan cities or across India? If it did expand, what would be the format?
* The fourth option was to partner with e-commerce firms to take CD’s products online.
* A fifth and final option was to consider whether to continue with outsourcing manufacturing of CD’s shirts or to integrate backwards into its own manufacturing.

While Raju had a good understanding of both products and customers, Yohan was more contemporary in his approach and included leveraging technology to improve performance. The two collectively set about deciding a future course of action.

Exhibit 1: CHARAGH DIN’s PRODUCT PORTFOLIO (MENswear)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Brand** | **CD** | | | | |
| **Country of Origin** | India | | | | |
| **Categories** | Business | Party | Slim | Ditto | Casual |
| **Target Customer** | Men | Men | Men | Men (Youth) | Men, youth, and children |
| **Products** | Business shirts | Regular and slim | Slim-fit (Itutu) | Regular youth-oriented | Regular  slim |
| **Number of Stores** | 1 | | | | |
| **Presence** | 1 city | | | | |

Source: Company documents.

Exhibit 2: Aditya Birla’s PRODUCT PORTFOLIO

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Brand** | **Louis Philippe** | **Van Heusen** | **Allen Solly** | **Peter England** |
| **Country of Origin** | England | United States | England | Ireland |
| **Year of Launch in India** | 1989 | 1990 | 1993 | 1997 |
| **Segment** | Super premium | Premium | Premium | Sub-premium |
| **Category** | Formal & casual | Formal & casual | Formal | Formal |
| **Target Customer** | Men | Men & women | Men, women, & children | Men |
| **Number of Stores** | 329 | 310 | 262 | 643 |
| **Presence** | 115 cities | 117 cities | 109 cities | 300 cities |
| **Collections** | *Silk Route—*Comfort of cotton with feel of silk  *Crème Collection*—Premium ammonia-treated fabric, woven from fine single yarn  *Liquid Cotton—*100% cotton, soft and seamless | *Eco Story—*100% organic, environmentally friendly cotton  *Best White Formal—*Wrinkle-free cotton with whiteness index of 150+ CIE even after 25 washes  *Best Non-Iron—*100% two-ply cotton with superior lustre | *Air Shirts*—Light yarn for soothing the heat; weighs <163 grams  *Best Casual*—High colour and durability appeal with soft touch and feel  *Allen Solly Go*  *Non-Iron Trousers* | *Fragrance Shirts—*Embedded with micro capsules to release fragrance  *Razor Stripes—*Transparent yarn in weft filling to highlight sharpness of stripes  *Magnetism—*Magnetic chip in collar bone to retain crispness |

Exhibit 2 (Continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Brand** | **Louis Philippe** | **Van Heusen** | **Allen Solly** | **Peter England** |
| **Collections (continued)** |  |  |  | *Go Green Shirt*—Fusion of cellulose fibre, cotton, and regenerated fibre that drapes well  *Royale 2-Toned Shirt*  *Oxygeans, Cordean,*  *& Adjustable Trouser* |
| **Product Mix** | Shirts, T-shirts, trousers, chinos, accessories, suits, blazers, footwear, and jeans | Men’s shirts, T-shirts, trousers, leisure wear, jeans, jackets, shorts, sweatshirts, sweaters, footwear, and accessories  Women’s tops, T-shirts, blouses, dresses, suits, blazers, overcoats, jackets, and knitwear  Sub-brand *V-dot* for young professionals | Clothing for men, women, and children | Top wear, bottom wear, accessories, and footwear  Two sub-brands:  *Peter England Elite—*Sub-premium formals for younger professionals  *Peter England Party—*Club wear |

Source: “Top 10 Best Men’s Shirt Brands in the World,” Trending Top Most, accessed October 21, 2017, www.trendingtopmost.com/worlds-popular-list-top-10/2017-2018-2019-2020-2021/lifestyle-fashion/best-mens-shirt-brands-world-india-highest-selling; Van Heusen (retail website), accessed June 23, 2017, www.vanheusenindia.com; “About Us,” Van Heusen, accessed June 23, 2017, www.vanheusenindia.com/content/about-us-4.

Exhibit 3: RAYMOND’S PRODUCT PORTFOLIO

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Brand** | **Raymond** | **Park Avenue** | **Parx** | **ColorPlus** |
| **Country of Origin** | India | India | India | India |
| **Year of Launch in India** | 1925 | 1986 | 1999 | 1993 |
| **Segment** | Super premium | Premium | Premium | Premium |
| **Category** | Formal & casual | Formal & casual | Casual | Casual |
| **Target Customer** | Men | Men & women | Men | Men |
| **Number of Stores** | 20,000 touch points in 600 cities & towns;  160 wholesalers;  3,300 multi-brand outlets;  1,080 Raymond Shops and exclusive brand outlets;  800 large format stores | 800 Raymond Shops;  50 exclusive brand outlets;  1,200 multi-brand outlets;  24 shop-in-shops\*;  online sales | 28 exclusive Parx brand stores;  Raymond Shops;  Multi-brand stores;  Leading menswear stores | 350 |
| **Presence** | 600+ cities | 300+ cities |  |  |
| **Products** | Shirts, T-shirts, and accessories | Men: shirts, T-shirts, Nehru jackets (formal evening suits), and accessories  Women: shirts, jackets, and T-shirts | Urban, sports, excursion, and club wear | Shirts, T-shirts, trousers, and accessories |

Note: \*A shop-in-shop is a dedicated space for a specific brand within a retail store. It is also referred as store-in-store in some countries.

Source: Raymond Next (retail website), accessed September 21, 2017, https://raymondnext.com; “Our Brands,” .Raymond, accessed February 7, 2018, http://www.raymond.in/ourbrands.

Exhibit 4: ARVIND’s PRODUCT PORTFOLIO

|  |  |  |  |
| --- | --- | --- | --- |
| Brand Category | **Own Brands** | **Licensed Brands** | **Joint Venture Brands** |
| Brands & Country of Origin | Mainstream  Excalibur  Gant  Flying Machine  Popular  Ruf & Tuf  Newport University | Bridge to Luxury  U.S.A. 1949 (U.S.)  Energie (Italy)  Premium  USPA (U.S.)  Arrow (U.S.)  Izod (U.S.)  Popular  Cherokee (U.S.)  Mossimo (U.S.) | Bridge to Luxury  Tommy Hilfiger (U.S.) |
| Category | Casual | Formal & casual | Sportswear, denim, & accessories |
| Target Customer | Men, women, and children | | |
| Number of Stores | Present across 500+ multi-brand outlets | | |
| Presence | Major Tier 1 and Tier 2 cities | | |
| Products | T-shirts and jeans | Shirts, trousers, sweaters, sportswear, polos, denims, neckwear, shorts, and swimwear |  |

Source: “Our Brands,” The Arvind Store, accessed January 11, 2018, www.thearvindstore.com/brands.

Exhibit 5: ZODIAC’s PRODUCT PORTFOLIO (Menswear)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Brand | **Zodiac** | | **Z3** | **Zod** |
| Country of Origin | India | | | |
| Category | Formal and casual | | Casual | Club wear |
| Target Customer | Men | | Men | Men |
| Products | Shirts | Formal in classic, tailored, and slim fit | Shirts in linen, prints, checks, stripes, and solids | Shirts |
| Evening in classic and tailored fit |
| Casual in classic and tailored fit |
| Trousers | Formal in classic, tailored, and slim fit | Chinos |  |
| Casual in classic and tailored fit |
| Suits | Formal |  |  |
| Ties | Printed silk, woven silk, and microfiber woven |  | Ties |
| Accessories | Belts, cufflinks, handkerchiefs, pochettes, and socks | Accessories | Collections |
| Number of Stores | 100 stores across the country and online | | | |

Source: “The Zodiac Story,” Zodiac, accessed January 11, 2018, www.zodiaconline.com/z/story; “Zodiac Shirt,” Zodiac, accessed January 11, 2018, www.zodiaconline.com/z/retail/products/ZodiacShirt/Zodiac/ZodiacShirt.

1. The *Limca Book of Records* was an annual reference book documenting India’s human and natural world wonders; *Limca* Book of Records, accessed January 11, 2018, www.limcabookofrecords.in. [↑](#footnote-ref-1)
2. ₹ = INR = Indian Rupee; ₹1 = US$0.02 on March 31, 2017; all currency amounts are in ₹ unless otherwise specified. [↑](#footnote-ref-2)
3. “Charagh Din Shirts,” Profile Engine, accessed September 21, 2017, http://profileengine.com/groups/profile/435099460/charagh-din-shirts. [↑](#footnote-ref-3)
4. Amit Gugnani and Sakshi Chhillar, “An Overview of India’s Fast-Growing Shirt Market,” India Retailing, June 7, 2016, accessed September 21, 2017, www.indiaretailing.com/2016/06/07/fashion/an-overview-of-indias-fast-growing-shirt-market. [↑](#footnote-ref-4)
5. All dollar amounts are U.S. dollars unless otherwise specified. [↑](#footnote-ref-5)
6. “Businesses,” Aditya Birla Fashion and Retail Limited, accessed September 21, 2017, http://adityabirla.com/businesses/Profile/aditya-birla-fashion-and-retail-limited. [↑](#footnote-ref-6)
7. Voile was a soft sheer fabric made of cotton or cotton blended with linen. [↑](#footnote-ref-7)
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