



CLIENT STORY | MARKET ENTRY STRATEGY FOR A TOP FIVE GLOBAL APPAREL RETAILER

Region :
 INDIA

Consulting Services :
 MARKET ENTRY STRATEGY

CLIENT SITUATION

- The client is a global top five apparel retailer with a multinational presence and a multi billion dollar operation
- The client has operated in certain Asian markets for the last five years but has as yet not entered India owing to the regulatory constraints until now
- With the relaxing of FDI norms and the gradual opening up of multibrand retail, the client wishes to assess if the time is right for a big bang entry into the domestic apparel market

OUR APPROACH

- Avalon Consulting put together a broad hypothesis that would support the decision the client wished to take – this was based on a good understanding of the clients business & philosophy and the market conditions in India
- As a next step we executed an intense and focused exercise to explore each leg of the hypothesis, covering aspects such as regulations, real estate, store profitability, manpower, sourcing and supply chain
- The exercise also involved a bottoms up approach to assessing store level profitability of the competitive space through primary research involving footfall measurement, conversion, basket size and composition as well as understanding product margins
- All of the above facilitated a deep and practical understanding of the drivers of profitability and execution challenges of setting up a business in the country while aiming for a sizeable business

OUR RECOMMENDATION/ IMPACT

- Based on the exercise, the client was able to envision the India business with a high degree of clarity and introspect with its senior management on its internal preparedness
- This has led to it initiating structural changes in its current international operations and domestic sourcing centres to work towards an impending launch date
- Avalon Consulting continues to be associated with this client and support its new ventures