



PwC Challenge 4.0: Round 1 Case Study

Industry Overview:

India's fashion retail segment which was at about USD 52 billion in 2017, is poised to cross USD 85 billion by end of 2022 and is expected to touch USD 190 billion by 2026. Online Fashion Retail Market share in India is going to increase by USD 22.97 billion from 2021 to 2026, and at a growth rate of 18.83%.

Conscious consumption is one of the biggest trends among the customers in this segment. Companies are focused on sustainability while designing their strategies. At the same time, It is attracting attention among investors, policy makers and other key stakeholders as it is seen as a way to protect companies from future risks. Like every other business, fashion retail is transforming their way of operations & mode of interaction with customers by adopting new age technologies like AI, ML, AR/ VR, Blockchain, Metaverse etc. Experts believe that new age technologies will be the most critical piece of the puzzle for companies to move towards sustainability in the years to come.



Case Context:

StyleX & Co. is one of the largest fashion retail giants of the US in the sustainable fashion domain. It houses multiple successful brands in the sustainable fashion category and has been growing at a rapid pace in the US due to increasing awareness and consciousness among the consumers. It is now eyeing to enter the Indian market.

The objective of the company is to replicate the success of the US in the Indian market. In order to achieve that, StyleX wants to establish themselves as a brand that focuses on sustainability throughout their ecosystem, whether its operations, products/ services or customer experience. They have already made investments in identifying the raw materials and setting

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up manufacturing facilities. As next steps, the company is in the process of developing their Go-to-Market strategy. While the company is committed to sustainability, it doesn't want to compromise on its profitability for more than 3 years.

The leadership team of StyleX and Co. have shared their perspectives to highlight their vision about the future and asks from the engagement team

Chief Executive Officer -

“Our vision is to become the symbol of sustainable fashion in India”. In order to achieve that, we need to build a reputation of a sustainable brand through our operations as well as the customer experiences. As we have already identified our sustainable raw materials suppliers and have invested in the establishment of manufacturing units, we are set out on the right path. But there are still opportunities to explore in the further stages of the value chain. Similar to the US, new age technologies will be the most important pillar of our success.



The Indian market has huge potential for us to grow and establish our presence but it solely relies on an impactful entry into the market. We need to accurately identify our target market and position their products appropriately for the Indian consumers. On one hand, we need to identify technology innovations to make our operations sustainable, and on the other hand we will rely on technology to create a differentiating experience for customers to plug them into the concept of sustainable fashion and thus our brand. We have set an aggressive target for us to become profitable in 3 years but I have strong belief that it can be achieved with the right strategy.

Chief Finance Officer -

The entry into the Indian market will be capital intensive at least for the next 2-3 years. Our benchmark performance in the US over the last 2 years gives us the initial capital required for this venture. However, it is ideal to take advantage of the current economic situation to leverage low-cost capital available in the market. Our entry in the Indian market may receive some resistance from the customers at least in the initial 6 months until we establish our brand in the market. Therefore, in the next 2 years we should focus on building financial plans to better prepare us for the future.

Chief Product Officer -

India is a land of diversity. There are different needs, different demographics and different consumer behaviors in the Indian market. We need to explore different consumer segments and products which cater to the taste of our target market.

It will also be extremely important to position the products appropriately through the right channels. To establish a successful brand in India, we need to maximize the product-market fit.

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Chief Technology Officer -

“Agreed”, Technology will play a crucial role to ensure we achieve our objectives of being sustainable and crafting a unique experience for our customers. We are investing heavily in new age technologies and exploring every option under the sky which helps us innovate.

On the operations side, a few of the use cases that we are exploring involve tech-enabled solutions to help us track and avoid wastages/ leakages. On the customer side, we are experimenting with options to create an immersive experience for the customer in a sustainable manner.



Chief Operating Officer -

We are looking at keeping our operations very lean while giving customers a differentiating experience. We want to use the best in class technology in areas like managing inventory, performing accurate projections, providing better information to the customers, reducing the manual workload of people in stores, etc. These are only a few of the examples.

The company is also looking to maintain the optimal channel strategy ensuring seamless integration across the channels. While the company has established a sustainable value chain in the upstream, we want to leverage technology to make the customer end of the value chain sustainable by reducing losses, lowering return rate to name a few and communicate

the sustainability aspect of the product to consumers in the store.

Summary of Deliverables:

As for the next steps, the entire C-suite executives of StyleX & Co. would like you to conduct an outside-in assessment of the business and prepare a Point of View on company's key strategic decisions:

1. As StyleX & Co. looks to enter the Indian market, conduct an **opportunity assessment** focusing on sustainable and modern fashion retail business services and discuss parameters like (but not limited to):
 - a. Total addressable market
 - b. Market growth
 - c. Potential opportunities
 - d. Competition landscape
 - e. Risks & challenges
2. Propose a **Go-to-Market strategy** that should be adopted by StyleX & Co. while focusing on (but not limited to):
 - a. Customer strategy (Target market, Acquisition, Engagement and Retention)
 - b. Products / services offerings and their positioning
 - c. Channel strategy

3. Identify the opportunities and suggest **technology based innovations** (financially and operationally viable) to StyleX & Co. which will help them achieve their overall objective.

General Instructions for the PPT:

1. Please use the following format for the presentation:

- a. *Executive Summary* - Mandatory and should not exceed 2 slides.
- b. *Body* - Do not exceed 10 slides for the main body of the deck (excluding executive summary and appendix). Use your own judgment to decide the number of slides for each deliverable.
- c. *Appendix* - Appendix should not exceed 50 slides.



2. To keep the content readable, do not go below a font size of 10. Preferably, use 12 or above. Slide headers & content use font type - Georgia and Arial respectively.
3. Please make assumptions wherever required. Also state them clearly in the footer section.
4. In case of quoting data from external sources, please mention references in the footer. Use American Psychological Association (APA) style referencing.