

Zudio: Revolutionizing Fashion with Affordable Innovation

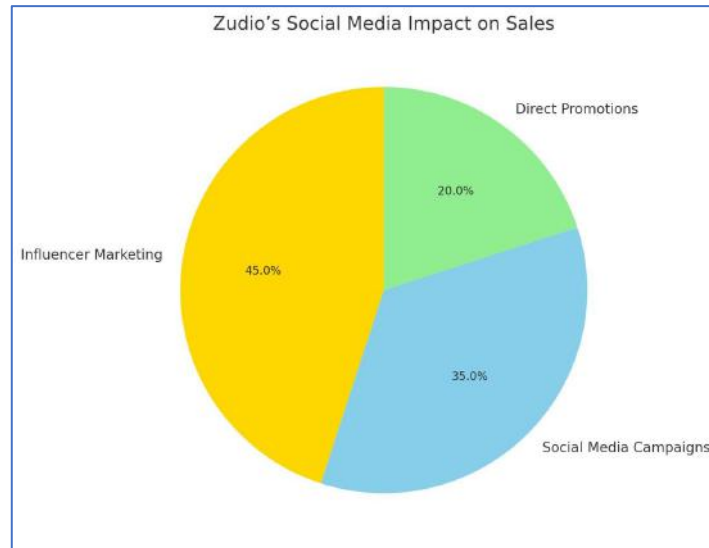
(Case study Article by Aaryan Kayal)

With startups making a trend since the 1980's it is in the last 15 years that innumerable enthusiasts are testing these waters. But, as we know, it is not an easy journey, with 63 per cent startups shutting down in the first year itself. Finally, only 10 per cent manage to make a mark in the current competitive scenario to sustain pressures of performance and funding.

Also, the few that create success stories with a minimal investment can be counted on fingertips. I consider myself fortunate when I had the great fortune of interning with brand Zudio owned by one of the oldest and most acclaimed business conglomerates of India - the Tata Group. To my mind this venture is one of the finest examples for creating history in the already overcrowded apparel industry where stalwarts worldwide have made their prominent mark leaving minimal space for additional success stories, especially on low cost apparel with a high profitability. The vision of Mr Noel Tata is commendable and deserving of applause since with his acumen he succeeded in turning the tables in his favour while keeping minimal investments yet resulting in high profitability.

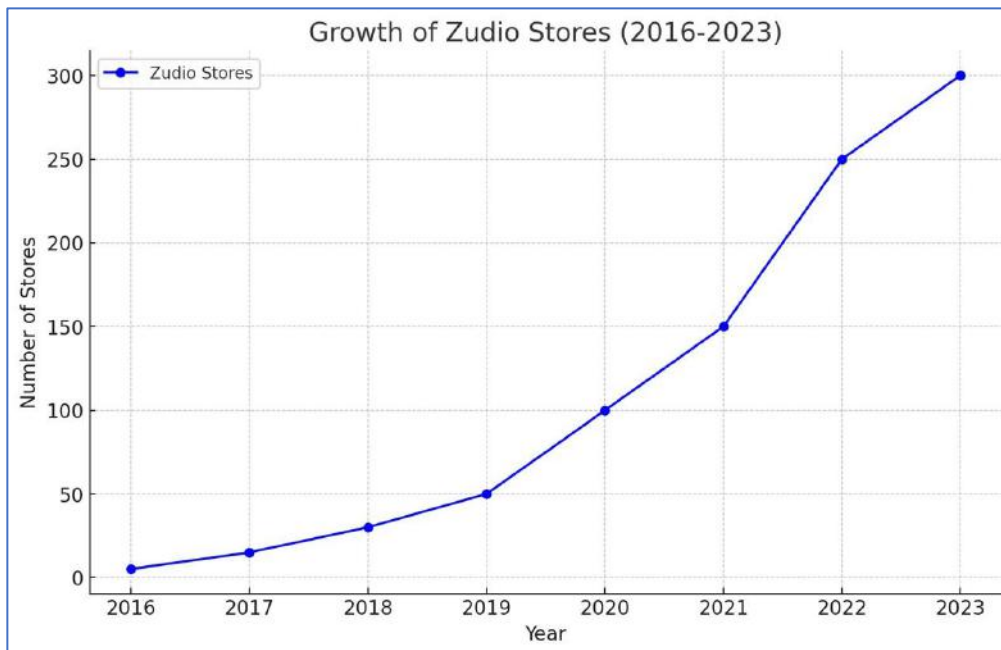
Noel Naval Tata, the chairman of Trent a Tata group company which now runs the popular clothing and accessories brand Westside, started the venture in 2016 where he addressed young fashionistas with limited allowances, giving them an opportunity to buy the latest trends at affordable prices. The inspiration behind this was the global success story of Zara, owned by Inditex a Spanish company. From the example of Zara's supply chain that started in 1975, Noel Tata took a leaf for his venture in management, merchandising, product display and store layout. In 2016 the brand tested waters with just five stores, introducing menswear with the skilled expertise of expats, Trevor Perren and Marjolein Van Brandwijk, who fine-tuned the challenging market scenario with an alluring business design model to eventually expand its portfolio from menswear to womenswear, kidswear, accessories and footwear. This strategically planned move addressed Gen Z through aggressive and impactful campaigns on social media using the power of influencer partnerships with alluring sales pitches like: "Fashionista? Voguish? Supercool? Haute? Then #Zudio is for you" and The slogan 'Fashion at Star Prices' and 'Irresistible Style at Irresistible Value', that hit the chord with youngsters and soon converted into high sales.

This direct-to-customer (B to C) approach whether it was online or at the retail outlets, multiplied sales without any need for offering discounts. This also played a vital role in saving additional costs. This was a huge advantage since the affordable pricing model would not have otherwise sustained the discounts on retail price and also the high cost against returns, which is endemic in the e-commerce model.



The brand adopted minimum inventory policy at the store with prompt replenishment based on accurate sales data which further multiplied sales that were far higher than a typical departmental stores that manages at 3-4 times the cost projected by Zudio.

Zudio's business is based on value pricing structure, rapid inventory turnover, expansion into tier 2 cities, a distinctive focal model, and a private labeling approach. This combination of in-house design and production helped Zudio multiply to more than 300 stores in a short span of 7 years!



The brilliant idea behind this was to scale production and save the cost while simultaneously expand operations as it resolved to pass on the savings to consumers in the form of lower price. This approach reaped the phenomenal success of the brand, for all to see.

The interactive model of in-house designing gave a firm control to Zudio on controlling quality of the products at an affordable price, leveraging a good margin in comparison to its competitors.

The progressive approach to ditch the conventional advertising methods, and focusing on social media gave Zudio an edge over its competitors while making inroads of the brand's awareness, at negligible costs.

To conclude, the success of Brand Zudio in winning India's fashion industry is attributed to its innovative strategies. Leveraging economies of scale, in-house design, efficient inventory management, and a direct-to-customer approach, offering stylish and affordable fashion.

Through innovative digital marketing and prioritizing high sales volumes, the brand resonates with the cost-conscious Gen Z.

Zudio's ability to thrive in smaller cities reflects its adaptability. As the brand continues to grow, its impact on the broader fashion retail market is poised to be significant, showcasing the effectiveness of its creative and customer-centric approach.

On my part, this exposure has been instrumental in not only being motivational by its example but also sharpening my awareness and skills as I aspire to be an entrepreneur in the future.