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Chapter 13

A CASE STUDY ON ADITYA BIRLA FASHION: GROWTH TOWARDS SUCCESS IN THE INDIAN FASHION BUSINESS

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A CASE STUDY ON ADITYA BIRLA FASHION: GROWTH TOWARDS SUCCESS IN THE INDIAN FASHION BUSINESS

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Abstract

This case study discusses how Aditya Birla fashion retail has used information technology to enhance customer experience. The case starts with an introduction about the company. Later, it explains the business model, strategies, and challenges faced by the company.

Keywords: Fashion, business, growth, Aditya Birla

Introduction

Aditya Birla Fashion and Retail Limited (ABFRL) is a well-established company in India, which operates in the retail industry. The company was formed after the merger of Aditya Birla Nuvo Limited's apparel businesses and Madura Fashion & Lifestyle in May 2015. ABFRL is a part of the Aditya Birla Group, which is a multinational conglomerate

operating in various industries such as cement, financial services, textiles, and chemicals. ABFRL operates through various brands in different categories such as formal wear, casual wear, ethnic wear, footwear, and accessories. Some of the popular brands operated by ABFRL include Van Heusen, Pantaloons, People, Allen Solly, Louis Philippe, Peter England, Forever 21, Pantaloons, and others. The company has a wide retail network in India, with over 3,000 exclusive brand outlets, multi-brand outlets, and e-commerce platforms. ABFRL places a high priority on sustainability and ethical corporate conduct. The corporation has started several steps to lessen trash production and its carbon footprint. Some of the notable initiatives include the use of sustainable fabrics, water conservation, and waste reduction. ABFRL has also partnered with various organizations to promote ethical business practices and improve the lives of the people in the communities it operates in. In terms of financial performance, ABFRL has demonstrated consistent growth over the years.

The company reported a revenue of INR 8,788 crore (approx. \$1.2 billion) in the 2020–21 fiscal year. The business's net profit during that time was INR 231 crore, or around \$31 million. ABFRL has been recognized for its financial performance and responsible business practices, winning several awards and accolades over the years. ABFRL is a leading player in the Indian retail industry, with a strong focus on sustainability and responsible business practices. The company operates through various popular brands and has a wide retail network in India. ABFRL has demonstrated consistent growth over the years and has been recognized for its financial

performance and ethical business practices. The company's commitment to sustainability and responsible business practices makes it a preferred choice for conscious consumers in India.

Rise of ABFRL

The company has a strong presence in the retail industry in India and has been successful in expanding its business over the years. In 2018, the company acquired Jay Pore, an Indian ethnic fashion brand, and in 2019, the company acquired the Indian arm of the American fashion retailer Forever 21. These acquisitions have helped the company to expand its product range and cater to a wider range of customers. ABFRL has also been successful in its e-commerce business. The company has an online presence through its websites and mobile apps for all its brands. The company's e-commerce business has witnessed significant growth in the last few years, and the company has been able to reach out to customers in remote areas through its online channels.

The success of ABFRL can be attributed to its strong focus on customer satisfaction. The company's main priority has always been offering premium goods at competitive costs. The company has also been successful in catering to the changing fashion trends and preferences of customers. The company has a strong design team that constantly innovates and comes up with new fashion trends that are in line with the changing fashion industry.

ABFRL has also been successful in adopting new technologies to improve its operations. To enhance its supply chain, inventory management, and customer service, the business has integrated several technologies, including artificial intelligence, machine learning, and data analytics. These technologies have helped the company to reduce its costs, improve efficiency, and provide better services to customers. A prosperous fashion business is Aditya Birla Fashion and Retail Limited which has been able to capture the Indian retail market with its diverse portfolio of brands and products. The company's focus on customer satisfaction, adoption of new technologies, and expansion of its business through acquisitions have helped the company to grow and expand its reach. ABFRL is a company to watch out for in the Indian fashion industry, and its success story is an inspiration to many entrepreneurs in the country.

Business model

A diverse portfolio of fashion brands: ABFRL's business model is centered around offering a diverse portfolio of fashion brands that cater to different consumer segments. The company operates in various categories such as men's and women's apparel, sportswear, footwear, and accessories. By having multiple brands under its umbrella, ABFRL caters to different segments of consumers with distinct tastes and preferences. Additionally, having a diversified portfolio of brands helps the company to mitigate risks associated with fluctuations in demand for any brand. Omnichannel presence: ABFRL has a robust omnichannel presence that enables customers to shop online or in-store. The company has invested in developing its e-commerce platform and has tied up with major online retailers such as Amazon and Myntra. ABFRL also offers customers the option of buying online and picking up in-store, which creates a seamless shopping experience for customers. The company's omnichannel presence helps to create customer loyalty and drives sales. Product innovation: ABFRL's business model is centered around product innovation, it aids the business in maintaining an edge over rivals. The business makes significant research and development investments to create fresh materials, fashions, and patterns. which helps the company to stay ahead of the competition. This focus on innovation helps to keep the company's product offerings fresh and exciting, which is critical in the fast-moving fashion industry. ABFRL's

focus on product innovation helps to differentiate its products from competitors and drives sales. Retail expansion: ABFRL's business model also focuses on expanding its retail footprint in India. The company has a presence in more than 1,700 cities and towns across India, with over 3,000 stores. Additionally, the company plans to open new stores in high-growth markets to reach new customers. By expanding its retail footprint, ABFRL can reach more customers, increase brand awareness, and drive sales. ABFRL's business model is based on offering a diverse portfolio of fashion brands, creating an omnichannel presence, focusing on product innovation, and expanding its retail footprint. The company's focus on these key areas has helped it to become a leading player in the Indian fashion industry. The company's ability to stay ahead of the competition by investing in

innovation, expanding its retail footprint, and offering a seamless shopping experience, will continue to drive its growth in the future.

Marketing strategy

The fashion and retail sector in India is dominated by Aditya Birla Fashion and Retail Ltd. The company has a diversified product portfolio and a strong presence across various brands and formats. The marketing strategy of Aditya Birla Fashion and Retail Limited is focused on creating a differentiated brand image, building a strong customer base, and expanding its reach across various geographies.

Brand Positioning: Aditya Birla Fashion and Retail Limited have a powerful brand portfolio including names like Pantaloons, Van Heusen, Peter England, Allen Solly, and Louis Philippe. Each of these brands caters to different customer segments, and the company has a clear brand positioning strategy for each of them. The company has also launched several sub-brands under these main brands to cater to specific customer needs. This strategy has assisted the business in building a distinctive brand identity and appealing to a larger spectrum of clients.

Innovative Marketing Campaigns: Aditya Birla Fashion and Retail Limited has been innovative in its marketing campaigns. The company has launched several campaigns, which have been well received by the customers. For example, the company launched a campaign called 'I am Vintage' for its brand Allen Solly, which aimed to connect with the younger generation and promote its vintage collection. The company has also used social media effectively to promote its brands and engage with customers.

E-Commerce Focus: Aditya Birla Fashion and Retail Limited have a strong e-commerce presence, which has been a key driver of growth for the company. The company has launched several e-commerce platforms, such as Pantaloons.com, abof.com, and trendin.com, which have helped the company to expand its reach across different geographies. Also, the business has implemented an omnichannel strategy that enables customers to order things online and pick them up at a nearby location. This approach has helped the company to improve its customer experience and boost its sales.

Partnerships and Collaborations: Aditya Birla Fashion and Retail Limited has entered several partnerships and collaborations to expand its product portfolio and reach new customer segments. For example, the company has partnered with global brands like Simon Carter and Ted Baker to sell their products in India. The company has also collaborated with famous designers like Tarun Tahiliani and Shantanu & Nikhil to launch designer collections under its brands.

Expansion Strategy: Aditya Birla Fashion and Retail Limited have a strong expansion strategy, which is focused on opening new stores in different geographies. The business is present in a variety of formats, including department stores, multi-brand outlets, and

exclusive brand outlets.

The company has also acquired several brands in the past to expand its product portfolio and reach new customer segments. The company is very focused on growing its footprint in Tier-II and Tier-III cities, which are predicted to be the future drivers of growth.

The company uses various IT solutions to enhance the customer experience such as,

Omnichannel Retail: To give customers a seamless purchasing experience, ABFRL has merged its online and offline channels. Customers can shop online and pick up their orders in-store or return items purchased online to physical stores. This has helped ABFRL to provide customers with more options and convenience.

Personalization: ABFRL uses customer data and analytics using data to tailor each customer's purchasing experience. The company uses data on customer preferences and purchase history to recommend products that are relevant to each customer. This has helped ABFRL to increase customer loyalty and sales.

Mobile Apps: ABFRL has developed mobile apps that allow customers to shop, track their orders, and access exclusive deals and discounts. The apps also provide customers with a personalized experience, based on their shopping history and preferences.

Virtual Try-On: ABFRL has adopted virtual try-on technology so that clients may view how the clothes will appear on them without physically trying them on. This has helped customers to make more informed purchasing decisions and has reduced the need for physical trials.

Supply Chain Management: ABFRL uses IT solutions to optimize its supply chain, reducing lead times and increasing efficiency. This has enabled the company to provide faster and more reliable delivery to customers.

Overall, ABFRL uses various IT solutions to provide a more personalized and convenient shopping experience to customers. This has helped the company to increase customer loyalty and sales, while also improving its supply chain efficiency.

The marketing strategy of Aditya Birla Fashion and Retail Limited is focused on creating a differentiated brand image, building a strong customer base, and expanding its reach across different geographies. The company has been innovative in its marketing campaigns and has a strong e-commerce focus. The company has also entered several partnerships and collaborations to expand its product portfolio and reach new customer segments. The company's expansion strategy is focused on opening new stores in different geographies, especially in Tier-II and Tier-III cities.

Challenges

The business has a diverse portfolio of brands that serve various market sectors, including casual wear, formal wear, ethnic wear, and luxury fashion. However, like any other business, Aditya Birla Fashion and Retail Limited face various challenges that can affect its growth and profitability. In this article, we will discuss some of the significant challenges faced by the company.

Intense Competition: The Indian fashion and retail market is highly competitive, with many domestic and international players vying for market share. Aditya Birla Fashion and Retail Limited faces stiff competition from established players such as Reliance Retail, Future Group, and Tata Group. Moreover, the entry of international players such as H&M, Zara, and Uniqlo has made the

market even more competitive. The company must continuously innovate, offer unique products, and provide excellent customer service to stay ahead of the competition.

Changing Consumer Preferences: The preferences of Indian consumers are rapidly changing due to various factors such as increasing disposable income, exposure to international fashion, and the rise of social media. Aditya Birla Fashion and Retail Limited must keep up with these changes and offer products that cater to changing consumer preferences. The company must continuously research the market to understand the trends and preferences of consumers and adapt its offerings accordingly.

Supply Chain Management: Aditya Birla Fashion and Retail Limited have a vast network of suppliers and vendors across India and other countries. Managing such a large supply chain is a challenging task. The company must ensure that the products are delivered on time, meet quality standards, and comply with regulatory requirements. The company must also ensure that the supply chain is cost-efficient to maintain profitability.

Rapid Technological Advancements: Technology is rapidly changing the fashion and retail industry. Aditya Birla Fashion and Retail Limited must keep up with the latest technology trends to remain relevant and competitive. To improve the consumer experience, the business needs to invest in technology like artificial intelligence, augmented reality, and virtual reality. The company must also ensure that its online presence is robust to cater to the growing number of online shoppers.

Economic Factors: The Indian economy is volatile, and factors such as inflation, currency fluctuations, and interest rates can significantly affect the performance of Aditya Birla Fashion and Retail Limited. Moreover, the COVID-19 pandemic has severely impacted the economy and the fashion and retail industry. The organization must constantly assess the state of the economy and modify its business plans as necessary.

Aditya Birla Fashion and Retail Limited face various challenges in the highly competitive Indian fashion and retail market. The company must continuously innovate, adapt to changing consumer preferences, manage its supply chain efficiently, keep up with

technological advancements, and monitor economic conditions to remain relevant and profitable.

Road ahead

The road ahead for Aditya Birla Fashion and Retail Limited looks promising, with a focus on expanding its brand portfolio and strengthening its omnichannel capabilities. The company aims to achieve a revenue of Rs. 25,000 crores by FY2025, and it has outlined a strategy to achieve this target.

Expansion of brand portfolio: Aditya Birla Fashion and Retail Limited are exploring new growth opportunities by expanding its brand portfolio. The company has recently acquired the Indian rights for the American brand, forever 21. The company plans to relaunch the brand in India, which will give it access to the fast fashion segment, which has significant market potential. In addition to this, the company is also exploring opportunities to bring new international brands to India. This will help the company to cater to the changing tastes and preferences of consumers and stay ahead of the competition.

Strengthening omnichannel capabilities: Aditya Birla Fashion and Retail Limited have a robust e-commerce platform, which has seen significant growth in recent years. The company aims to

leverage its omnichannel capabilities to enhance the customer experience and improve sales. The company plans to launch a new loyalty program that will integrate online and offline channels. The program will offer customers personalized recommendations, rewards, and benefits across all touchpoints, leading to increased customer retention and loyalty.

In addition, the company is also investing in technology to enhance the in-store experience. The company has launched a pilot project of interactive mirrors in some stores, which will allow customers to try on clothes virtually and see how they look before making a purchase. This technology will enhance the in-store experience and improve the conversion rate.

Expansion into Tier 2 and 3 cities: Aditya Birla Fashion and Retail Limited have a strong presence in the urban areas of India. However, the company sees significant potential in Tier 2 and 3 cities. The company plans to expand its footprint in these cities by opening new stores and expanding its e-commerce presence. The company is also exploring new formats for stores in these cities. The company plans to launch smaller stores that will cater to the specific needs and preferences of customers in these areas. The company believes that this will help it to tap into the huge potential of the untapped market. Aditya Birla Fashion and Retail Limited are well-positioned to capitalize on the growth opportunities in the Indian fashion and lifestyle market. With a focus on expanding

its brand portfolio, strengthening its omnichannel capabilities, and expanding into Tier 2 and 3 cities, the company is well on its way to achieving its goal of becoming an Rs. 25,000 crore company by FY2025.

Conclusion

The business has adapted quickly to shifting consumer tastes and market conditions. To increase its reach and serve the rising number of online customers in India, ABFRL has been investing in digital technology and e-commerce platforms. The company has also launched several new products and collections that appeal to younger customers and reflect the latest fashion trends. In recent years, ABFRL has focused on sustainability and ethical business practices. The company has implemented various initiatives to reduce its environmental footprint and promote social responsibility. For instance, it has launched a sustainability roadmap, which includes targets such as reducing greenhouse gas emissions and improving water efficiency. The company has also launched several initiatives to empower women and support local communities. Despite the challenges posed by the COVID-19 pandemic, ABFRL has continued to perform well. The company has adapted its business model to the new normal and launched several new initiatives, such as contactless shopping and virtual trials. It has also expanded its online presence and launched new e-commerce platforms, such as Style Up. Aditya Birla Fashion and Retail Limited is a dynamic and innovative fashion company that offers a diverse range of fashion exhibits catering to various customer segments. The company's unique approach to fashion retailing has helped it establish a strong presence in the Indian market and earn a loyal customer base. The company's exhibits reflect its commitment to quality, innovation, and customer satisfaction, making it a go-to destination for fashion enthusiasts across the country. In conclusion, Aditya Birla Fashion and Retail Limited is a leading player in the Indian fashion and lifestyle retail industry. The company has a strong brand portfolio, a wide distribution network, and a focus on innovation and sustainability. ABFRL has been able to adapt to changing market dynamics and maintain its growth trajectory. With its customer-centric approach and focus on digital technologies, the business is in a good position to benefit from India's rising demand for fashion and lifestyle goods.

Exhibits

Aditya Birla Fashion and Retail Limited are known for its innovative and trendsetting fashion exhibits, which offer a unique shopping experience to customers. Here are some of the popular exhibits of Aditya Birla Fashion and Retail Limited:

The Collective The Collective is a premium luxury multi-brand retail concept that brings together some of the world's finest fashion brands under one roof. The store offers an exclusive collection of international designer wear, luxury accessories, and beauty

products for men and women. The Collective store features a contemporary design, with chic interiors and ambient lighting that creates a luxurious shopping experience.

Pantaloons Pantaloons is a fashion retail chain that caters to the fashion needs of Indian customers. The shop sells a variety of stylish clothing, accessories, and shoes for men, women, and children. The Pantaloons exhibit is known for its vibrant and colorful display of clothing that caters to the tastes of the local market. The store features a modern and trendy interior that creates an upbeat and youthful atmosphere.

Van Heusen Van Heusen is a premium lifestyle brand that provides both men and women with a wide selection of formal and casual clothing. The brand is known for its sophisticated and elegant clothing that exudes a sense of luxury and class. The Van Heusen exhibit features a sleek and minimalist design that highlights the brand's unique style and sophistication.

Allen Solly Allen Solly is a popular casual wear brand that caters to the needs of modern-day youth. The brand is known for its trendy clothing that is both comfortable and stylish. The Allen Solly exhibit features a quirky and fun design that reflects the brand's youthful and energetic personality.

Peter England Peter England is a leading menswear brand that offers a large selection of men's formal and casual clothing. The brand is known for its impeccable quality and craftsmanship which is reflected in every garment. The Peter England exhibit features a classic and timeless design that embodies the brand's traditional values and heritage.

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