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PR3: Competing through Affordability and Omnichannel Retailing in India

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ABSTRACT

This case study focuses on PR3, an Indian apparel retail brand that operates through its own e-commerce platform along with a growing network of physical retail stores. The brand specializes in affordable casual wear for men and women, targeting young adults and budget-conscious consumers, particularly in tier-2 and tier-3 cities across South India. In a highly competitive fashion market dominated by premium brands and low-cost local players, PR3 positions itself as a value-driven brand offering stylish yet reasonably priced everyday clothing. PR3 follows a direct-to-consumer (D2C) business model, enabling greater control over pricing, inventory, and customer relationships while reducing reliance on intermediaries. By sourcing, manufacturing, and selling products directly through its online and offline channels, the brand maintains consistent quality at competitive prices. Its product range includes t-shirts, shirts, jeans, tops, and other comfortable daily-wear apparel rather than luxury fashion.

A key aspect of PR3's pricing strategy is bundle pricing, which encourages customers to buy multiple items at discounted rates, increasing average order value while appealing to price-sensitive shoppers. The brand's hybrid retail strategy combines online convenience with offline trust, strengthening its reach and visibility in regional markets. To sustain long-term growth, PR3 can further improve customer service, enhance its digital platforms, invest in brand storytelling, and adopt data-driven personalization and faster delivery systems to better compete with larger fashion brands.

INTRODUCTION

India's apparel and fashion retail industry is one of the most dynamic and complex segments of the country's consumer economy. The sector contributes significantly to employment generation, manufacturing output, and consumer spending, making it a critical pillar of India's economic development. With a population exceeding 1.4 billion and a median age of under 30 years, India represents a vast and demographically diverse consumer market with continuously evolving fashion needs.

Over the past decade, rising disposable incomes, increased urbanization, and exposure to global fashion trends through digital media have transformed consumer expectations. Apparel consumption is no longer restricted to functional needs; instead, it reflects aspirations, lifestyle choices, and social

identity. This shift has led to increased demand for branded apparel not only in metropolitan cities but also in tier-2 and tier-3 towns, where consumers seek fashionable yet affordable clothing options.

Despite these changes, Indian consumers remain highly price-sensitive. Value-for-money considerations strongly influence purchase decisions, particularly in smaller towns and among middle- and lower-middle-income households. As a result, apparel brands must strike a careful balance between affordability, quality, and style.

Simultaneously, the rapid adoption of smartphones, affordable mobile data, and digital payment systems has accelerated the growth of e-commerce. However, physical retail continues to play a vital role in trust-building, product trial, fit assurance, and immediate gratification. Consumers increasingly move between online and offline channels during their purchase journey, making omnichannel retailing a strategic necessity rather than an option.

This case study focuses on Reliance Trends, a flagship apparel retail format of Reliance Retail Limited, to examine how affordability-driven innovation and omnichannel execution enable competitive advantage, inclusion, and socio-economic impact in the contemporary Indian retail landscape.

INDUSTRY CONTEXT: THE INDIAN APPAREL RETAIL MARKET

The Indian apparel retail market is characterized by intense competition, rapid growth, and structural diversity. It comprises a mix of organized retail players, online marketplaces, direct-to-consumer (D2C) brands, and a vast unorganized sector consisting of local shops, street markets, and independent retailers. Historically, the unorganized sector dominated apparel retail due to its low prices and proximity to consumers. However, organized retail has gained significant share in recent years, driven by improved supply chains, consistent quality, and growing consumer trust in branded offerings.

The market is highly fragmented, with no single player commanding overwhelming dominance across all regions and categories. While premium and fast-fashion brands cater primarily to urban and affluent consumers, the largest volume of demand comes from the mass and value segments. Casual wear, everyday clothing, and functional apparel account for a significant proportion of total sales, reflecting changing work patterns and lifestyle preferences.

Key industry trends shaping the sector include:

Sustained growth in casual and comfort-oriented apparel driven by hybrid work and lifestyle changes

Rapid expansion of organized apparel retail into tier-2 and tier-3 cities

Increasing reliance on private labels by large retailers to improve margins and pricing control

Integration of digital platforms with brick-and-mortar stores to create seamless shopping experiences

Heightened focus on affordability, promotions, and perceived value

Major organized players such as Reliance Retail (Trends), Trent (Westside, Zudio), Aditya Birla Fashion & Retail (Pantaloons), and Landmark Group (Max Fashion) compete alongside online platforms like Amazon, Flipkart, and Myntra. In this competitive environment, operational efficiency, scale, and omnichannel capabilities have emerged as critical success factors.

COMPANY BACKGROUND: PR3

PR3 is a contemporary Indian apparel brand operating through the website www.pr3.in and a growing network of physical retail outlets, primarily concentrated in South India. Founded around 2021, PR3 emerged in response to a clear gap in the market for affordable, everyday apparel that balances price, acceptable quality, and modern styling. Unlike premium fashion brands that focus on high margins and

metropolitan consumers, PR3 positions itself firmly in the value segment, targeting budget-conscious yet aspirational customers.

The brand describes itself as a “complete apparel store,” reflecting its wide product assortment and its intent to serve as a one-stop destination for casual and daily-wear clothing. PR3’s retail footprint spans multiple tier-2 and tier-3 cities such as Salem, Madurai, Trichy, Erode, Coimbatore, Vellore, Karur, Namakkal, Hosur, Nagercoil, and Pondicherry. This regional focus highlights PR3’s strategic emphasis on underserved markets where organized apparel retail penetration remains lower compared to metropolitan areas.

PR3 operates through a hybrid model that combines direct-to-consumer (D2C) online sales with company-owned and franchise-operated physical stores. This approach allows the brand to benefit from digital reach while maintaining the trust and accessibility associated with brick-and-mortar retail in smaller towns. The company also actively promotes franchise opportunities, indicating an asset-light expansion strategy supported by local entrepreneurship.

PRODUCT PORTFOLIO AND TARGET SEGMENTS

PR3’s product portfolio is deliberately focused on high-volume, everyday apparel categories rather than seasonal or high-fashion items. Its offerings include round-neck and polo t-shirts, casual shirts, track pants, shorts, innerwear, and basic wardrobe essentials for men and women. The emphasis is on comfort, durability, and contemporary styling suitable for daily use.

A defining feature of PR3’s assortment strategy is the extensive use of combo packs and bundle offers, such as multiple t-shirts, shorts, or innerwear items sold together at a discounted price. This appeals strongly to families, students, and working individuals seeking value for money and convenience.

The primary target segments include:

Young adults and students with limited disposable income

Middle-income and lower-middle-income households

Consumers in tier-2 and tier-3 cities upgrading from unorganized retail

Price-sensitive shoppers seeking branded alternatives to local stores

By focusing on these segments, PR3 positions itself as an accessible brand that delivers affordability without completely sacrificing brand appeal.

BUSINESS MODEL AND OPERATIONS

PR3 follows a direct-to-consumer–led business model, supported by selective offline expansion. By selling directly through its own website and physical outlets, the company reduces dependence on third-party marketplaces and intermediaries, allowing greater control over pricing, inventory, and customer relationships.

Operationally, PR3 appears to leverage bulk sourcing and export-surplus garments, a common practice among value apparel retailers in India. This sourcing strategy enables the company to procure acceptable-quality apparel at lower costs, which directly supports its aggressive pricing and bundle offers. The focus on standardized designs and core styles further reduces complexity and inventory risk.

Physical stores function as both sales outlets and brand-building touchpoints. In smaller towns, these stores play a crucial role in customer acquisition, trial, and trust creation. Online sales complement offline retail by providing convenience, extended reach, and access to promotional offers.

PRICING STRATEGY: COMPETING THROUGH AFFORDABILITY

Affordability is central to PR3's competitive positioning. The brand adopts a penetration-oriented pricing strategy, offering products at price points significantly lower than national apparel chains. Combo pricing is a key tactical element, encouraging customers to purchase multiple items in a single transaction.

For example, bundle deals such as "Buy 3 Shorts @ ₹999" or "Buy 5 T-Shirts @ ₹999" create a strong perception of value and help increase average order size. This strategy not only appeals to price-sensitive customers but also improves inventory turnover.

PR3's pricing approach is reinforced by cost efficiencies in sourcing, limited advertising spend, and a focus on functional rather than aspirational branding. In tier-2 and tier-3 markets, where disposable incomes are lower and consumers are highly value conscious, this pricing strategy provides a strong competitive advantage.

OMNICHANNEL RETAIL STRATEGY

PR3's omnichannel strategy integrates online convenience with offline accessibility. The company's website serves as the primary digital storefront, offering product catalogs, promotions, order tracking, and customer support. Digital presence allows PR3 to reach customers beyond its physical store locations and to engage younger, mobile-first consumers.

Offline stores provide tactile experiences, immediate purchase gratification, and personal interaction—factors that remain highly important in smaller towns. Physical outlets also serve as fulfillment and exchange points, strengthening customer trust and reducing friction in the buying process.

While PR3's omnichannel integration is still evolving, the coexistence of online and offline channels enables broader market coverage and mitigates the limitations of operating through a single channel.

COMPETITIVE LANDSCAPE

PR3 operates in a highly competitive environment that includes national value apparel chains such as Zudio and Max Fashion, local and regional apparel stores, and online marketplaces and D2C brands. Compared to large national chains, PR3 competes primarily on price and regional proximity rather than scale or brand prestige. Against unorganized retailers, PR3 offers standardized pricing, broader assortments, and a modern shopping environment.

INNOVATION, INCLUSION, AND IMPACT

Innovation at PR3 is incremental and operational, centered on pricing models, sourcing efficiency, and channel integration. Bundle pricing and regional retail formats represent business-model innovation tailored to India's value apparel market.

PR3 contributes to inclusion by expanding organized retail access to smaller cities and towns, offering affordable clothing to income-constrained consumers. Its franchise model supports local entrepreneurship and employment generation.

The brand's activities align with SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 10 (Reduced Inequalities).

STRATEGIC CHALLENGES AND DILEMMA

As PR3 grows, it faces rising competition, margin pressure, and increasing customer expectations. The key dilemma is whether PR3 should continue prioritizing ultra-affordable pricing and regional expansion or invest more in brand building, digital experience, and supply-chain sophistication.

CONCLUSION

The PR3 case illustrates how affordability-driven strategies and an emerging omnichannel model can enable a young Indian apparel brand to compete effectively in tier-2 and tier-3 markets. By leveraging value pricing, bundle offers, and local presence, PR3 addresses everyday apparel needs while contributing to inclusion and regional economic activity.

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