

# ROADBLOCKS TO MANUFACTURING IN CANADA

Ziboo: an Iranian brand arriving to Canada

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ZIBOO

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## I. Introduction

This case study has the purpose to better understand the business characteristics of Ziboo, an Iranian fast-fashion brand created by Sina Kazeroonian, as well as the possible ways of the brand's repositioning in order to successfully enter the Canadian market as a premium occasion wear organisation.

The case study will evaluate the economic, cultural, and social scenarios, considering differences and similarities, between Canada and Iran. It will analyse Ziboo's operations & logistics, financials, marketing, brand positioning, challenges, and goals to understand available opportunities for the brand. It will also explore current trends and aspects of the fashion industry that can contribute to analytical thinking in regards to the brand's repositioning.

## II. Sina Kazeroonian's Background

Sina Kazeroonian started his career around 8-9 years ago after graduating in Engineering Management at the University of Warwick, in the UK. Moving back to Iran, he decided to open his own brand with the help of his family, which had been working in the fashion industry for more than 25 years operating as wholesalers. (Sina Kazeroonian, personal interview, May, 2022).

Sina has a vast expertise in leadership, fashion business development, business strategy, operation, sales and supply chain management. He is also very passionate about how artificial intelligence and blockchain technologies can be used in the fashion value chain. His mission is to change the future of fashion retailing by creating a better customer experience using AI and bringing new customer demand through Blockchain technology (Sina Kazeroonian, professional LinkedIn, July, 2022).

Sina believes that in the process of opening your own business you need to make a difference in the society, but you also need to do something for your own self. One of Sina's favourite quotes is "start with yourself", meaning that you firstly need to think of what you want, and what you can do to achieve your goals. (Sina Kazeroonian, personal interview, May, 2022).





Figure 1: Sina Kazeroonian  
Source: Sina Kazeroonian, 2022

### III. Challenges of being an entrepreneur

Apart from other specific challenges related to the logistics and operations of the company, later explained in the case study, Sina believes that one of the most important aspects in a business is Human Resource Management. According to the entrepreneur, this is not something that most people usually think about when opening a new company but it's definitely a success determinant. There are many obstacles and challenges involved when it comes to hiring and training your employees and making sure that they are being selected to the right job positions. Sina thinks that this is one of the main learnings that he had as an entrepreneur, so far. (Sina Kazeroonian, personal interview, May, 2022).

### IV. Ziboo

The idea behind Ziboo came from a market necessity - the absence of fast fashion brands for womenswear in Iran. This was caused mainly by Iran's sanctions towards other countries in the world. Many brands weren't allowed to enter the country, and those that were present didn't offer products that were aligned to women's culture in Iran, e.g. many brands didn't understand the concept of the Hijab or didn't have it as one of their products' offers to their customers (Sina Kazeroonian, personal interview, May, 2022).



Figure 2: Hijab: The traditional covering for the hair and neck that is worn by Muslim women  
(Merriam-Webster, 2022)

Source: Modest Behaviour, 2022

Ziboo firstly started as a wholesale company working with fast fashion designers. In 2015, after 2 years of creating the brand, Sina decided to open his first shop location. They were able to grow the company a lot over the period of 5 years, getting to 14 stores before COVID-19 pandemic started, in 2020. During this period, Sina was able to expand into many categories of womenswear, from hijabs to denims, t-shirts, dresses, jackets, among others. However, with the beginning of the pandemic, Sina and his family decided to close over 10 stores, remaining with only 4 shop locations in Iran, which according to him, was difficult at

the beginning but it actually turned their brand and their sales stronger. It increased the brand's results, as he had more control over a smaller number of stores and could operate it more efficiently (Sina Kazeroonian, personal interview, May, 2022).

The brand's aesthetic is modern and comfortable with a Persian inspired design. It aims to mix trendy designs with the Iranian's women culture and what they are required to wear according to their religion. The actual brand slogan is "Ziboo makes your unique beauty much bolder", which reinforces the mission of the brand - everyone has a unique beauty and Ziboo helps women to express it (Sina Kazeroonian, personal interview, May, 2022).

Some of Ziboo's competitive advantages in Iran are (Sina Kazeroonian, personal interview, May, 2022):

- It's an Iranian fast-fashion womenswear brand - the country lacks local brands within this category, thus Ziboo can be a very competitive player attending to the country's demand with the necessary speed and following current fashion trends
- Ziboo has a very short time between production and design to sales (usually, around five weeks)
- Ziboo's operation is concentrated in Iran, the company has control over the most part of the supply chain (production, distribution and retailing) making it more efficient.
- The brand usually imports textiles and materials from China and Turkey, which are closer countries to Iran, thus facilitating the logistics and imports into the country. Sina reinforced that this is just a small part of their entire production - around 99% of their manufacturing process happens internally (Sina Kazeroonian, personal interview, May, 2022).
- Ziboo has a deeper understanding about Iranian women's culture, which most brands do not have. Understanding what they like and need to wear is a very important aspect for the brand and helps them compete with other international companies

The current target market in Iran is formed by "young-hearted" women (Y Generation), that are looking for trendy items in fashion, and they value brands that embrace all types of shapes and values diversity in beauty (Sina Kazeroonian, personal interview, May, 2022).



Figure 3: Ziboo Associates  
Source: Sina Kazeroonian, 2022



Figure 4: Ziboo Stores  
Source: Sina Kazeroonian, 2022

### Ziboo's Design & Manufacture Process

As a fast-fashion brand in Iran, Sina and his team work collaboratively to launch an average of 7 new styles a week. Apart from that, Ziboo also launches 4 main collections every year for Spring/Summer and Fall/Winter. To do so, Sina reinforces the importance of having control over the entire supply chain, knowing its suppliers and centralising most of the manufacturing domestically (Sina Kazeroonian, personal interview, May, 2022), which gives the company the fast pace that it requires to be competitive in the market. As Figure X illustrates, the planning of a new collection usually starts one season ahead and it takes 4-6 months to be produced and placed in-stores. The strategy of importing some textiles from China and Turkey ends up being a clever move, according to Sina, since these countries offer a very good quality of textiles at a fair price and are also close to Iran (Sina Kazeroonian, personal interview, May, 2022).

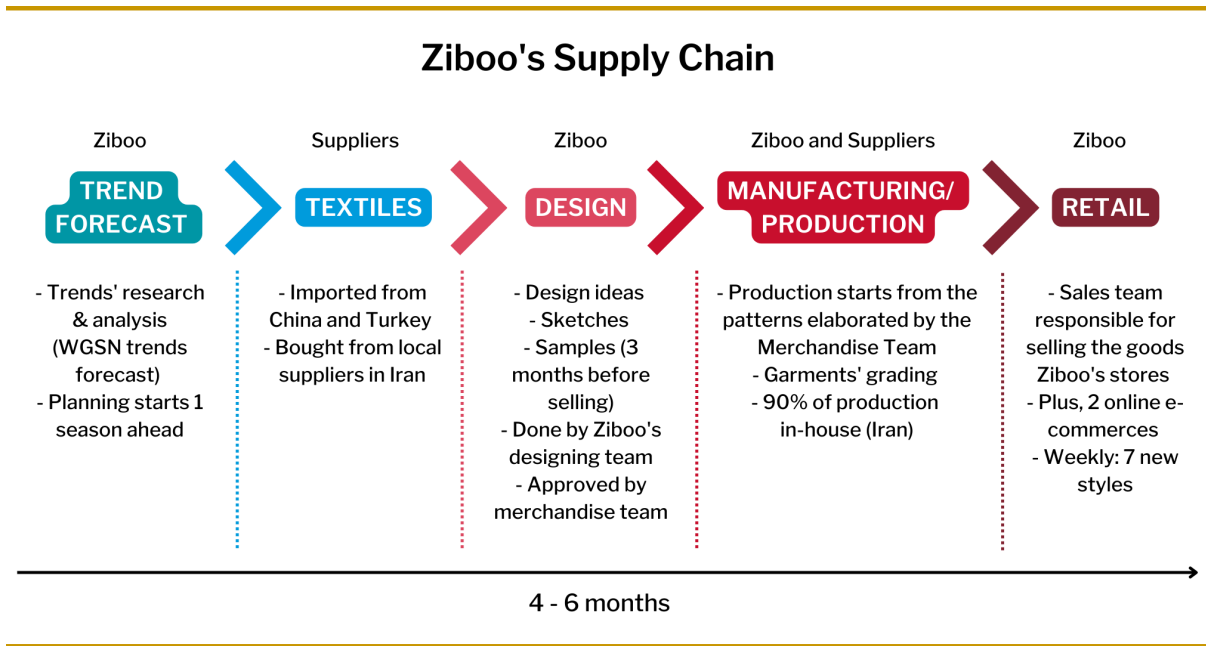


Figure 5: Ziboo's Supply Chain in Iran  
Source: (Sina Kazeroonian, personal interview, May, 2022)

## V. Ziboo Challenges During the COVID-19 Pandemic

Ziboo suffered a lot of changes after the pandemic hit the world and consequently, Iran. Sina had to reevaluate his whole business and one of the words that he came across with was "agility", which changed his whole mindset and way of operating and managing the business. If he wanted to grow his company again he had to gain the control over it, and not just grow it in terms of number of stores, but actually being able to manage them and to make quick and precise decisions, such as: (Sina Kazeroonian, personal interview, May, 2022)

1. Manufacturing face masks and medical uniforms in his production centre, preventing his production from stopping during the most critical period of the pandemic.
2. Downsize the number of stores, going from 14 to 4, in 2020. The operations of the company and its management got way more efficient with a smaller number of stores, having a positive impact on Ziboo's results.
3. Focus on online sales, partnering with 2 of the biggest ecommerce companies in Iran, allowing Ziboo to reach more locations in the country.

With all of these quick decisions, Sina and his brother were able to double their sales and volume, and their value went 2.5 times up. Sina understood that volume doesn't necessarily mean profit, unless it's well managed and if you have good control over all of the processes in the business. "It's not all about making more and more shops, but actually working more efficiently. Also, you should be agile - you shouldn't create an organisation that

you can't control and that's very slow in making decisions.” (Sina Kazeroonian, personal interview, May, 2022).

## VI. Ziboo in Canada

Sina has recently moved to Canada to have a better understanding of the North American market. As a final goal, he would like to bring their brand to the country in 2022, and eventually expand it to the U.S. (Sina Kazeroonian, personal interview, May, 2022).

### 1. How will Ziboo start in Canada?

Sina's idea is to start small, experimenting and testing the market's behaviour towards his company's products. To do so, he will firstly operate as an online B2B<sup>1</sup> reseller company.

#### **First Idea: Ziboo as a fast fashion brand in Canada**

Sina's first idea was to launch Ziboo as a fast fashion brand in Canada, maintaining a similar business model as in Iran. He would first launch one category of products (t-shirts) to better understand the Canadian market and from that, start developing new products. The competition in the North American country is bigger than in Iran, so for this scenario, the entrepreneur would need to think of ways to add more value to the brand, appealing to the local market and justifying the garments' final price. For that, his initial thought was to domestically manufacture the products - according to Sina, Canadians value more brands that manufacture locally, since it encourages the local economy. He could also invest in marketing to raise awareness to the brand and its key differentiators, such as quality, design, and fitting to increase customers' value perception. (Sina Kazeroonian, personal interview, May, 2022).

In this scenario, of starting a fast-fashion brand in Canada, Sina would try to maintain a competitive pricing strategy. His current products in Iran are being sold on an average of C\$ 40. Here, in Canada, he would go up, ranging from US\$ 30 to US\$ 50 for the t-shirts and from US\$ 60 to US\$ 75 in other categories. Sina doesn't want to compete with mass market brands, he aims to sell products in a fast-paced environment, however to a more niched market (Sina Kazeroonian, personal interview, May, 2022).

This idea seemed to make sense to Sina at first, however after analysing financial and production aspects, later explained in the case study, the entrepreneur decided to proceed with his second idea: Ziboo as an Occasion Wear brand in Canada.

#### **The chosen idea: Ziboo as an Occasion Wear brand in Canada**

In this scenario, the brand and its products will still be developed little by little, starting always with one category of products at a time. Sina will continuously test the new launches and collections to understand its fit with the target market. In this case, Ziboo will function as a B2B company and the products will be sold through department stores and

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<sup>1</sup> B2B - Business To Business

boutiques, as their main sales channels (Sina Kazeroonian, personal interview, May, 2022).

The Occasion Wear category was selected by Sina as he understands the need of adding value to his current brand to better correspond to the needs and expectations of the North American market. To do so, the entrepreneur is willing to develop a trendy collection with high quality attributes, and sophisticated design. He would also like to explore the idea of importing the garments and outsourcing the production, instead of manufacturing locally due to financial aspects (Sina Kazeroonian, personal interview, May, 2022).

## 2. Design

When it comes to the design of the garments, the entrepreneur will keep their process of trend analysis and forecasting using many available tools, such as WGSN and buying from the competition. To the Canadian market, Sina wants to bring persian inspiration to the garments, but he doesn't want to develop traditional costumes or have it as the main characteristic of their brand. Even though there's a persian designing community in Toronto, he believes that most of these designers want to reinforce persian aspects on their garments, which is not the objective for Ziboo. Some of the possibilities that he sees for the products designs would be (Sina Kazeroonian, personal interview, May, 2022):

- Adding smaller persian details to the designs, e.g.: one persian letter on the garment
- Collaborating with a persian designer to bring some persian aspects to the garments, and perhaps, adding more value proposition to the brand.



Figure 6: Ziboo Designs  
Source: Sina Kazeroonian, 2022

### Pricing and positioning:

The brand will be initially positioned between a Bridge and Designer brand category (see figure X). It's important to notice that customers usually consider the following order when making a premium product purchase: (1) design, then quality (2), and finally (3) price (Sina Kazeroonian, personal interview, May, 2022). Taking this into account, Sina recognises that Ziboo will need to focus on the main aspects of Design and Product Quality



to guarantee a better perception from the brand's customers. Some of the elements that will be incorporated to his collections, contributing to this aspect, are:

- Occasion - prom gowns, bridal, wedding guests, evening, and events.
- Attention to the detail, embellishments
- Premium and exclusive fabrics
- Additional brand values, concept, and characteristics that will compose the brand's perception (marketing strategy)

To compete within this category, prices will need to be raised up. Based on first studies and assumptions, the entrepreneur believes that the average prices will stay between the range of US\$ 300 and US\$ 1,500.

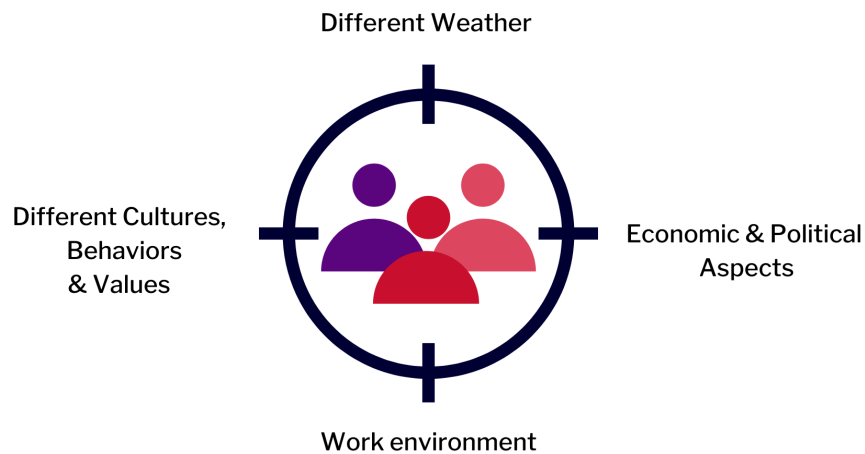


Figure 7 - Chart illustrating different brand's positioning based on price point (Simonetti, 2019), (Segura, 2019)

#### Target Market

Ziboo already has a very defined target market in Iran for his fast-fashion brand, which according to Sina, may have similarities and differences in Canada, especially considering that he will be operating in a very different category in the country. Also, many factors can differentiate the market purchasing decisions (Sina Kazeroonian, personal interview, May, 2022), such as:

- The weather is very different, geographic characteristics matter.
- Culture and behaviours are not the same.
- The economic and political aspects of both countries have many discrepancies.
- There is a different working environment.
- The Canadian customer values different things than the Iranian customer.



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Figure 8: Ziboo's Target Market in Canada Considerations

Sina believes that he will have to target a niche market in Canada in order to differentiate his brand and achieve sales. His preference is not to compete with the bigger players in the market, instead he wishes to find his own blue ocean<sup>2</sup>. (Sina Kazeroonian, personal interview, May, 2022). In terms of demographic and psychographic characteristics, the entrepreneur is betting on the millennials as the brand's main target audience, within the age range of 25-40 years old, with a higher income and in senior job positions, which are looking for trendy brands on modern occasion wear that offer a premium product. The target also cares about beauty (in and out) and their health, they have a high social activity, and modern lifestyle (Sina Kazeroonian, email information, July, 2022)

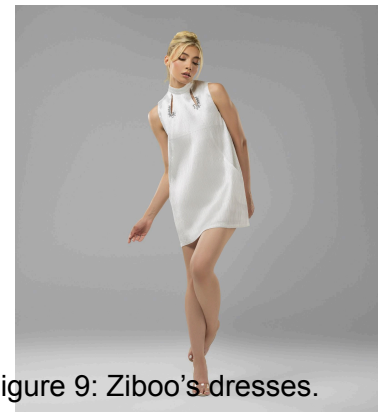
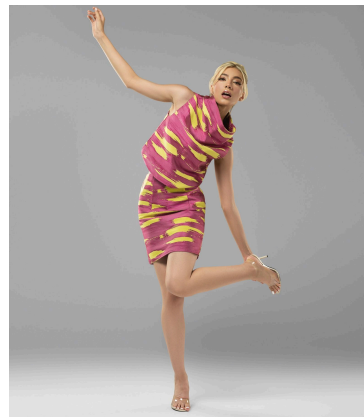


Figure 9: Ziboo's dresses.  
Source: Sina Kazeroonian,

2022

#### Competitors:

Here, we have outlined some of the brands that are in the same category as Ziboo, in Canada, and that can inspire the company as a premium and modern occasion wear brand.

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<sup>2</sup> Blue Ocean: Target market not yet explored by other brands, the competition is very low.



### *Sherri Hill* ([Sherri Hill](#))

Sherri Hill is a renowned American designer and businesswoman who designs mainly dresses for prom, evening, cocktail and wedding dresses (Michelle, 2016). The designer combines modern needs with elegant design features and the stand-out silhouettes made her a top dress designer in the industry (newyorkdresses, 2022). Some of the main characteristics behinds Sherri's designs are:

- The use of the top trends in her collections to translate the lifestyle of today's trendsetting women (Sherri Hill, 2022).
- Exclusive, stylish, beautiful, and practical dresses, designed to enhance and fit the female form (Sherri Hill, 2022).
- High impact dresses with bold prints and colours (Sherri Hill, 2022).

The price of the designer's dresses range from US\$ 400 to US\$ 7,000 (After Five Fashion, 2022) and they are currently sold in the brand's boutiques and other ecommerce partner platforms, such as After Five Fashion, New York Dresses, Online Formals, Peaches Boutique, among others. The current website owned by the brand is meant only for B2B sales.



Figure 10: Sherri Hill Spring 2022 Summer Collection  
Source: (Sherri Hill, 2022)

### *Jovani* ([Jovani](#))

Jovani Fashions was founded in 1980 by Jacob Maslavi, with the vision of creating a glamorous world of designer dresses. The brand's current owners are Jacob's sons, Saul and Abraham, who have expanded the company of eveningwear to fit every aspect of women's lives, providing unique styles and creative twists on the classics for special occasions around the world. The company's mission is to provide an outstanding product, affordable in terms of quality, and that puts into evidence the inner beauty of women who are wearing these dresses. (Jovani, 2022).

The brand, based in New York City, manufactures its own designs and it also operates as a wholesaler. oday, the brand counts with prom, cocktail, and bridal dresses, a more affordable line called JVN, and the Maslavi line (Jovani, 2022). Jovani's dress prices

vary from US\$ 400 to US\$ 1,520<sup>3</sup>. The brand is currently present in more than 2,000 stores worldwide, including Harrods, Neiman Marcus, specialty boutiques. The company's website is oriented to the retailer, similar to Sherri Hill, it gives the retailer the option to see the products and choose the nearest reseller to make the order.

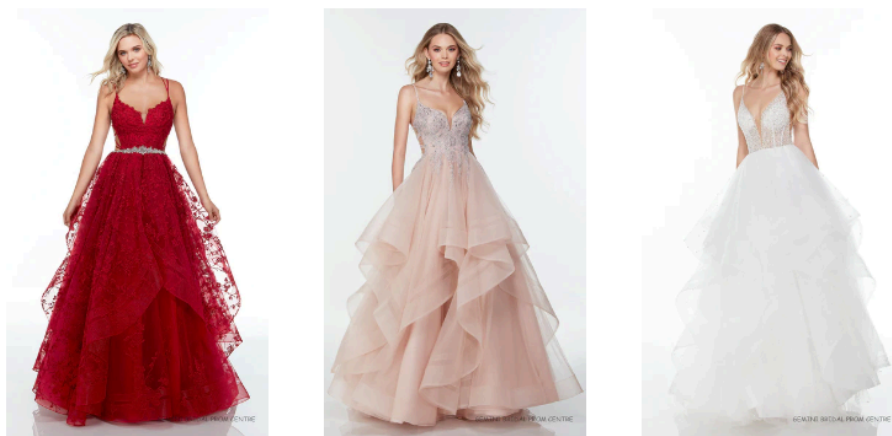


Figure 11: Jovani's Long Prom Dresses and Prom Gowns 2023  
Source: Jovani, 2022

### *Alyce Paris*

The brand was created by Alice Marie-Thérèse Hamm, dress designer in France. Alyce Paris is an occasion wear fashion brand that claims to make unique prom dresses using many of the same finishing techniques that Alice developed during her prodigious working years and passed down to the next generation. The brand's mission is to dress up those who dare to pursue neverending dreams (Alyce Paris, 2022). The brand also aims to connect with its target audience by raising topics that concern them, such as inclusivity, body positivity, and ethnic sensitivity; gender, for example, operates as a powerful identity in society (Alyce Paris, 2022).

Alyce's website is a catalogue for their current garments as their sales to the final customer happen through boutique stores. Retailers have their own access to the website to place orders (Alyce Paris, 2022). Their prices range from US\$ 145 to US\$ 1,200 (geminibridal, 2022).



<sup>3</sup> Conversion: 1 US\$ = 1.29 CA\$ (07.04.22)

Figure 12: Alyce Paris Dresses  
Source: Gemini Bridal, 2022

### *Alexander By Daymor*

Founded in 1951 by Max Schwartz, in Montreal, Daymor has been considered an industry leader in the special occasion/ evening wear category. It combines classic elegance with quality craftsmanship, delivering refined womenswear and providing unrivalled customer care (alexanderbydaymour, 2022). The products are sold at luxury boutiques and the prices range from US\$ 400 to US\$ 1,400 (newyorkdresses, 2022).



Figure 13: Alexander By Daymor  
Source: New York Dresses, 2022

### 3. Marketing & Selling Channels

In Iran, Ziboo is currently selling in 4 physical stores and they have a great online presence with their own ecommerce platform [Ziboo Ecommerce Platform](#), and their additional partnership with two huge ecommerce marketplaces in Iran, called [Digistyle](#), which is the biggest in Iran (similar to Amazon in North America) and the second one, [Banimode](#) (Sina Kazeroonian, personal interview, May, 2022).

Sina intends to start operating as an online reseller to smaller boutiques and department stores in Canada, using their own ecommerce platform in the country. For that, he's developing a new website that will be in English and will already contain the products that will be sold in the Canadian market. The entrepreneur believes that it will be necessary to have a strong online marketing strategy and approach to reach his desired niche target market and to be able to communicate, not only the main attributes of his product but also, all the other aspects that will contribute to add the desired value to his brand in the country (Sina Kazeroonian, personal interview, May, 2022).

This initial marketing strategy is yet to be entirely developed by the entrepreneur and his team, according to the brand positioning strategy that will also be determined, however, Sina already knows that he intends to use the B2B sales channels as a way of bringing awareness to the brand, to participate in fashion exhibitions and events, to do one-to-one

meetings with specialty boutiques in Canada, and to reinforce their online presence (Sina Kazeroonian, personal interview, May, 2022).

## VII. Important Considerations for the Business Problem

There are important aspects and considerations that might impact Sina's decisions so far and may either contribute to future ones. These are listed in the following pages of the case study.

### 1. Production & Financials Aspects

In this first stage, Sina doesn't want to manufacture in Canada - his idea is to produce with his current structure in Iran, importing the final products into the country. Later on, after the launching of the first line and analysing its success, the entrepreneur may reevaluate his decision.

The outsourcing decision was made considering the elevated costs in local production. It's much more expensive to manufacture in Canada than outsourcing the production. For comparison, the production of a t-shirt in Canada would cost approximately C\$ 13 and manufacturing the same t-shirt outside Canada would cost around C\$ 3.00. Even after adding shipment costs, the outsourcing strategy is still more financially advantageous - according to the entrepreneur the charges are around C\$ 10 per imported kilogram (flight shipment), plus a 20% of custom taxes on imported goods (Sina Kazeroonian, Email Information, 2022).

Although the financial aspects are important to make strategic production decisions, it's also very important to consider the current trends in nearshoring or local manufacturing before and after Covid-19. Despite the industry's decrease (in volume and sales) during COVID-19, economic data shows that the domestic apparel manufacturing sector stabilised before the pandemic and has slowly started to grow again. Studies point that Canada won't be competitive in the fast-fashion industry, but successful in high value markets (Government of Canada, 2022). Canadian manufacturing strengths are found particularly in the following niches: performance outerwear, women's fashion apparel and accessories, men's tailored fine suits, uniforms and protective apparel (Government of Canada, 2022).

According to Sina, producing locally could also keep them more competitive in terms of speed - from designing to manufacturing and sales. It can also prevent the current risks of production in Iran, which besides being a very distant country, has a lot of sanctions on its imports and exports. Sina understands that there may be more challenges in their production if they keep it in Iran. The entrepreneur also believes that Canadians value more local products as they are also favouring the local economy (Sina Kazeroonian, personal interview, May, 2022).

### 2. International Trade Aspects

Globalisation had a huge impact in apparel's industry manufacturing - companies no longer had to manufacture each step of one garment in their own factories, they could do it through a network of contractors and subcontractors (outsourcing) all around the

world, meaning that these companies no longer manufactured their own goods, but rather sourced and marked products produced on contract in low-wage environments (countries) (Rabine, 2022).

By subcontracting much of the sewing, and even the cutting, to sweatshops in countries such as Mexico, China, Thailand, Romania, and Vietnam, some of the giants of the industry, such as The GAP and Nike, were able to have a very good reduction of their production costs (Rabine, 2022), raising their profit margins. The outsourcing model became predominant among fashion brands over the past decades, however, the COVID-19 pandemic challenged the current system and apparel sourcing started to face many challenges, which are still present, such as demand volatility, logistics jams, rising costs, shipment disruptions (such as port congestion), and slowed flow of raw materials from China, to name a couple (McKinsey, 2021). McKinsey recent study reveals the most prominent post-pandemic apparel trends:

1. Simplifying the assortment: companies are planning changes in their assortment planning and design decisions, shifting toward reduced product complexity.
2. Focus on the efficiency of design and product development through the main rising technologies, such as virtual design.
3. Deciding sourcing country-mix: apart from the aspects previously cited, companies are looking for a greater mix of countries to source materials in order to avoid risks and delays in production.
4. Collaborate strategically with reliable suppliers.
5. Digitalization of the supply chain enabling speed and flexibility, both in analytics and process.
6. Moving to new operation models.

### 3. Geographic Considerations:

One of the main differences that we need to consider between Iran and Canada is the weather. Canada experiences four different seasons over the year (winter, autumn, summer and spring) and is one of the coldest countries in the world, with temperatures dipping below -20 celsius degrees during winter (from December to March). This period of the year is characterised by heavy snowfalls, icy winds and slippery frozen streets (The Canada Guide, 2022). Canadians also enjoy relatively mild autumns (from September to December), pleasant springs (from March to June) and very warm summers (from June to September) (The Canada Guide, 2022).

Since Iran is a vast country, it has different types of climate, but generally speaking, it's an arid country and depending on the region temperatures can go from -20 celsius degrees during winter to more than 52 celsius degrees during summer, in the South part of the country (climatestotravel.com, 2022).

### 4. Social & Economic Considerations

#### A) Iran

##### i. General Information



Iran's economy fluctuates a lot, it's not a stable country for foreign investors due to many factors such as their elevated inflation, unemployment, cultural and political aspects, as the U.S. sanctions in the country. The country's economy depends mostly on oil exports, agriculture and services and it has suffered a lot over the past years due to United States non-nuclear sanctions and the decrease of oil prices (Statista, 2021, pp. 7 - 10). It's expected that the country will come out of recession in the next few years, however there's still a lingering threat of additional sanctions which stops foreign investors from conducting business in the country. The government is attempting to implement market based reforms with primary focus on advancing science and technology, as well as promoting the country's culture (Statista, 2021, pp. 7 - 10).



Figure 14: Iran's Map Location  
Source: Statista Country Report - Iran, 2021

Type of Content	Content	Year	Source
Capital	Tehran	2021	Statista Country Report - Iran, 2021
Official language	Persian	2021	Statista Country Report - Iran, 2021
Main religion	Muslim	2021	Statista Country Report - Iran, 2021
Population	82,913,893	2021	Statista Country Report - Iran, 2021
Area	1,648,195 sq km	2021	Statista Country Report - Iran, 2021
Population density	50.2 people per sq km	2021	Statista Country Report - Iran, 2021

Total GDP	US\$361.8bn	2021	Statista Country Report - Iran, 2021
Total GDP per capita	US\$4,308.0 <sup>4</sup>	2021	Statista Country Report - Iran, 2021
Largest urban area in Iran	Tehran, with over 9.1 million people	2021	Statista Country Report - Iran, 2021
GDP per capita based on Purchasing Power Parity	US\$ 13,073	2020	Knoema, 2022
Average annual income	US\$ 12,694.21 <sup>5</sup>	2022	Salary Explorer, 2022
Inflation Rate	34.6%	2019	(Statista, 2021, p. 15)
Household consumption	Represents 45.6% of GDP	2019	(Statista, 2021, p. 17)
Unemployment rate	Prediction of 13.10% by end of 2022	2022	(Statista, 2021, p. 23)
Education Rates	10.2% of population - no education 16.7% of population - incomplete primary	2022	(Statista, 2021, p. 22)

Figure 15: Iran's general information

## B). Canada

### ii. General information

Canada is the world's second-largest country in terms of surface area, however its harsh climate accounts for its relatively small population (Statista, 2022, p. 7). Despite this fact, Canada has one of the best economic performances in the world - with a robust services sector and plentiful oil reserves, exporting mainly food and minerals (Statista, 2022, p. 7). Differently from Iran, Canada has a very good relationship with the U.S., which is the country's major trading partner (Statista, 2022, p. 7).

<sup>4</sup> USD/IRR = 52,149.0 - Statista Country Report, 2021

<sup>5</sup> IRR/USD = 0.000024 USD (07.03.22 - conversion rate date)



Figure 16: Canada's Map Location  
Source: Statista Country Report - Canada, 2022

Type of Content	Content	Year	Source
Capital	Ottawa	2022	Statista Country Report - Canada, 2022
Official language	English, French	2022	Statista Country Report - Canada, 2022
Main religion	Catholic	2022	Statista Country Report - Canada, 2022
Population	38 million	2022	Statista Country Report - Canada, 2022
Area	9,984,670 sq km	2022	Statista Country Report - Canada, 2022
Population density	4.2 people/sq km	2022	Statista Country Report - Canada, 2022



Total GDP	US\$1,600.3bn <sup>6</sup>	2022	Statista Country Report - Canada, 2022
Total GDP per capita	US\$42,108.2	2022	Statista Country Report - Canada, 2022
Largest urban area in Iran	Toronto, over 6.3 million	2022	Statista Country Report - Canada, 2022
GDP per capita based on Purchasing Power Parity	US\$ 50,600	2019	Statistics Canada, 2020
Average annual income	US\$ 93,750	2022	Talent.com, 2022
Inflation Rate	5.6% in the current forecast	2022	(Statista, 2022, p. 9)
Household consumption rate	57.4% of GDP	2022	(Statista, 2022, p. 28)
Unemployment rate	Prediction of 5.89% by end of 2022	2022	(Statista, 2022, p. 34)
Education rates	More than 58% of the population - post secondary degree 0.6% of the population - no education	2022	(Statista, 2022, p. 33)

Figure 17: Canada's general information

### Sustainability Aspects

Sina doesn't consider Ziboo to be sustainable yet. According to him, for a brand to claim itself sustainable it has to be 100% accurate to all aspects of the company - from sourcing to manufacturing and sales, which is not yet the reality for his company. (Sina Kazeroonian, personal interview, May, 2022).

This is an important worldwide topic that needs to be taken into consideration when it comes to the Canadian fashion market. Covid-19 had many negative impacts in the fashion industry, some of them mentioned before in the case study, however, the pandemic has also

<sup>6</sup> USD/CAD =1.25 (Statista Country Report, 2022)

provided digital acceleration and evolution resulting in greater speed, ease and convenience around communication and information transfer (Tarry, 2022). One of the main positive outcomes was the increased awareness of customers around social and environmental issues, which have significantly influenced fashion retailers and brands. This was already an evident trend in fashion, but the pandemic was able to accelerate this concern among young people (Tarry, 2022). Consumers have started to better evaluate the brands from which they purchase, selecting those that represent their values. It's putting pressure on those within the industry, particularly brands operating in apparel, to ensure that they implement and enhance practices around sustainable and ethical production (Tarry, 2022).

According to the most recent EY Future Consumer Index, the majority of consumers (68%) are looking to retailers and other businesses to drive the sustainability agenda and commit financially to ensuring positive outcomes. Of those surveyed, 25 percent believe companies should reduce greenhouse gas emissions, while 28 per cent believe that large multinational corporations should reduce waste generated during production (Tarry, 2022).

Other trends and information from the the Canadian apparel market follows:

- Gen Zers in Canada are buying second-hand fashion 2.5 times faster than other generations (Cikaric, 2022).
- Canadian retail clothing sales are highest in the fourth quarter (Cikaric, 2022).
- Nearly half (48%) of Canada's manufacturing jobs in the fashion industry are in Quebec (Cikaric, 2022).
- Fashion statistics confirm that 27% of Canadians are Style Seekers (Cikaric, 2022).
- Revenue of the e-commerce fashion segment in Canada was projected to reach over \$11 billion in 2021 (Cikaric, 2022).

## Technology Aspects

Technology trends can also have an impact in all of the entrepreneur's decisions, specially with the advancements in the fashion industry, e.g. the release of virtual try on has been suggested to be one of the top technology trends for 2022 (Mirrarme, 2022). It's still a very new market but analysts indicate it'll quickly grow into an essential part of online shopping in no time at all. It's forecasted that by 2022 virtual fitting room software tools will become popular among mainstream e-commerce sites (Mirrarme, 2022). Metaverse has also been one of the most discussed trends in the fashion industry - Metaverse enables fashion brands not only to boost retail profit but also to gain access to a virtually infinite audience which is connected through 1 virtual place (Mirrarme, 2022).

These many more opportunities are available for new fashion companies. The challenge is to understand how to incorporate them into a business model in a way that it also makes sense to the final customer.

## XIII. Conclusion

Two different cultures, sometimes, may feel as two different worlds. That's the main challenge for Sina as he is entering the Canadian market. How to make an Iranian brand successful in North American territory, considering all of the aspects left behind, but not forgotten, by the pandemic? What are the similarities, differences, how to make it operate in

new agile methodologies? There are many questions yet to be revealed, but Sina's goal is to start small and from that keep continuously learning and offering better and better products to the fashion market, always delivering and contributing to a positive outcome for society.

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## Appendix



برای مشاهده محصول به لینک زیر مراجعه کنید





# Ziboo: One Year Update

By: Rossie Kadiyska, Vladimira Steffek, Kate Grohmann,

It's been a year since we initially interviewed entrepreneur Sina Kazeroonian regarding his clothing brand "Ziboo". Here are the latest updates, as of July 2023, on how the business has grown and changed over the past year.

In order to expand to a physical location (as Ziboo was only available online), Sina had to figure out where his location was going to be. Sina had initially sought a prime mall location in an A-tier level mall but settled for a second-grade space in [Hillcrest mall \(Richmond Hill, Ontario\)](#) due to anticipated challenges. Despite opening in June, the experience has been a mix of challenges and successes but overall it seems that starting with a second-grade mall location was the right choice. The level of foot traffic and demographic was a good choice for Ziboo's very first physical location.



Understanding the demographic of the new location meant for a slight change in target audience, particularly mature women aged 30 and above. This has been the new key focus, as this demographic is more likely to prefer to shop in person rather than online. Ziboo specialises in casual items, echoing a Zara-like vibe but at a more affordable price point. The emphasis shifted from exclusively featuring Ziboo's private label products to incorporating offerings from other suppliers, aiming to fill market gaps.



Figure 18: Ziboo's knitwear sweater. Source: <https://www.ziboo.com/products/crop-knit-sweater-green>



With a core focus on bringing European style to Canada, the store now caters to modern party dresses and related items such as pants, blazers, and jumpsuits. Sina describes the overall product lines as "modern elegance", the inventory aims to fulfil the desire of women to look and feel their best.

Sina's strategy includes observing and reviewing products, incorporating different lines from various brands to meet the diverse needs of the target demographic. Notably, the decision to supply party dresses within the \$130 to \$150 price range reflects a commitment to offering quality at an accessible price for his customers.

While challenges persist, Sina remains optimistic, continually learning about the market and refining the business strategy. Metrics and KPI's, including foot traffic and value assessments, play a crucial role in evaluating the business's performance.

As the store adapts and evolves, Sina remains steadfast in his goal to provide a unique and affordable shopping experience, carving out a niche in the market that aligns with his vision of successfully bringing European fashion to the Canadian audience (Sina Kazeroonian, personal interview, October, 2023).



Figure 19: Ziboo dress. Source: <https://www.ziboo.com/products/black-pi%CC%87nk-dress>



Figure 20: Ziboo belted dress. Source: <https://www.ziboo.com/products/fuchsia-pleat-detailed-midi-length-belted-dress>

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