

## Pentland Brands: Berghaus's International Expansion

*2032 marks the centenary of our business. We have ambitious plans to deliver on our commitment to take action for people and our planet. Our 100-1-0 positive business strategy sets out three major goals to be delivered by 2032: Helping 100 million consumers live positive, active, sustainable lifestyles; Improving the lives of 1 million people in our communities; Becoming a net zero business*

*Pentland Brands*

“We want to grow Berghaus internationally”, said Chirag Patel, CEO of Pentland Brands. Berghaus was Pentland Brands’ outdoor apparel and equipment brand. “The international markets with the most growth potential are the USA, Germany, China and India. How should we go about analysing this expansion opportunity?” It was May 3<sup>rd</sup>, 2024 and the Berghaus senior team was looking at the next season’s rucksacks (also known as backpacks) in their Equipment Showroom in Sunderland, UK. Sunderland, Berghaus’s headquarters, had been refurbished in 2016 to fit with its image as an outdoor adventure brand (see **Exhibit 1**).

In 2023, Berghaus had been certified as a B Corporation. It had a great reputation for well-designed, well-made products, nearly 60 years of British heritage and a free repair service called “Repairhaus”. Berghaus products were available in outdoor stores in the UK and in a few European countries. The global outdoor apparel market was valued at US\$44 billion in 2022 and was forecast to grow at a rate of 7% per year.<sup>1</sup> Another report suggested the European market was worth US\$8.7 billion with Germany alone accounting for about a third of it.<sup>2</sup> The markets with the biggest growth opportunities were in China and India where newly-affluent consumers were developing a taste for outdoor sports and trips. To focus their resources, Chirag and the senior team were considering Germany and China as the starting point for Berghaus’s expansion.

Chirag continued: “Should we emphasise our British roots? And should sustainability be a core part of Berghaus’s brand message?”

### Pentland Group

Berko and Minnie Rubin, immigrants to the UK from Eastern Europe before WW2, founded the Liverpool Shoe Company in 1932 with a £500 loan from their family. Their only child, Stephen, took over running the business in 1969. The company had gone public as Pentland Industries on the London Stock Exchange in 1964 but the Rubin family repurchased all outstanding

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