

# Men's Wearhouse Acquisition Not a Game Changer

Companies: DDS, GPS, JCP, JWN, KSS, M, MW, PVH, SHLD, TJX, TSE:HBC

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## Research Questions:

**Will Men's Wearhouse realize lower pricing, cost savings, and higher brand awareness with its acquisition of Jos. A. Bank? Will the shift to more casual formal wear benefit the merged company?**

## Summary of Findings

- The [merger](#) between [The Men's Wearhouse Inc.](#) (Men's Wearhouse) and [Jos. A. Bank Clothiers Inc.](#) will achieve initial cost savings but not much else, according to suppliers, store employees of the merged companies and their competitors, HR department personnel, M&A specialists, and industry specialists.
- These near-term cost savings will be negated by merger-related transaction costs. Sources projected that savings will not truly affect the bottom line until 2015 at least.
- Sources were uncertain of post-merger pricing and promotions. The combined company could use the merger to lessen promotions and raise prices, but customers have been trained to wait for sales. Several sources stressed that Men's Wearhouse should have a clear operational plan in place before moving forward as a combined company.
- Greater brand awareness is unlikely to result from the merger.
- Sources outside of the two companies see extensive overlap between them and expect store closings and layoffs to be part of the merger process.
- Company store personnel said initial plans appear to be to continue operations largely as is and to retain the two brand names.
- The trend toward more casual formal wear may benefit Men's Wearhouse and its more diversified merchandise mix, but its effect on Jos. A. Bank is less clear given its focus on more traditional clothing.
- In an online survey of 136 male consumers, Men's Wearhouse was the No. 1 destination to buy suits and sportcoats, thanks to its effective promotional pricing and its customers' positive shopping experiences. [J.C. Penney Co. Inc.](#) (JCP) and [Macy's Inc.](#) (M) were rated as respondents' No. 2 and No. 3 destinations, trailed by Jos. A. Bank. An ecommerce site was not essential to respondents, given that their suits and sportcoats are worn only occasionally.

## Silo Summaries

### [1\) Men's Wearhouse Suppliers](#)

The merger will not be a significant boost to Men's Wearhouse and may even represent a chance for competitors to benefit in the short term. Still, one source said Men's Wearhouse could benefit greatly if it were to use the merger as an opportunity to reinvent itself beyond the short-term financial goals of its shareholders.

### [2\) Mergers and Acquisitions Specialists](#)

These two sources said the merger is not a move into new territory, so business largely will go on as usual and brand awareness will not increase. Given the considerable overlap between Men's Wearhouse and Jos. A. Bank, the merger process likely will result in store closings and layoffs in the early stages. Merger transaction costs will negate the expected cost savings from the merger until 2015 at least.

### [3\) Men's Wearhouse, Jos. A. Bank, and Competitor Store Personnel](#)

The five Men's Wearhouse and Jos. A. Bank sources reported healthy business so far this year. All five also noted strength in the tuxedo business, but only one reported higher sales of formal wear year to year. These employees do not believe considerable overlap exists between the two companies. Also, they have not been told what to expect from the merger and consider it a nonevent.

### [4\) Industry Specialists](#)

Although all six sources noted potential positive effects from the merger, none expects related growth in customer traffic or in revenue for Men's Wearhouse. Instead, the value will be derived from savings achieved through consolidation of operations. Three sources noted extensive overlap between the companies that likely will lead to some store closings and layoffs. Savings will become apparent over time, but two said the company must move quickly to enact meaningful changes in promotions and image.

### [5\) Human Resources Department Personnel](#)

These five sources confirmed the shift to business casual dress in the workplace, and also reported a move toward even more casual dress codes. None noted growth in tuxedo rentals, and three of the four who answered said tuxedo sales are not seasonal.

### [6\) Consumer Survey](#)

In a survey of 136 men who reported purchasing a suit, sportcoat or blazer in the past 12 months or are planning to do so in 2014, Men's Wearhouse was the leading retailer, largely because of special promotional pricing.

# The Men's Wearhouse Inc.

	Merger Will Lead to Cost Savings	Merger Will Bring Brand Awareness	Shift to Casual Formal Wear a Plus for MW
Men's Wearhouse Suppliers	↑	→	→
M&A Specialists	↑	→	→
Men's Wearhouse, Jos. A. Bank, and Competitor Stores	→	→	→
Industry Specialists	↑	→	→
HR Department Personnel	N/A	N/A	→

## Background

Men's Wearhouse's proposed [\\$1.8 billion merger](#) with Jos. A. Bank has been [approved](#). The combined entity with \$3.5 billion in sales and 1,700 stores [will create the fourth largest provider of men's wear](#). Men's Wearhouse expects cost savings ranging from \$100 to \$150 million through improved purchasing power, the removal of marketing redundancies, administrative consolidation, operational synergies, lower overhead, and more efficient customer service. Post-merger, the company is expected to keep the brands [separated](#).

The suit and formal wear market comprised [32%](#) of the men's clothing market in 2013, and the overall men's clothing industry is expected to grow 3.1% annually through 2018. Men now make high-end clothing purchases outside of professional settings and care about fashion trends, leading designers to highlight such options as [suit coats over T-shirts](#), [blazers](#), floral prints, and [relaxed formal](#). As such, men are more likely to frequent specialty stores over department stores and online retailers. Although trends are pointing away from the midrange customer served by Men's Wearhouse and Jos. A. Bank, these brands' advantage over online competitors comes from being able to tailor suits. Also, the proposed merger would expand Men's Wearhouse's profitable [tuxedo business](#) through Jos. A. Bank stores.

## Current Research

Blueshift Research assessed whether cost savings, lower prices, and higher brand awareness would characterize the merger between Men's Wearhouse and Jos. A. Bank, and how a shift toward more casual formal wear would affect the combined company's business. We employed our pattern mining approach to establish seven independent silos, comprising 22 primary sources (including five repeat sources), a survey of 136 male consumers, and five secondary sources focused on men's fashion trends and the merger:

- 1) Men's Wearhouse suppliers (2)
- 2) Mergers and acquisitions specialists (2)
- 3) Men's Wearhouse, Jos. A. Bank, and competitor store personnel (7)
- 4) Industry specialists (6)
- 5) Human resources department personnel (5)
- 6) Consumer survey (136)
- 7) Secondary sources (5)

## Next Steps

Blueshift Research will measure internal progress in and any operational changes from Men's Wearhouse's merger with Jos. A. Bank. We also will report on the merged company's short-term strategies in merchandise mix, brand position and advertising and how these are viewed from the marketplace.

## Silos

### 1) Men's Wearhouse Suppliers

Neither of these two sources expects the merged company to be on top of men's fashion trends. One source believes both Men's Wearhouse and Jos. A. Bank are losing share in a more casual general environment, while the other characterizes Jos. A. Bank as inferior because of its lack of brand-name merchandise and lack of appeal among younger customers. The merger will not be a significant boost to Men's Wearhouse and may even represent a chance for competitors to benefit in the short term. Still, one source said Men's Wearhouse could benefit greatly if it were to use the merger as an opportunity to reinvent itself beyond the short-term financial goals of its shareholders.

#### KEY SILO FINDINGS

##### Men's Wearhouse and Jos. A. Bank

- 1 supplier views Men's Wearhouse as far superior to Jos. A. Bank because of its brand-name merchandise.
- 1 sees both losing share in a more casual fashion environment.
- 1 notes that a move to more casual formal wear will not help formal wear sales at Jos. A. Bank, which does not pay attention to trends among younger customers. Men's Wearhouse will be better positioned.

##### Merger

- 1 source is skeptical that Men's Wearhouse and Jos. A. Bank have enough commonality to make significant operational changes.
- 1 said retail mergers historically have brought more uniformity to the category, and the newly merged company must work to present something unique to customers.

##### Company Post-Merger

- 1 supplier believes the company must use this merger to reinvent itself and achieve more than the increased sales that shareholders seek.
- 1 reports advising his specialty shop customers that the merger represents an opportunity for them to gain share, as the company sorts out its merger issues.

### 1. Sales account manager at a licensed merchandise supplier, including for Men's Warehouse

The merger could result in operational cost savings, but the jury is out on changes in post-merger pricing and brand awareness. The shift to more casual formal wear can benefit Men's Wearhouse if it leverages existing capabilities to focus and lure the younger male. Still, the source also expects turmoil and infighting over the next two or so years. Smaller, specialty men's stores will have an opportunity to benefit and take back market share if turf battles ensue.

##### Men's Wearhouse and Jos. A. Bank

- "We license for Men's Wearhouse. The account manager was frustrated for years because [Founder George] Zimmer was in charge then and was into buying old labels. Most of the young people walking into Men's Wearhouse had never heard of the brands. Two of the biggest label licensing manufacturers eventually convinced Men's Wearhouse they needed to do a better job of appealing to younger males, and once they started putting in [PVH Corp.'s/PVH] [Calvin Klein](#) and [KCP Holdco's] [Kenneth Cole](#), our business skyrocketed with them. That was about four to five years ago, and for a number of years we had very strong growth. Now our business with them is just OK."

# The Men's Wearhouse Inc.

- “We have tried to sell to Jos. A. Bank forever, but Jos. A. Bank always says the styles are not what the company's consumers want.”
- “Men's Wearhouse has a more compelling story to tell than Jos. A. Bank because they sell branded-name labels. If you go into Jos. A. Bank there is a completely different vibe—very fuddy-duddy and stuffy. I don't see the appeal beyond the buy-one-get-14-free. Jos. A. Bank suits are just OK. If you go to Men's Wearhouse you get designer garments. If you go to Jos. A. Bank, every label says Jos. A. Bank.”
- “Jos. A. Bank is for guys over 50 that are in their last stretch of their work career. They just need a couple of suits to get to the finish line. Jos. A. Bank looks like [Retail Brand Alliance's] [Brooks Brothers](#). Jos. A. Bank is more traditional, while Men's Wearhouse is more contemporary and fashion-forward.”
- “My retail customers sell or rent tuxedos, but a lot have switched from renting the wedding party tux to selling a nice suit. For some reason, gray suits are the alternative. I would say, yes, things are more casual. People will wear a gray suit with a nice dress shirt and long tie versus a tux, formal shirt and bow tie. The smaller specialty stores are more interested in selling a versatile dress suit than renting a tuxedo.”
- “The trend toward casual formal will not benefit Jos. A. Bank. They need a younger-thinking group in the company. Right now they don't have the ammo or inventory for addressing the needs and wants of the 35-year-old and younger. Men's Wearhouse is more capable of handling the younger buyer. Time will tell, but if they don't manage to cater to the younger guy who wants the slim suit and slim shirt and tie, we all will be in trouble.”

Men's Wearhouse has said [to our account managers] they are just going to keep doing what they do until someone tells them to do it differently.

*Sales Account Manager  
Licensed Merchandise Supplier*

## Merger

- “The merger should bring down operating expenses. Now there are two separate buying teams for each company. ... They can slice the number of regions and cut the number of store managers down.”
- “Both companies are already buying at bottom-line prices. How much lower can they go?”
- “They can save on distribution centers and save on combined freight.”
- “At retail level, they will close stores and keep whatever stores are working better. It may take a long time, however, because you've got to build a historic record. What works in Los Angeles is different from what works in Atlanta.”
- “Both were in growth mode before the merger. ... Both have hit every possible market already. They need to look at the locations and real estate in cities with a population of 50,000, and if they have representation by both stores in a town, they won't need both.”
- “We are heading into a round of shows. The first one is July 20. The big buyers will be there as early as July 6 to 7. We may start to have the buyers at the shows give the manufacturers an idea of how things will take shape, what VPs are leaving and how the supply chain will get locked in.”
- “Men's Wearhouse has said [to our account managers] they are just going to keep doing what they do until someone tells them to do it differently. Then again, we are already into the men's cycle for 2015. For private label, it's possible they may have already bought everything out for 2015.”

I work with a lot of specialty shops, and I tell them the merger is an opportunity for them to do more business. I expect a lot of turf battles. That's what always happens with a M&A.

*Sales Account Manager  
Licensed Merchandise Supplier*

## Company Post-Merger

- “I see two different companies with different merchandise. There is no commonality. I do not see Jos. A. Bank suddenly carrying brand labels. It's just not what they do. I don't think the cost of goods will go down much, but gross margins should go up because there are less operating expenses.”
- “Men's Wearhouse was about to open a division of outlet stores before the merger. This had been on the planning boards, and now it's on hold. They may have missed an opportunity to do an outlet division, and that could hurt them a little. Maybe they eventually will open an outlet division that is a combination of the two.”
- “I work with a lot of specialty shops, and I tell them the merger is an opportunity for them to do more business. I expect a lot of turf battles. That's what always happens with a M&A. There is infighting because the higher-ups on both sides want to keep their \$400,000-a-year jobs.”
- “I expect the next couple of years to be marked by some turmoil. We also don't know if the guys who end up running the company are capable of handling an operation twice the size as before.”
- “Men's Wearhouse is the acquiring entity, and their people in Texas are not going to want to move.”
- “The merged entity could force and squeeze suppliers a lot more. Will it lower prices? Pricing is pretty sharp as it is.”

# The Men's Wearhouse Inc.

## 2. National sales manager for a brand sold at Men's Wearhouse, located on the West Coast

Men's Wearhouse acquisition of Jos. A. Bank should lead to operational cost savings and, in turn, increased revenues realized by eliminating redundancy. The merger presents Men's Wearhouse with an opportunity to reinvent its brand and merchandise mix by embracing casual clothes for the man under 30. To date, both Men's Wearhouse and Jos. A. Bank have been losing market share related to a monetary pullback by male shoppers and the trend toward casual attire. Men's wear departments in Macy's and [Nordstrom Inc.](#) (JWN) also are struggling to adjust to casual trends and continue to reduce floor space devoted to suits and traditional name brands like [Perry Ellis International Inc.](#) and Calvin Klein.

### Men's Wearhouse and Jos. A. Bank

- "Our business is with Men's Wearhouse, but it is strictly a licensing [deal]."
- "I believe both have been losing market share because of the way people dress now. Men are dressing more casually. Men's Wearhouse is trying to appeal to the sporty guy who wears jeans, but suits are its main offering. Jos. A. Bank does not carry our brand, and the last time I visited a store was in New York City in 2005. I don't believe it has changed much. They cater to an older customer."
- "We see fewer and fewer store areas devoted to men's suits and dress wear in the department stores. Nordstrom's is struggling with men's wear. The department stores are devoting less and less space to Perry Ellis and Calvin Klein. To some extent I think Men's Wearhouse and Jos. A. Bank have lost market share because people stopped buying altogether for a while. I am not saying the customers are gone. I think they are waiting to find a place to shop. The regular, smaller men's specialty stores are not there. I don't know whether men are now shopping online. Even Macy's is struggling in some respect, and it makes me wonder what will happen if others do not come up the ranks."
- "There is no real strong trend in dress/formal suits. Men are more likely to wear a sports coat with jeans. A smaller and smaller part of the population has to wear a suit to work. The younger males like a trimmer fit."
- "All of the men's sections are struggling at department stores, trying to appeal to the younger male. Even we made the decision at one point to buy into trim fitting shirts, but we quickly switched back because our consumer is not the 28-year-old athletic guy. Our guys have a potbelly and are older."
- "The tuxedo business is suffering less because guys still get married and go to proms."
- "Men's Wearhouse is absolutely not innovative with vendors or fabrics or at appealing to the younger male. Can they change that image? Yes, but they have some work to do."

### Merger

- "There has been so much consolidation already that we may not see much more. The consolidations have made everything flat and sterile and the same. All of the department stores have gone through mergers, and Macy's controls a lot of them. Eventually they are moving toward offering nothing unique. They are all the same. That's why I think men are waiting for something to come along."
- "They will save on costs with the merger and realize increased revenue because the combination of the two should enable them to help one another. Men's Wearhouse is more about suits and ties, and Jos. A. Bank is more about shirts and sportswear."
- "I do think the two will have to struggle to change their thinking, if they are going to overcome the push from stockholders who just want to see improved sales."

### Company Post-Merger

- "I would expect to see a change in the merchandise mix, but that won't be due to the merger. It would be driven more by market demand and where trends are going."
- "Men's Wearhouse now has an opportunity to set up its image for the next decade. They certainly have the ability to reinvent themselves. ... It's just too soon to tell whether they can succeed."
- "I don't believe the merger will have an effect on the overall prices in the industry."
- "If you compare the Los Angeles and San Francisco markets, they are like two different countries. People used to have buyers who catered to the region. There was a Chicago buyer and look that catered to men's needs there. With all of the consolidation, you see the same merchandise in cities that were once considered different markets."

Men's Wearhouse now has an opportunity to set up its image for the next decade. They certainly have the ability to reinvent themselves. ... It's just too soon to tell whether they can succeed.

*National Sales Manager  
Brand Sold at Men's Wearhouse  
West Coast*



# The Men's Wearhouse Inc.

## 2) Mergers and Acquisitions Specialists

These two sources said the merger is not a move into new territory, so business largely will go on as usual and brand awareness will not increase. Given the considerable overlap between Men's Wearhouse and Jos. A. Bank, the merger process likely will result in store closings and layoffs in the early stages. Merger transaction costs will negate the expected cost savings from the merger until 2015 at least. Pricing and discounts remain a question; the merged company should have room to raise prices, but that may clash with the long-standing importance of competitive pricing.

### KEY SILO FINDINGS

#### Men's Wearhouse and Jos. A. Bank

- Both sources cited considerable overlap between the 2 companies, and said store closings and layoffs will be necessary.

#### Merger

- The 2 agree that savings from the merger will not be apparent until 2015 at least.

#### Company Post-Merger

- The 2 said business will mostly go on as usual.
- Pricing and discounts remain a question mark; the merged company may be able to raise prices given lesser competition, but its customers have been trained to shop for deals.

## 1. Partner in a full-service corporate law firm in Northern California

The merger of Men's Wearhouse and Jos. A. Bank is a consolidation rather than a move into new territory. Both companies cater to the professional who is younger or on a limited budget, and this profile likely will not change post-merger. The source anticipates some cultural clashes, store closings and layoffs, but the combined companies should see some cost savings, increased buying power and possibly a rise in revenues next year. Post-merger, Men's Wearhouse needs to focus on consolidation and customer retention.

#### Men's Wearhouse and Jos. A. Bank

- "Men's Wearhouse and Jos. A. Bank are the two substantial players in the not-high-end men's clothing market, and they match pretty well. So this is not a move into new territory; it is a consolidation."
- "The typical customer of Men's Wearhouse/Jos. A. Bank is a younger person just getting started, or someone who has a limited budget for business attire. I doubt this typical customer profile will change following the merger."
- "I am not sure that Macy's is [Men's Wearhouse's competitor]."
- "Our office is business casual, except on Fridays when we can wear jeans. It hasn't changed in the last 15 years."

#### Merger

- "I would guess Men's Wearhouse and Jos. A. Bank will have some issues as it was a rather contentious negotiation."
- "Consolidation will result from the pending merger. In the narrow market, in the type of customers they share considerably, I would guess there will be a closing of stores and, therefore, layoffs."
- "There will be some transaction expenses, so the earliest you would see tangible results would be the following year, 2015."
- "There should be economies of scale; you do not need two corporate headquarter apparatus. How material that will be to a company this size, I do not know."
- "If competition is reduced, prices will go up, but their whole model is to be relatively at the lower end."
- "What you will find is that the two companies combined will have fewer lines. But it is a fashion business, so that would dictate that they still have to refresh their product offering annually and seasonally."

**Men's Wearhouse and Jos. A. Bank are the two substantial players in the not-high-end men's clothing market, and they match pretty well. So this is not a move into new territory; it is a consolidation.**

*Partner  
Full-service Corporate Law Firm  
Northern California*

# The Men's Wearhouse Inc.

## Company Post-Merger

- “The most noticeable change in the company post-merger will be a single brand.”
- “The newly merged company will still advertise a lot. I would expect to see consolidated advertising. Instead of advertisements in competition with one another, they would now advertise as a unit. And with the larger financial strength, they may be able to be a more effective advertiser than they were before. We might see some decrease in discounting and sales, but I am not sure how much. Overall, the space is competitive.”
- “The newly merged company may experience labor problems as they try to downsize. There may be some loss of brand identity. They will have cultural issues as they combine the two management teams. In the best mergers the acquirer retains the best of both sides. Some acquirers give preferences to their own at the expense of the acquired company's employees. If they do that, they will not maximize the deal from a staffing standpoint.”
- “The merger will be neutral for the industry. It could marginally be a negative in terms of consumer prices. If there is less competition, they may be able to push their prices up.”
- “The new company may have the luxury of choosing the best suppliers from the two companies, but the costs in garment supply have been wrung out of the system as much as they can be. They will not see huge savings, but that industry already works on a low cost structure.”
- “I think the new company will have increased buying power.”
- “The new company's priorities should be effective consolidation and customer retention.”
- “Tuxedos are kind of a finite, predictable market, so I would guess that the combined company would sell the same as they each did before.”

## 2. [Alex Kasdan](#), senior managing director for investment banking firm DelMorgan & Co.

Men's Wearhouse and Jos. A. Bank will fit well together as they seek the same buyer and consumer. The merged company should have increased buying power and higher brand awareness. It needs to focus on merger integration in the short term and on public relations in the long term as it attempts to reestablish its brand.

### Men's Wearhouse and Jos. A. Bank

- “Men's Wearhouse and Jos. A. Bank match up. They are basically looking for the same consumer, same type of buyer. They should realize synergies and economies of scale through advertising, store consolidations, suppliers, vendors, so the merger makes a lot of sense as the two companies are catering to the same people.”
- “Jos. A. Bank is a little higher end, so there is some element to being complementary. But its clientele is similar to Men's Wearhouse's clientele. The merger raises the level of Men's Wearhouse a little bit.”
- “The demographic in the men's clothing industry has been formal business wear, which has been hurt for obvious reasons. People do not wear a suit and tie nowadays. The demographic of Men's Wearhouse/Jos. A. Bank is young professionals or midlevel executives who want to buy nice clothing at reasonable prices.”
- “The typical customer will be a little bit more upscale for Men's Wearhouse following the merger, but otherwise customers will be pretty much the same.”

### Merger

- “Because of consolidation in the industry as well as changing fashion trends, this merger makes a lot of sense because there is not a lot of room for men's wear retailers.”
- “Consolidation will likely result from the pending merger. Certainly there will be some degree of duplication.”

### Company Post-Merger

- “The newly merged company should focus on merger integration in the short term. That is key. Long term, the company will need to reestablish the brand. PR is key; let people know who you are and what you do.”
- “The newly merged company should be able to reduce costs and have greater economies of scale by consolidating, and they should gain a larger share of the market. This change will occur within about 12 to 18 months.”

The newly merged company should focus on merger integration in the short term. That is key. Long term, the company will need to reestablish the brand. PR is key; let people know who you are and what you do.

*Senior Managing Director  
Investment Banking Firm*

# The Men's Wearhouse Inc.

- “Combined, Men's Wearhouse and Jos. A. Bank will have quite a bit of increased buying power and realize economies of scale. They will be buying a lot more from the same sources.”
- “I do not see Men's Wearhouse and Jos. A. Bank reducing prices post-merger.”
- “Men's Wearhouse and Jos. A. Bank may cut some of their lines post-merger, and some of the things will be a bit more upscale. Men's Wearhouse is more European-driven style-wise. Jos. A. Bank is traditional, conservative American. The two companies are complementary in terms of merchandise mix.”
- “The merger of Men's Wearhouse/Jos. A. Bank should increase the overall brand. The brand of Jos. A. Bank is already pretty good. Men's Wearhouse is perceived as more of a discounted place.”
- “Management integration is huge in any deal, not just in retail. But retail has more colorful personalities.”
- “The merger of Men's Wearhouse and Jos. A. Bank will be a positive for the industry. It will likely drive a lot of other consolidation.”
- “In terms of whether the shift to more casual wear will be a benefit to the newly merged company, it depends on what their mix is. When you are selling men's wear, you are competing with anybody and everybody. You can buy a pair of shorts online, but alterations are harder to do online and [are] a good source of revenue.”

## 3) Men's Wearhouse, Jos. A. Bank, and Competitor Store Personnel

The five Men's Wearhouse and Jos. A. Bank sources reported healthy business so far this year. All five also noted strength in the tuxedo business, but only one reported higher sales of formal wear year to year. These employees do not believe considerable overlap exists between the two companies. Also, they have not been told what to expect from the merger and consider it a nonevent. Department stores and Nordstrom were identified most often as competition, though a Nordstrom source said his company sells men's wear based on quality and fit rather than price.

### KEY SILO FINDINGS

#### Men's Wearhouse and Jos. A. Bank

- Among 5 Men's Wearhouse and Jos. A. Bank store personnel, 4 report increased sales this year, and 1 flat sales.
- All 5 reported strength in tuxedo business, but only 1 source reported growth in formal wear sales.

#### Merger

- No source from Men's Wearhouse or Jos. A. Bank sees overlap between the 2 companies, and none projects dramatic changes as a result of the merger.

#### Competition

- Men's Wearhouse and Jos. A. Bank sources reported department stores, particularly Nordstrom, as competition.
- A Nordstrom source said his company sells its products based on quality and fit, while Men's Wearhouse and Jos. A. Bank lead with price.
- A local store owner also denied being a competitor, calling Men's Wearhouse and Jos. A. Bank mass merchandisers and promoters rather than clothiers.

## 1. Men's Wearhouse store manager, Southern California

This source does not think Jos. A. Bank stands in the way of Men's Wearhouse's continued tuxedo sales strength, as the clothier's primary focus is on sportswear and casual clothing for men age 45 and older. Nordstrom is more of a threat because of its lineup of top tuxedo designers, but the threat is mitigated by Men's Wearhouse's lower prices on both products and tailoring services. Sales are trending up from a year ago, thanks to strong sales of the [Vera Wang](#) slim fit tux and the [Joseph Abboud](#) collection of sportswear items.

#### Men's Wearhouse and Jos. A. Bank

- “I don't think there's a shift toward more casual wear or less. I think men want both. I know we have no plans to diminish our tuxedo sales or rental business. It's a huge part of who we are. Men's suits are somewhat more casual than they might have been a while ago, and more men are mixing up casual and formal, but they want both.”



# The Men's Wearhouse Inc.

- “Sales are very strong. Tuxes did well at prom, both sales and rentals, and I think they will continue to do well through the Father's Day promotional term and the wedding season, which is kicking in now.”
- “I think our styles are right where they need to be. The Vera Wang slim fit tux is doing very, very well. I would say we have sold more of that tux than any other this season and with wedding season now in full swing, I am sure sales will only continue to trend that way.”
- “I'm not sure what sales are like for them, but I'd say Nordstrom is probably our largest competitor because they tend to cater to roughly the same age range as we do, which is men between 25 and 40.”
- “Our typical customer is male between 25 and 40, which is exactly the customer we are catering to with respect to the styles we carry. The Joseph Abboud collection is doing very well in this store as well, which is contributing to our push to offer not just tuxedos, but also high-quality sports and casual wear.”
- “Tuxedos sales and rentals are seasonal. We do the bulk of that business between May and September, which is prom and wedding season.”
- “I don't see Jos. A. Bank growing their tuxedo business at all. From what we've been told, they will continue to focus on casual and sportswear, with the tux business remaining a small percentage of what they offer. That just doesn't even feel like competition to me.”

## Merger

- “They've told us very little about the merger. All I know is that the two companies cater to a very different age range and type of customer. Jos. A. Bank is working with an older crowd, and they have never been known for their high-paced tuxedo sales or rentals. That's more our reputation.”
- “I don't see much overlap there in terms of product except for possibly some with suits and ties and dress shirts. The tuxedo business will remain one of our strongest forms of revenue, just because of the volume we do and the price and quality we are able to offer.”

## Competition

- “Our forte is pricing and quality. We have quality suits and tuxes, as well as casual wear for men that fit the average budget of the 25- to 40-year-old man.”
- “While Nordstrom is probably our biggest competitor, I think where we win out over them is on pricing and flexibility. They can offer customers many of the name brands we don't carry, but those come with a higher price tag. In addition, Nordstrom may also offer tailoring services, but they are inflexible with the pricing for that. You have to buy their flat-rate tailoring package. At our stores, we work out each tailoring job on a sale-by-sale basis, which keeps the entire purchase that much more affordable.”

I don't see much overlap there in terms of product except for possibly some with suits and ties and dress shirts. The tuxedo business will remain one of our strongest forms of revenue, just because of the volume we do and the price and quality we are able to offer.

*Men's Wearhouse Store Manager  
Southern California*

## 2. Men's Wearhouse store manager, Kansas

Since the two stores appeal to different age groups and tastes, the source expects few changes in product lines. Corporate is not sharing information with store managers regarding plans. The merger could help the tuxedo business because Jos. A. Bank now gets its rental suits from an outside formal wear shop.

### Men's Wearhouse and Jos. A. Bank

- “Sales are good but flat, about the same as last year at this time. We are holding our market share at about where it was a year ago.”
- “We keep pace with the trends. The two-button tuxedo is the most popular. We have added casual clothes—jeans, golf shirts, shorts, T-shirts. Customers like to have that selection too.”
- “Online sales keep getting stronger, just like with the rest of the retail business. Our best store is our website.”
- “Our typical customer is between 20 and 40, looking for quality dress and casual clothes that are not too expensive.”
- “More people are dressing casual, but that has been happening for a long time. I don't see the trend as getting any stronger lately.”
- “The merger could help the tuxedo business overall. We will be probably be providing tuxedos to Jos. A. Bank for rentals because they don't have their own brands for rent. They come from [Jim's Formal](#).”
- “Tuxedo rental is not necessarily a growing portion of our business, but it is strong.”

# The Men's Wearhouse Inc.

- “Spring is good for tuxedos, with proms and weddings, but really it is a year-round business. There are always weddings and other events going on. Sales and rentals are about the same year-round as in the past years.”

## Merger

- “We have not heard anything about how stores might change after the merger, but I don't think there will be any difference. Both of the stores will keep their own identities, brands and stocks.”
- “I definitely think the merger will be good for the combined companies in increasing the bottom line. Total sales will grow. I am not sure how it will affect the industry overall.”
- “Men's Wearhouse and Jos. A. Bank appeal to different customer bases, so I don't expect us to alter the merchandise offerings. Jos. A. Bank is more conservative in that they cater to shoppers in the 40 to 60 age group.”
- “Any change in promotions is again hard to predict. Jos. A. Bank does a lot more advertising of their sales and products than does Men's Wearhouse.”
- “Our cultures are a little different in terms of the work environment. Men's Wearhouse is a place where people stay for a long time. ... They really take care of their employees and treat us well. People want to work for us. Jos. A. Bank has more turnover.”

There is not a lot of competition in men's apparel in general. It's a tough environment. We've seen other men's stores here ... shut down.

*Men's Wearhouse Store Manager  
Kansas*

## Competition

- “We do a lot of things well that help us compete, such as price and product. But it is customer service that stands out at Men's Wearhouse. People know it will be consistently good.”
- “There is not a lot of competition in men's apparel in general. It's a tough environment. We've seen other men's stores here ... shut down.”
- “We get a lot of return customers, but like most clothing retailers, about 60% of our buyers are first-time customers.”

### 3. Men's Wearhouse sales associate, Wisconsin

Prior to the merger, Men's Wearhouse already was an established brand that set the standard and styling trends for the men's clothing industry. This year looks to be a gain over 2013. Styles are trending toward the more fitted, flat-front pants and fitted shirts. Jos. A. Bank tends to carry and attract a more traditional styled customer. Tuxes are trending to the modern fit, which less fitted than the slim fit. Men's Warehouse's target customer is between the ages of 25 and 55.

#### Men's Wearhouse and Jos. A. Bank

- “Sales are strong. Summer has been good for us. We expect to outperform 2013.”
- “Men are moving away from the traditional styles of suits that are looser fitting with bigger lapels to the more fit styles with thinner lapels and flat-front, fitted pants.”
- “Even our more mature customers are buying the more fitted clothing. It is not just the young guys.”
- “Our average customer is on the higher end of the spectrum because we are an upscale clothing store, with Jos. A. Bank being a bit higher up than us.”
- “There is a store in the mall that measures you and makes you a suit that is made just for you. But their suits start at \$1,200, \$1,300, and ours start at \$600, \$650. Most people cannot afford to have a suit made for them.”
- “Jos. A. Bank tends to carry more traditional styles and fits.”
- “In tuxedos for the summer, we've been renting two styles of gray and one tan linen that we rolled out with lighter fabrics.”
- “Two styles of Vera Wang tuxes with narrower lapels and flat-front pants have done well. They also have less shiny material striping on the side of the pants. They rent for \$200, but you can also buy for \$600, \$700.”

Now that we bought Jos. A. Bank, I guess the department stores like Macy's are our biggest competitor, but they cannot match, in any way, the service that we offer our customers.

*Men's Wearhouse Sales Associate  
Wisconsin*

## Merger

- “We don't expect to see big changes after the merger. Both companies will remain distinctive, have their own image and marketing plan. Together, we will dominate the industry even more than before.”
- “We already set the trends in men's fashion, so I don't see the industry being affected by the merger that much.”

# The Men's Wearhouse Inc.

- “Our competitors will have a tough time meeting the reach we will have with both stores and all the locations. Men's Wearhouse has 1,500 locations and, with Jos. A. Bank, our reach has greatly improved.”
- “I don't see the merger affecting our prices. Both companies will remain as independent companies.”

## Competition

- “Men's Wearhouse sets the trends for its competitors to follow.”
- “Now that we bought Jos. A. Bank, I guess the department stores like Macy's are our biggest competitor, but they cannot match, in any way, the service that we offer our customers.”
- “We don't do coupons. That is how we differ from our competitors. We have sales that come through emails. For example, today's email special is 40% off shorts.”
- “We used to have a yearly sale; then it became twice a year. For a few years now, we have a sale every month to month and a half.”
- “Having sales more often has been very effective in increasing traffic and driving sales. We have become more like the big retailers in that way.”

## 4. Jos. A. Bank store manager, Southern California

This source was a Men's Wearhouse manager for 11 years. Sales are very strong, up 35% from six months ago, with the bulk of the uptick coming from suits and sportswear sales. He has no plans to use the merger to try to take over Men's Wearhouse's tux business. He also cited no plans to integrate sales and order tracking at the store level, and sees very little opportunity to benefit from Men's Wearhouse's operations.

### Men's Wearhouse and Jos. A. Bank

- “We're doing very well. Sales are up 35% across the board from six months ago. It's a busy season, but we also have the Father's Day promotion going on, which is drawing in huge crowds right now.”
- “We run a lot of promotions, and perhaps the merger will change that, which I think might be a good thing. We run more promotions than Men's Wearhouse, and sometimes I think we run a few too many.”
- “We make every suit, every tux we sell, so we can run heavy promotions all year long. ... We have been known to run a 'buy one, get three free of anything in the store, including tuxes' promotion and do very well.”
- “We cater to a different crowd than Men's Wearhouse. This is men in their late 40s and early 50s and on up from there, very conservative, very traditional. Men's Wearhouse is working with a younger crowd with different style tastes to cater to. While we can also order a slim fit tux for a customer, we don't have any plans to try to take over the tux business from Men's Wearhouse. That's not our focus. We are 49% suits, 51% sports and casual wear.”
- “Our store has never focused heavily on formal wear, but I think there is every reason to believe that that sector of the market is going to continue to grow. Men are dressing up for all sorts of occasions, not just weddings and proms.”
- “We have a very slimmed-down order and tracking system, and we would certainly benefit from adopting Men's Wearhouse's systems. Things could always be more efficient. But I don't see that happening. We haven't been told it was. Unless they come in and completely reinstall all of our in-store systems—which they have not said they were doing—we won't benefit in any way from the merger in terms of efficiencies. We don't even have e-mail for our sales team.”
- “I have not heard about any expansion of stores on our end or theirs, yet, and I don't know if there are any plans to try to create a blended brand. For now, we are only being told that the merger will take place in fall of 2014 and that we will be doing everything pretty much as we have been doing.”

Unless they come in and completely reinstall all of our in-store systems—which they have not said they were doing—we won't benefit in any way from the merger in terms of efficiencies. We don't even have e-mail for our sales team.

*Jos. A. Bank Store Manager  
Southern California*

### Merger

- “This merger appears to be a benefit for upper management and to affect only upper management, not the sales team on the ground. As far as I know, nothing is going to change. We will be operating as we always have, catering to a very different age range than Men's Wearhouse and, of course, offering very different styles and pricing options.”

### Competition

# The Men's Wearhouse Inc.

- “Macy’s down the street is a likely competitor, as they have many similar products, but we offer something that no one, not even a Nordstrom can offer, which is a lifetime guarantee on everything we sell. If you buy a belt here in our store and a year from now you have an issue with it, we will replace it.”

## 5. Jos. A. Bank assistant store manager, Southern California

This source said staff has been asked not to discuss any projections about the upcoming merger, but added that the store is seeing repeat customer traffic. Sales were very strong for tuxes and formal wear up through the prom season and the Father’s Day sale event, and have beat casual wear sales. He did not think the merger match was solid based on Men’s Wearhouse’s lackluster sales and customer service, but welcomed the possibility of adopting the company’s infrastructure and computer systems.

### Men’s Wearhouse and Jos. A. Bank

- “Sales are up for us from last year, but I don’t have any percentages to give. The prom season was very, very busy. It was our best year yet.”
- “I see a lot of potential in the merger with respect to infrastructure or sales tracking, but I’m not so sure we are on the same level with our sales and customer service. That could be an issue. I’m sure they will be eventually looking at the two companies and combining what works best for both, what each has been doing that isn’t so great and tossing things out here and there. That’s usually how these things go.”
- “Formal wear is our top seller. We do more tux and slim fit suit and shirt sales than we do casual wear for men. We know our quality is topnotch, so no concerns there about our products. And I know we are not the same demographic as [another, nearby Jos. A. Bank] store, where you have a long-time, established retailer with a lot of older clientele who are very loyal to the store.”
- “I don’t think one company is going to try to take away tux business from the other. We know they are getting theirs from a variety of sources and labels, which is fine. It gives customers options. Our tuxedos are backed with our store’s policies on returns and quality. We have slim fit tuxes here too, which is what the younger customer wants. I don’t think we will expand that aspect of the business to try and monopolize it. And, like I said, we just don’t know what they will be doing with the two companies once the merger is finalized.”
- “We can’t talk about promotions or project about what is going to change there. We just don’t know.”

I don’t personally see it as a very solid matchup because I’ve been to a few Men’s Wearhouse stores, and frankly I don’t think they have the same caliber of customer service and return policies as Jos. A. Bank.

*Jos. A. Bank Assistant Store Manager  
Southern California*

### Merger

- “I don’t personally see it as a very solid matchup because I’ve been to a few Men’s Wearhouse stores, and frankly I don’t think they have the same caliber of customer service and return policies as Jos. A. Bank. That is a concern. Will they revamp the entire sales team’s training policies so it’s more standard? We do not know yet. Are they going to demand that one store adopt the other’s policies and procedures, or use their methods?”

### Competition

- “We know our competitors very well. But we are seeing repeat customers, so the store is establishing itself here, and we also know we tend to offer a much more customer-friendly return policy than our competitors and even Men’s Wearhouse.”

## 6. Nordstrom sales associate, Southern California

Men’s Wearhouse has never been viewed as a competitor, and its acquisition of Jos. A. Bank will have no effect on this store’s overall sales or tuxedo business, which does not include rentals. Sales are strong for summer wear. This store’s high season for tux sales is between November and January, not prom season.

### Men’s Wearhouse and Jos. A. Bank

# The Men's Wearhouse Inc.

- “We do only a little bit of tux sales during prom. Our high season is right before Thanksgiving and ending after New Years.”
- “Right now we are selling more sports and summer wear than formal wear, but that will pick up toward the end of summer and as we move into the holiday season.”

## Merger

- “We are not a new store, so we have steady repeat business. I think that we will continue to have that despite the merger.”
- “It’s true that Jos. Bank has longevity, but I think we cater to a different demographic here.”

## Competition

- “I don’t see [Men’s Wearhouse or Jos. A. Bank] as being competition, so the merger will have no impact on us.”
- “We’ve always been about fit, not pricing, so Men’s Wearhouse has never been considered to offer the same degree of quality.”

## 7. Men’s wear retailer co-owner, Missouri; repeat source

The merger is not a great fit because the two companies already appeal to the same customers—men who are not that fashionable and who buy on price and promotions rather than fit and quality. Some stores probably will close because of this redundant customer base.

### Men’s Wearhouse and Jos. A. Bank

- “Our sales have been steady, about the same as last year.”
- “It’s hard to know our market share. We added tuxedo rentals three years ago, and I think that has brought more people in the store that may have gone to Men’s Wearhouse, Jos. A. Bank or other stores. It helps us overall.”
- “I don’t think that Men’s Wearhouse and Jos. A. Bank match up with higher-quality competitors. They don’t have a great fashion sense coming out of those stores. We see a lot of bad-fitting garments. We get a lot of people in here who bought suits there and want to know if we can fix them.”
- “Men’s Wearhouse and Jos. A. Bank are mass merchandisers. People who buy from them don’t have high taste levels. They need a suit and go there because they hear about those stores so much.”
- “Casual wear and sportswear have been part of our line for all of our [decades in business]. It’s always popular, but it’s not gaining on dress clothes. When we have a 5% increase in sales, it is usually across the board.”
- “The merger of the two stores doesn’t give them a new advantage in the casual wear. I don’t see them adding to their casual clothes.”
- “The tuxedo business has not grown, but it is a strong business. We rented 55 tuxedos last weekend for three weddings. It’s good for generating customers when people see how well our tuxes fit. We get them from outside but tailor them.”
- “The rental season on tuxes is year-round, but these three summer months are best.”

### Merger

- “I don’t see the two stores meshing that well. People say they appeal to different customers and will complement each other, but I think they go after the same people, those who don’t really know quality clothes.”
- “Their cultures are sort of different. Jos. A. Banks is more of a brand and Men’s Warehouse a store.”
- “There are enough similarities between the two stores that they will probably have to close some of them down, especially where they are near each other.”
- “They will see savings from the merger. There will be an economy of scale. Expenses may fall.”
- “There won’t be any change in advertising or promotions after the merger. There is still competition out there.”

### Competition

- “What Men’s Wearhouse and Jos. A. Bank do best is promoting, getting their names out there.”
- “One of their downfalls is that they charge for alterations, which we don’t do. That can add up. Customers appreciate getting garments tailored at no extra cost.”
- “They are different than everybody in giving away suits: buy one, get [more] free. If they can afford to give suits away, they have to be getting them pretty cheap.”

“Their cultures are sort of different. Jos. A. Banks is more of a brand and Men’s Warehouse a store.”

*Men’s Wear Retailer Co-owner  
Missouri*



# The Men's Wearhouse Inc.

- “Their strongest competition is from the department stores—[Dillard's \[Inc./DDS\]](#), Macy's and the like.”

## 4) Industry Specialists

Although all six sources noted potential positive effects from the merger, none expects related growth in customer traffic or in revenue for Men's Wearhouse. Instead, the value will be derived from savings achieved through consolidation of operations. Three sources noted extensive overlap between the companies that likely will lead to some store closings and layoffs. Savings will become apparent over time, but two said the company must move quickly to enact meaningful changes in promotions and image. Brand awareness is unlikely to increase as a result of the merger.

### KEY SILO FINDINGS

#### Men's Wearhouse and Jos. A. Bank

- 3 of 6 sources characterize Men's Wearhouse and Jos. A. Bank as discounters, and wondered whether the merged company would be able to change that and retain its customer base.

#### Merger

- 2 sources said the companies have not been able to gain share recently, so a merger is the only vehicle to growth.
- 3 sources noted considerable overlap, suggesting that store closings and layoffs will occur.

#### Company Post-Merger

- 2 said the merger is unlikely to lead to customer growth or increased revenue, only cost savings.
- 1 source said the company must make sure to dedicate only a portion of its inventory to trendier offerings in order to avoid alienating its more conservative customers.

### 1. Lead executive for a global retail consultancy; repeat source

Men's Wearhouse could realize cost savings within the first 16 to 18 months through the closure of retail stores, enhanced purchasing power and through personnel cuts at both the executive and managerial levels. The relevance of the Men's Wearhouse and Jos. A. Bank brands would be more important to a successful merger than awareness of the new brand, since both companies have established identities. With the long-running battle now over, Men's Wearhouse and Jos. A. Bank will have the opportunity to refocus competitive energy on Macy's, [Sears Holdings Corp.](#) (SHLD) and J.C. Penney, but likely can do little to disarm newcomers like [Suitsupply](#) or [Bonobos](#).

#### Men's Wearhouse and Jos. A. Bank

- “Men's Wearhouse is trendier and more interested in fit, finish and material. The Jos. A. Bank customers are more affluent and ... are less ethnic than the typical Men's Wearhouse customer.”
- “Jos. A. Bank is perceived to be more of a department store. Men's Wearhouse is more of a big-box store. They will have to be careful with locations and store closings because they don't want to walk away from any customer segment.”
- “When it comes to scale, a \$1 billion to a \$1.5 billion company does not have a lot of leverage. The interest in and viability of such a company is with outside parties. The acquisition and merger of the combined company makes it more desirable to stylists and higher-end brands.”
- “Before the announcement, Men's Wearhouse was a little more interesting than Jos. A. Bank to outside parties but it did not have the scale to bring them in.”
- “Men's Wearhouse has grown at about 2.5% to 3% a year, and that's is the same as Men's Wearhouse same-store sales. When you run out of market share, one way to grow is by bringing in real estate that you did not have before.”
- “I think they can reposition themselves to take advantage of the strong

The cost benefit can be leveraged pretty quickly at the level of central operations. But it is harder to quickly leverage cost benefits at the store manager level. They also have two field operations that need to be combined. We are looking at 16 to 18 months.

Lead Executive  
Global Retail Consultancy

# The Men's Wearhouse Inc.

pricing, value and convenience but not necessarily in places that focus on the millennial customer. Men's Wearhouse is underrepresented in cities like Chicago, San Francisco, New York and Los Angeles. A company such as Suitsupply has five to six stores now in New York, and they, along with Bonobos, are more aligned with the sensibility of the millennial customer."

- "The men's clothing category is most interesting in the online area. Male online shops are a growth area, and fit is less of an issue online. If they aren't making plans for online, they should be."
- "The tuxedo business is big, but it also has some problems because there are not as many consumers looking for the traditional, formal wedding. The trend is toward casual or bohemian weddings, and this could pose a challenge to Men's Wearhouse."

## Merger

- "There are lots of obvious cost savings around sourcing, synergy of execution and real estate synergy because together they are not competing with one another directly. Before, they were across the street from one another and saying 'pick me.' Now they will own both ends of the pipeline and that gives them more leverage with real estate."
- "The cost benefit can be leveraged pretty quickly at the level of central operations. But it is harder to quickly leverage cost benefits at the store manager level. They also have two field operations that need to be combined. We are looking at 16 to 18 months."
- "Both brands have a high level of recognition among consumers. It will be interesting to see what they do. It's no good to be bigger and irrelevant. In the case of the Men's Wearhouse/Jos. A. Bank merger, it will be more about brand relevance, not brand awareness. They will need to think about where they want to be in 10 years."
- "Both companies are known to have colorful CEOs and history. It's not like one was the quiet sister. We also may see a couple of smart executives from either company go to Penney's or Macy's."

## Company Post-Merger

- "We will see consolidation of employees over the next 18 to 24 months. They will get a number of top guys out. The executive cuts can be sorted out faster than cuts at the district or managerial levels. It will take longer to sort things out in the field. They may want to reduce the number of districts. ... Cultural shifts may depend on whether field operations are run by a Jos. A. Bank person or a Men's Wearhouse person. It will be more of a culling than a combining of the cultures."
- "Scale will help in reducing redundancy. If Jos. A. Bank uses one tie guy to buy and Men's Wearhouse uses another, one will be a loser. We are likely to see more of an impact on the suppliers, and most of them are offshore. There will be a limited domestic impact on suppliers."
- "Promotions will be hard to eliminate because they were not doing the promos to compete. They do it to create traffic. Men's Wearhouse has a high level of transactions but low foot traffic. That said, neither company can afford to take out promotions without developing a traffic strategy."
- "I expect to see the most noticeable changes in real estate closings and openings. Companies can quickly come up with a real estate strategy in strip mall locations."
- "Overall, the merger will have a neutral impact on the industry. If anyone gets hurt, it could be J.C. Penney's, Macy's and regional departments stores."
- "But J.C. Penney's has been getting its act together. Men's Wearhouse and Jos. A. Bank have had two to three easy years competing against Penney's, but now it appears as if they are in a better position to compete. Penney's comp store sales are up 7% to 8% this year and they could start to take back the share that was lost in recent years to Men's Wearhouse. Penney's is underrated, has a great management team and a loyal Hispanic following."
- "The biggest issue may be international expansion, which we have not seen from Men's Wearhouse or Jos. A. Bank. But Mexico and South America pose a huge opportunity. ... The Latin cultures are seeing strong growth in the middle class, and you now have whole population that are able to participate in more formal and larger weddings. ... Men's Wearhouse could take advantage of this shift in middle class growth, but I have seen no evidence they are pursuing it. They do not have to worry about Europe or the United Kingdom."

Penney's is underrated, has a great management team and a loyal Hispanic following.

*Lead Executive  
Global Retail Consultancy*

# The Men's Wearhouse Inc.

## 2. [James Tenser](#), author and consultant to the retail and consumer products industries

As offices nationwide become more casual, Men's Wearhouse has an opportunity to make some strides with its acquisition of Jos. A. Bank. Still, the merged company will need to slow its promotions and focus on consolidation, customer synergies and its message to its customers. The two brands' continual promotions have a tendency to train shoppers to look for sales, and could lead to an image as a provider of lower-quality products. The acquisition could be a good fit if Men's Wearhouse can preserve its conservative image while offering more stylish clothing.

### Men's Wearhouse and Jos. A. Bank

- "There is a shift in the industry toward more casual business wear. Certainly that is somewhat generational too."
- "Both Men's Wearhouse and Jos. A. Bank have been highly promotional, which affects some price expectations in the market."
- "In terms of quality of material, Men's Wearhouse and Jos. A. Bank are probably not considered top of the line. It is my perception that one of the ways they keep their prices so competitive is where their product is manufactured. A lot of Men's Wearhouse items are made overseas where the labor costs are low. They source the fabrics from all over."
- "Men's Wearhouse and Jos. A. Bank certainly compare favorably with competitors, with J.C. Penney or Sears, and probably with what we find in the main department stores as well."
- "I understand that Men's Wearhouse has been advertising the skinny suit, which is more popular with younger men. It is how the younger actors dress. Those style changes are good with a company like Men's Wearhouse and Jos. A. Bank as it gives people a chance to buy more clothing. But they do not have the luxury of going away from certain conservative styles. The Brooks Brothers model or more tapered version of the side pleat—those styles are a must-have in some selections of fabric. Only a portion of their mix can be a trendier cut."
- "Let me compare Men's Wearhouse and Jos. A. Bank to each other: They have been fairly similar in terms of tactic—three-for-one, two-for-one kind of deals. Their promotions are pretty regular. I am very focused on retail marketing as a field of interest, and I am always concerned that promotional activity tends to drive down price expectations."
- "The customers of Men's Wearhouse and Jos. A. Bank are very similar: It is the aspiring middle manager, so it is not the early 20-something, but might be late 20-something and older. Also, it could be the career guy who has not necessarily made vice president but is still promoting himself in a respectable way and has done so for 20 years."
- "Suits are hard to buy online unless your measurements are already on file. It is hard for them to sell a lot of tailored clothing online, compared to other products. Online is probably a pretty safe place to buy your brother-in-law a sweater."
- "Tuxedo sales are rare. A lot of folks do not have a tux in their closet anymore."
- "Renting a tux for the day or night is probably a pretty good option for a lot of folks. It is a niche business. This is another situation where Men's Wearhouse has relatively few competitors outside of the high-end market, so it could be a nice niche for them. Where else would you go for a tuxedo, and where else would you think of going?"

### Merger

- "The geographic overlap of the two companies is pretty small. They are not really competing with each other a lot for the same customers because they are not in the same places."
- "I am not very confident the two companies can increase sales by merging. I struggled with that even from the time when the discussions of this merger started. This is an additive situation, not a situation where I see it multiplying. There will not be more customers than there were before this merger."
- "From the operating perspective, the merger will result in probably some small synergies. They can merge their accounting systems and keep the

But they do not have the luxury of going away from certain conservative styles. ... Only a portion of their mix can be a trendier cut.

*Author & Consultant  
Retail & Consumer Products Industries*

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*Author & Consultant  
Retail & Consumer Products Industries*

# The Men's Wearhouse Inc.

best of the retail technology capabilities of either company. ... But, again, the advertising synergies do not seem to be great because from what I have seen so far, the intent was to leverage the existing brands.”

- “I associate both houses with their own label and own brand. Department stores do much the same, but they have exclusive labels. I think of Macy's a lot because they have done this vigorously and they have national brands.”

## Company Post-Merger

- “If they are wise about it, [the merged company] will be a little better at having the right mix of trendy and conservative. Redundancy is not an issue at all as they are rarely competing. If you are going to maintain the traditional, conservative style and have room for the styles on trend, that is an interesting and continuous challenge.”
- “Post-merger, maybe Men's Wearhouse will back off from that tense promotional stance. There will be some kind of public splash when the deal closes and you may see some promotions there, and they may reset their value story a little bit. If I were in the corner office, I would be looking for a way to reduce that promotional volatility a little bit.”
- “The post-merger company will not have to worry about those high-end luxury brands much because it is a big gap. That is another opportunity for the combined company: Do they look into that gap? I do not think they will worry about the ultra luxury as it is such a big space. The Brooks Brothers of the world is a big step. There is still some space between Men's Wearhouse and Jos. A. Bank and the better department stores.”
- “Keep your eye on Macy's and J.C. Penney. Their men's suit departments do OK. They do very well for the entry level. If I had to look above and below, these are the companies that come to mind first.”
- “I am neutral on whether the merger will be a positive or negative for the industry, to be honest. There is some opportunity for this company to move forward from this and strengthen their solution, with fewer promotions and additional lines. There are both risks and opportunities here.”
- “The new company's priorities should be to tell their story, work on positioning this business as the smart solution for guys who are successful.”
- “Any company in this business should be obsessed with keeping their supply chain up to par and improving it. Anything that can shorten the lead time can be valuable. ... As the retailer gets bigger, the difference as to what is happening at the front lines and at the headquarters and the supply chain is longer, so an organization can lose touch with the customer experience. That is the other downside of these big mergers.”
- “The newly merged company will have increased buying power; how much remains to be seen, but they may have some opportunity to make bigger, advantageous deals.”
- “Men's Wearhouse will have at least some moderate advantages in terms of their sourcing, and they may take more risks too. I hope they will not drive prices down in their stores unless they trim the everyday retail and promote less, which might be a smart play. ... Can they make more profits? Yes. As far as awareness in the country, I do not think there is an advertising synergy, but they should start changing their message a bit.”

### 3. Financial analyst-turned-cofounder of an online retailer of luxury men's shoes; repeat source

The merger should result in improved operational costs, such as through consolidation of shipping/freight and buying power. Still, the source doubted it would result in actual growth or brand recognition for either retailer. The shift to a more casual formal style would offer more benefits to Men's Wearhouse than Jos. A. Bank. The tuxedo rental business is a stable niche that Men's Wearhouse could readily extend to Jos. A. Bank, perhaps offering a lower-quality, lower-cost business to avoid directly conflicting with its own established tuxedo business.

#### Men's Wearhouse and Jos. A. Bank

- “We will not necessarily see better men's retail prices. They still cater to the same audience at Jos. A. Bank; that results in lower-tier merchandise and price.”
- “Jos. A. Bank's whole market strategy is about promotions. Will they scale back? I don't think so. They still have to maintain the brand. This is not a transformative transaction. It is all about the \$100 million-plus savings over the next three years.”
- “They are definitely lower-tier retailers. I'm not trying to bash them, but the merchandise is definitely of lower quality. I don't know what mills they use, but I doubt they use top tier fabric or facilities.”
- “Men's Wearhouse, at least from a marketing strategy, is better at being a fashion-forward company and at going for the younger demographic. With Jos. A. Bank, it's the same old story. They are discount guys that skew to the older

# The Men's Wearhouse Inc.

demographic. Men's Wearhouse has tried to target the younger guys in their late 20s to early 30s with current fashion. Jos. A. Bank is more conservative."

- "There is a shift toward casual formal. There is still a place for the suit and tie, but we are seeing more casual dress. Men are leaning toward a nice jacket and slacks but no tie, or a nice dress shirt with a cashmere vest."
- "In general, guys have started to dress better. They pay more attention to tailoring their clothes."
- "The tux is a big thing for Men's Wearhouse. ... Tux rentals are definitely seasonal."

## Merger

- "I don't see this acquisition leading to more consolidation or further mergers. The Men's Wearhouse and Jos. A. Bank merger was driven by the predicted cost saving of \$100 million to \$150 million. Whether the cost savings materialize is hard to say. ... They merged because they can't grow organically. They both had established their brand peak, and consolidation was the only way go. The only reason to merge was for the cost savings, and it was the best of all their options. They needed cost savings to increase earnings per share."
- "A lot of people shop at Men's Wearhouse and may have heard about the merger or seen an article, so in that sense it may affect consumers. But the average consumer does not know about it and doesn't care."

## Company Post-Merger

- "Nothing will be new or noticeable going forward. It's a very blasé transaction. As for as the consumer goes, they won't see anything at all."
- "The combined entity will have more revenue but their intent is still to silo off as separate brands. I don't see the merger creating growth in the two separate companies. The only reason to merge is for cost synergy over the next two to three years."
- "They should have better prices with regard to operations. I expect that to evolve over the next three years."
- "There should be lower costs for both because the brands will reportedly stay separate. From an operational point of view, there could be synergy in how they market, but the actual brand strategy won't change."
- "They will probably realize better buying and pricing power. They may see better shipping costs if they ship in bulk. They probably will still use the same suppliers, just not all of them."
- "Theoretically the smaller competitors with less buying power could have a hard time, but that's an internal metric so it may not figure in to the larger competitive landscape."
- "Short-term priorities will be to make sure the merger goes through and that there is successful integration. They also need to make sure everything goes smoothly with the supply market."
- "Sure, they can grow the tuxedo businesses. They can offer two separate price points. Men's Wearhouse has a tuxedo business they can tailor to Jos. A. Bank, maybe offering a lower quality garment and lower pricing. I suppose Men's Wearhouse could start a private-label tuxedo for Jos. A. Bank."

They merged because they can't grow organically. They both had established their brand peak, and consolidation was the only way go. The only reason to merge was for the cost savings, and it was the best of all their options. They needed cost savings to increase earnings per share.

*Financial Analyst-turned-cofounder  
Luxury Men's Shoes Online Retailer*

## 4. Managing director of a national consulting firm focused on staffing, recruiting and HR

The merger will offer Men's Wearhouse diversity and a less conservative option, and the two brands' merchandise mixes are complementary. Today's professional world is definitely business casual, and older and younger professional men dress the same with one clear difference—shirt colors. The source sees little competition from smaller competitors or designer names, particularly in her region. She believes the companies should retain their individual brands to be most effective, but doubts Men's Wearhouse will see cost savings or higher brand awareness.

### Men's Wearhouse and Jos. A. Bank

- "The most notable trends in men's workplace fashions so far this year is no tie required. Ties are optional now. It used to be that you did not have to wear a jacket, but you wore a dress shirt with a tie. Now jackets and ties are optional for men."
- "Jos. A. Bank is on top of trends, along with [The Gap Inc.'s/GPS] [Banana Republic](#) for the younger guys, where they buy more professional wear. I do not hear about Men's Wearhouse too often; people think of them as a retailer of suits."



# The Men's Wearhouse Inc.

- “At Men's Wearhouse, as far as suits and other items, they seem to focus on price. People always make the assumption that then maybe it is a little lower quality as opposed to a Brooks Brothers suit. If you go to purchase a Brooks Brothers suit, you assume it is the best quality or very high quality. Brooks Brothers also has trendy stuff. Their shirts are really good quality.”
- “I am not familiar with what trending suits they have at Men's Wearhouse. At Jos. A. Bank, they have athletic fit shirts, which is important for young trends, because the customers do not want to be in a shirt that is too big when it is tucked in, so having that slim or athletic fit and having colors is important.”
- “The typical customer for Men's Wearhouse and Jos. A. Bank would probably be middle income, in their 30s or 40s. This is not changing that I know of.”
- “J.C. Penney and Sears are not on top of current trends. They do not have many trendy clothes.”
- “Tuxedo sales here would be higher in the summer because more people are getting married, or they attend the prom.”

## Merger

- “I was not aware that Men's Wearhouse and Jos. A. Bank plan to merge. I do not know how they will fare versus the competition. It depends on how they decide to merge and if they keep both names or merge the names. Jos. A. Bank tends to have a stronger brand for business casual and professional clothes versus suits, so you would think it would be better to keep that Jos. A. Bank name. It would be good to keep individual brands.”

## Company Post-Merger

- “The products and merchandise mix at Men's Wearhouse and Jos. A. Bank are complementary.”
- “I would foresee that the newly merged company would keep things the way they are. They may have more suit options maybe at Jos. A. Bank because they have the inventory, but Men's Wearhouse may stick to suits. They are about suits.”
- “The shift to more casual formal wear will benefit Men's Wearhouse because they are buying diversity. Not as much for Jos. A. Bank.”
- “I doubt pricing, cost saving and higher brand awareness will change much following the Men's Wearhouse/Jos. A. Bank merger.”
- “I do not think there will be any smaller competitors who will have a strong enough presence in the market to be a threat to the newly merged company, at least not here in our area.”
- “Macy's and to a lesser extent Nordstrom will be Men's Wearhouse's biggest competitors.”

At Men's Wearhouse, as far as suits and other items, they seem to focus on price. People always make the assumption that then maybe it is a little lower quality as opposed to a Brooks Brothers suit.

*Managing Director  
Staffing Consultancy*

## 5. Founder and senior analyst at a consulting firm serving better men's wear retailers; repeat source

The merger should result in solid cost savings tied to redundant operational expenses ranging from store closings and better buying power to the elimination of executives and staff and the consolidation of divisions, departments and vendors. Men's Wearhouse and Jos. A. Bank have been battling for years, and the unification should enable the merged company to redirect energies and focus on competitors like Macy's, Sears and J.C. Penney's. The biggest winner could be Suitsupply, the new, trendy discount retailer based in Europe and now expanding rapidly in the United States.

### Men's Wearhouse and Jos. A. Bank

- “There is a lot of demographic overlap between Men's Wearhouse and Jos. A. Bank. Jos. A. Bank targets an older male while Men's Wearhouse goes after 15- to 50-year-olds. But the real target is the young guy who is getting his first job or guys in their early 30s. Men's Wearhouse is a bit more fashionable and younger.”
- “I would say the quality and the service line up with the rest of the industry in their segment.”
- “Both companies are low-ball players and discounters. Jos. A. Bank has a louder push with its buy-one-get-three-free promotions. Both are bottom feeders who live at the lower ends of the market.”
- “Men's Wearhouse pushes and promotes brands and fashion, although it is fake branding because they are all just name licensing deals. Jos. A. Bank just talks price. Their big push is how many you can get for nothing. They have been fighting among themselves for a while. With that out of the way, they can now focus on eating into Macy's, Sears' and J.C. Penney's market share.”

# The Men's Wearhouse Inc.

- “Both have been going after micro markets. Both likely have Hispanic strategies, and they think and plan around demographics needs in Los Angeles, Southern California in general and Texas. Both probably have strategies for Asian consumers.”
- “Both are suit companies—more so than Macy’s—and Men’s Wearhouse and Jos. A. Bank sell more suits. They are targeting the guy who needs a suit to go to work, and that is a shrinking category. We know wages are down, so fewer suits are purchased.”

## Merger

- “We can expect to see extensive savings, but it could take a couple of years for it all to shake out. Their buying organizations have to consolidate. They both have got contracts to get rid of and people to get rid of. To realize savings they have to consolidate the two headquarters. I would expect them to keep headquarters in Texas where there are tax benefits.”
- “They should realize savings on sourcing, a lot of which they get out of Mexico. There are a lot of savings associated with buying power.”
- “I don’t know where you would see further consolidation. Now that they are one, I can’t see anyone acquire them. There is nothing else obvious in the U.S. Maybe there would be something overseas. The only other play would be to get deeply involved in the outlet/mall business.”
- “There was nowhere else to go. That’s what drove the acquisition. There was nowhere else to open a store because all that’s left are not-so-great locations. That is the downside of being a public company. How do you continue to grow? ... The two together as one will not allow them to increase revenue any more quickly. Will they see more revenue as a total company? Probably not. They probably will see lower costs, but the cost of acquisition itself is huge.”

## Company Post-Merger

- “The fighting will be over. The two companies have been fighting with other for years, and it’s been diverting energy and resources. Now they can focus on what market share to go after. I do see them going after Macy’s, [Hudson’s Bay Co.’s/TSE:HBC] [Lord & Taylor](#), Penney’s and Sears. All still sell suits.”
- “They could use more money to push the Men’s Wearhouse brand. Do they consolidate into one brand or support two brands? I don’t know the answer to that.”
- “I don’t follow pricing, but we probably won’t see much prices differential. And the rest of the men’s clothing industry has been running flat for the year.”
- “I would be surprised if we see the promotion levels change. That’s the only way they drive market share. The marketing dollars available to go after customers won’t change but rather become a combined resource.”
- “They have a good sourcing operation. They don’t buy from the regular vendors. They just license and their own vendors do the sourcing and manufacturing.”
- “There will be some gains in sourcing, but both had big pencils to begin with. If you are going to source fabric and you individually were buying 150,000 square yards and now you intend to buy 300,000 yards, you may get a better deal. You will probably go to some of the same guys as before.”
- “The biggest cost savings will be employment. They can get rid of departments that are duplicated. You can get rid of part of the marketing department. If you had two tie buyers in both businesses, now you consolidate to one tie buyer. Figure each tie buyer had five to six assistants so now with one buyer you only need eight to 10 assistants.”
- “There will be a lot of corporate overhead to consolidate. You don’t need two VPs of this or that. Upper management positions are expensive, so there will be a gain there.”
- “The priority should be taking the costs out ASAP. The faster they do it, the less the cost because it costs money to cut costs.”
- “Macy’s, J.C. Penney and Sears may feel the change and have to adjust the low end.”
- “But the most vulnerable is the independent retailer in Little Town, USA, with moderate-priced merchandise and family-owned. The independents have been decimated by Men’s Wearhouse and Jos. A. Bank, especially during the heavy fighting period. That’s how both built their businesses: by taking customers from the independents while nibbling away at Macy’s and Sears.”

**The two together as one will not allow them to increase revenue any more quickly. Will they see more revenue as a total company? Probably not. They probably will see lower costs, but the cost of acquisition itself is huge.**

*Founder & Senior Analyst  
Men's Wear Consultancy*

# The Men's Wearhouse Inc.

- “In New York, the largest suit discounter that is already competitive is Suitsupply. They are the newest, hottest thing around. They have lots of new stores all over the world and are expanding in the U.S. They have very good quality and price and great people and atmosphere.”
- “Men's Wearhouse is looking carefully at Suitsupply. Men's Wearhouse has great ads and have great photographs of the merchandise, but when you go into the store, it's a dumbbell. There is nothing nice about it. You go into a Suitsupply and the merchandise looks good.”

## 6. Independent market analyst and retail specialist; repeat source

Today's workplaces are moving toward business casual dress codes, which could hurt suit sales. Thus, Men's Wearhouse's acquisition of Jos. A. Bank could bolster its business casual offerings. The brands' typical customers are middle-aged men who are stingy in their spending. Growing Jos. A. Bank's tuxedo business without hurting its own tuxedo sales will be difficult since any competition represents a threat. Overall, though, the source sees few corporate culture clashes between the two companies, and he believes Men's Wearhouse can boost revenues through the merger and realize higher brand awareness and reduced prices for customers. However, he is not convinced that the merged company will see cost savings in the long run.

### Men's Wearhouse and Jos. A. Bank

- “It definitely seems that there is a shift going on. Workplaces are moving toward business casual dress codes, which could take a bite out of suit sales. That said, there are always the top-level executives who wear suits and ties, potentially opening the door for lower-priced formal suits. Men's Wearhouse offers business casual clothing, so by itself it is in good shape for adapting to the new trends. What's more, the acquisition of Jos. A. Bank will help to beef up the company's business casual offerings.”
- “The quality of the material at these companies is good; I would say it matches that of their competitors. My biggest question comes in the durability of the product. Personally, I have had several Jos. A. Bank shirts, and there are some problems with the seams coming apart. Nevertheless, the material is of good quality.”
- “The level of service at Men's Wearhouse/Jos. A. Bank matches the level of its industry peers.”
- “It seems as if Jos. A. Bank is always running a sale, which I believe is actually the truth. ... This is a double-edged sword. ... How much money is the company losing if it is selling a \$100 dress shirt for \$19.95?”
- “Jos. A. Bank's online site is good, not too tough to navigate. I am not familiar with Men's Wearhouse's Internet presence. As for in-store operations, men's clothing is a tough business. What is even tougher is when a company's employees are driven by commission.”
- “The level of innovation at Men's Wearhouse and Jos. A. Bank matches the rest of the industry.”
- “The typical customer of Men's Wearhouse and Jos. A. Bank is like me: a middle-aged man who likes to dress well. This demographic is loyal but can be stingy when it comes to spending.”
- “Men's Wearhouse offers trendy tuxedo designs as well as classic tuxedo designs.”
- “Tux sales are seasonal, with weddings picking up in the spring and prom season rolling in as well. The problem is that most high school students and grooms are looking to rent the tux rather than to purchase.”

**If the company is going to lower its amount of promotions, it would be better to do it sooner rather than later.**

*Independent Market Analyst &  
Retail Specialist*

### Merger

- “Costs could go up [after the merger], which would have a negative impact on prices, which would go higher. The company needs to do its best to keep costs low so it can keep prices low. This is a change that could take a bit of time to see. Any cost synergies will take some time to realize.”
- “I do not expect too many [corporate culture] issues after the two companies merge, but a merger where all things go smoothly is rare.”

### Company Post-Merger

- “I could see a less promotional environment post-merger, mainly because one of Men's Wearhouse's largest competitors has been removed from the market. This would be a shame, as continued promotions could lead to better sales for the Men's Wearhouse brand. It is tough to predict how soon we could see this happen. That said, if the company is going to lower its amount of promotions, it would be better to do it sooner rather than later. While

# The Men's Wearhouse Inc.

that might not seem to make sense, it would be better for the company to be able to be mobile and react to bad sales news faster. If there are fewer promotions and sales go down, the faster the company can bring promotions back, the better.”

- “The amount of business casual clothing in the Men's Wearhouse outlets will be the most noticeable change in the combined company post-merger.”
- “It will be tough for the newly merged company to grow the tuxedo business at Jos. A. Bank without hurting tux sales at Men's Wearhouse. Any competition will take a bite out of sales.”
- “The effect on marketing post-merger could be massive, depending on whether or not Men's Wearhouse wants to hit the business casual niche. This should happen quickly; whether it does or not is the big question.”
- “I am not convinced that the higher-end names will be a major threat. I have never really seen them as a major competitor for Men's Wearhouse or Jos. A. Bank. Smaller competitors could take a bite out of the new company's revenue, but a continued advertising assault from the new firm could counteract any negative impact.”
- “Companies like Macy's could be in a good position to compete, as it has the money to advertise at a pace comparable to Men's Wearhouse and Jos. A. Bank.”
- “I want to think the merger will be positive; but my gut reaction is that it will be negative because one major option is being removed from the industry, which leads to less choice.”
- “Short term, Men's Wearhouse should focus on current customer retention; long term, cost minimization.”
- “I am not sure that the newly merged company will need to make any changes in its supply chain.”
- “I can see increased buying power for Men's Wearhouse, but I am not sure that it will change the buying capabilities.”
- “The shift to more casual professional wear is a benefit to the new company, provided Men's Wearhouse decides to capitalize on Jos. A. Bank's success in business casual.”

## 5) Human Resources Department Personnel

These five sources confirmed the shift to business casual dress in the workplace, and also reported a move toward even more casual dress codes. None noted growth in tuxedo rentals, and three of the four who answered said tuxedo sales are not seasonal.

### KEY SILO FINDINGS

#### **Workplace Fashion Trends**

- 4 of 5 HR sources said business casual is the dress code in their office; the remaining source works for a municipality where uniforms are most common.
- 4 of the 5 noted a move toward more casual wear at work; the other source reported a move from polo to dress shirts this year.

#### **Men's Wearhouse and Jos. A. Bank**

- 3 sources said materials used in Men's Wearhouse and Jos. A. Bank products are of high quality.
- No source believed the tuxedo rental business was growing.
- 3 of 4 who responded said tuxedo sales are not seasonal.

#### **Merger**

- Just 1 source was aware of the merger, and said the company should work on how to market to both older and younger customers.

### 1. HR coordinator for a South Dakota utility provider

Like most offices today, this office's dress code is business casual, with ties not required but blue jeans mostly not allowed. The source sees no difference between older and young male employees in terms of how they dress. Men's Wearhouse is popular among professional men between the ages of 30 and 50. She was aware of the merger but does not believe it will affect the industry. It could help Men's Wearhouse enter new markets, but appealing to both an older and younger clientele would be difficult. The merged company must keep prices affordable, particularly in the Midwest.

# The Men's Wearhouse Inc.

## Workplace Fashion Trends

- “In the office we call it ‘business casual.’ Our dress code has not changed recently. Employees wear dress slacks; they can be [Levi Strauss & Co.] [Dockers](#), not blue jeans or black jeans. Ties are not required. Once a month we have board of directors meetings, and our upper management does wear ties.”
- “Our guys are typically wearing polos. We do not like T-shirts. The Dockers kinds of pants are real popular. We do not allow shorts. We have casual Friday.”
- “I do not see any major differences in fashion choices between younger and older men in our office. Even though we are business casual, I would say we are pretty professional and we have that expectation of all of them.”
- “Unfortunately, there is a shift in the industry toward more casual wear. Men's Wearhouse and Jos. A. Bank are positioned to capture these trends.”
- “We do not have a whole lot of men's clothing retailers here.”
- “If a new male hire asked for my shopping recommendation, I would probably suggest J.C. Penney or [The Bon-Ton Stores Inc.'s] [Herberger's](#).”

## Men's Wearhouse and Jos. A. Bank

- “Professional men—those in management or upper management, in the 30 to 50 age range—shop at Men's Wearhouse and Jos. A. Bank.”
- “Men's Wearhouse has a large selection and is not outrageously priced.”
- “The thing I remember about Men's Wearhouse is the ad with the distinguished gentleman in his suit. ... I will be curious to see if that is what they want to continue to portray.”
- “I do not think tuxedo rental is a growing segment of the men's fashion industry. It has stayed the same. If anything, it is on a decline because there are now more casual weddings.”
- “Tuxedo sales are seasonal.”

## Merger

- “I did read in the paper that Men's Wearhouse and Jos. A. Bank plan to merge. I am sure they are trying to position themselves to do even more business. I do not know what it will do to costs. We are conservative in the Midwest.”
- “This merger will probably be good for them as it will draw from other markets that they are missing. I do see a trend away from suits to more casual, and they might need this merger to survive.”
- “The newly merged Men's Wearhouse and Jos. A. Bank will have to figure out by region the styles. They will have to make sure they know their market, and will have to provide affordable clothing.”
- “Our future retail market will have to figure out how to transition the 20-something group into the more professional market. Men's Wearhouse/Jos. A. Bank will have to figure out what their target market is going to be. I do not think you can do both the younger and older market well.”
- “The tuxedo business might be a place where the newly merged company can differentiate itself in the markets. The stores could have a trendier, young tuxedo selection.”
- “If Jos. A. Bank is a little trendier, this shift to more casual wear will not be such a drastic change for them because they already have that expertise.”
- “Herberger's/[Younkers](#) will be best positioned to compete with the newly merged company in our area.”

Our future retail market will have to figure out how to transition the 20-something group into the more professional market. Men's Wearhouse/Jos. A. Bank will have to figure out what their target market is going to be. I do not think you can do both the younger and older market well.

*HR Coordinator  
South Dakota Utility Provider*

## 2. HR manager for a medical billing company in Nebraska

This office's dress code is business casual. Little difference exists between older and younger men in terms of fashion. The source would recommend [Kohl's Corp.](#) (KSS), Men's Wearhouse and possibly Dillard's, Younkers, Sears and J.C. Penney to new hires. She believes Men's Wearhouse and Jos. A. Bank will be well positioned post-merger because they have complementary product mixes. The combined company can continue to grow its tuxedo business in her area because all tuxedo shops are busy year-round.

## Workplace Fashion Trends



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- “The dress code in our office is business casual. It has been like this for a while. Our executive team even dresses that way unless they have [off-site] business meetings and will then be in your normal suit and tie situation. Not once have they been to our office dressed that way. If they were, I would think they are going to a funeral.”
- “There is a shift in the industry toward more casual wear. I see it even in the banking industry when we have association meetings. People are not all that decked out.”
- “The most notable trends in men's workplace fashions this year are probably bolder colors—like your bright greens, yellows, oranges.”
- “The fashion choices between younger and older men are not that far off from one another. They are casual, really casual. We can wear jeans on Friday. We have a few older employees who are kind of hip.”
- “We have both a Jos. A. Bank and Men's Wearhouse in our region.”
- “We have only one store in town, locally owned, that is probably not as up on trends. ... We have one that caters to the men, and they seem to be traditional.”
- “If a new male hire asked for shopping advice I would recommend Kohl's, Men's Wearhouse, and then probably Dillard's, Younkers, Sears and J.C. Penney.”

## Men's Wearhouse and Jos. A. Bank

- “Men's Wearhouse and Jos. A. Bank are fairly well positioned. They have both done a very good job of marketing and usually pick good locations that would hit the majority of the market that they need to hit.”
- “The quality of material at Men's Wearhouse and Jos. A. Bank is high. Their styles match up with trends in men's fashion. The last time we were in there, they were on target. You will not see the way, way trendy casual items there. ... Customers want to look polished but have some style.”
- “We were in Men's Wearhouse not too long ago for a tuxedo. There are tons of tuxedo choices, so anybody could find whatever they wanted.”
- “The tuxedo rental business is not a growing segment of the men's fashion industry in our area.”
- “Tuxedo sales are not seasonal. Weddings are happening all of the time now. Holiday parties extend from September to February.”

## Merger

- “I was not aware that Men's Wearhouse and Jos. A. Bank plan to merge.”
- “They are probably competing forces currently, so it is probably good for both of them—more market share.”
- “The merchandise mix at Men's Wearhouse and Jos. A. Bank is complementary.”
- “Men's Wearhouse will realize lower pricing, cost savings and higher brand awareness with its acquisition.”
- “The two companies probably will not do much of anything at the beginning in terms of merchandise mix. They will probably just merge and go forward. Over time you will see different styles emerging. They are extremely similar in my opinion.”
- “The merger will take out some competition in the clothing industry. Will that mean there are fewer choices? That is the tough part.”
- “The post-merger company will not be more vulnerable to smaller competitors or higher-end names ... not in my neck of the woods.”
- “You will see Macy's and some of your box stores having more competition due to the merger, depending on what Men's Wearhouse is going to do with it. Maybe they can even give Kohl's, [The TJX Cos. Inc.'s/TJX] [Marshalls](#) or some of those stores some competition.”
- “Communication will be key for Men's Wearhouse and Jos. A. Bank post-merger, and making sure that their customer service models are consistent. When you go into Men's Wearhouse, you expect to be approached and expect to have people help you find what you are looking for and give you idea of things you may not be looking for.”
- “The newly merged company can grow its tuxedo business at Jos. A. Bank without hurting tux sales at Men's Wearhouse because there is enough of a market. In our city alone we have four or five or six tuxedo shops, and they are all busy.”
- “The shift to more casual professional wear will be a benefit to the newly merged company.”

They are probably competing forces currently, so it is probably good for both of them—more market share. ... The merchandise mix at Men's Wearhouse and Jos. A. Bank is complementary.

*HR Manager  
Medical Billing Company, Nebraska*

# The Men's Wearhouse Inc.

## 3. HR analyst for an Oregon city

This city employs hundreds of people, and dress codes vary by department. The source said her region is not known for fashionable trends, and men of all ages dress similarly. She was unaware of the Men's Wearhouse and Jos. A. Bank merger, but believes the trend toward a more casual work environment may help the combined company.

### Workplace Fashion Trends

- "City government is tricky because there are a great deal of uniforms. ... A suit gets pulled out maybe a couple times per month for special meetings, but other than that [our region] is not known for good fashion sense."
- "The dress code varies by departments. Police and fire have specific uniforms. Field workers in utilities and transportation maintenance services wear safety appropriate clothing that can withstand field work. The Pacific Northwest and [our area] are a more casual dress style on average work days. ... The area is known and attracts active outdoor enthusiasts, so casual but business appropriate attire is the norm."
- "There is no notable difference in fashion choices between younger and older men in our offices."

### Men's Wearhouse and Jos. A. Bank

- "I would recommend Men's Wearhouse for a suit if a new male hire asked for a recommendation. Otherwise, [Columbia Sports\[wear Co./COLM\]](#)."

### Merger

- "I was not aware that Men's Wearhouse and Jos. A. Bank plan to merge."
- "Generally, I would say yes, the shift to more casual wear is a benefit to Men's Wearhouse and Jos. A. Bank."

## 4. President of a Pennsylvania firm that provides HR management services

This office is primarily business casual, but suits are starting to come back into style. Men's Wearhouse is the most on top of trends this year, while J.C. Penney, Macy's and local retailers have gone too mainstream. The source was unaware that Jos. A. Bank and Men's Wearhouse were merging and said the combined company could be vulnerable to Macy's and J.C. Penney, but not to designer labels. She views the merger as a negative for the industry.

### Workplace Fashion Trends

- "Our office is business casual through the week unless we have a client meeting or a sales call. In the event of a sales call, we generally will wear a business suit unless we know for sure that a suit would not be appropriate in the prospect's environment. We do have 'fuzzy slipper Friday' and are a bit more relaxed. Jeans are also permitted if we are packing files, rearranging offices or doing other manual type work."
- "During the 1990s and early 2000s, business casual seemed to be 'the way.' However, I have noticed that suits seem to be coming back into style; if not a suit, people do seem to be getting away from polo shirts of late."
- "Men's Wearhouse is the most on top of trends this year."
- "If a new male hire asked for a recommendation of where he could buy work attire, I would direct him to Men's Wearhouse and Jos. A. Bank."
- "I would not think of Jos. A. Bank for formal wear—business suits, yes, but not formal wear. I think of the full range of business clothes when I think of Men's Wearhouse."

### Men's Wearhouse and Jos. A. Bank

- "I would rank the quality of material at Men's Wearhouse and Jos. A. Bank as better than the local retailers and mass-market stores."
- "Men's Wearhouse and Jos. A. Bank styles are trendy but aware of the need to have staying power. I would not expect to see Paris runway men's wear in either store, and that's not a bad thing."
- "The typical customer of Men's Wearhouse/Jos. A. Bank is middle management and middle-aged to older, looking for fashionable and stylish but practical and long lasting."
- "I have no knowledge about Men's Wearhouse tuxedo styles, but it is where I would send my husband if I could convince him to buy one."

I see Men's Wearhouse and Jos. A. Bank as complementary—Men's Wearhouse being upper middle class and Jos. A. Bank being middle class.

*President, HR Management Services Firm, Pennsylvania*

# The Men's Wearhouse Inc.

- “Tuxedo rental is not a growing segment of the men’s fashion industry. Men just do not dress to go out anymore; look at the clothing worn on Broadway now.”

## Merger

- “I was not aware that Men’s Wearhouse and Jos. A. Bank plan to merge.”
- “Do I believe the post-merger company will be more vulnerable to chains like Macy’s, J.C. Penney. Designers? Not in [our area of] Pennsylvania.”
- “I believe the general retailers will post a more significant threat to Men’s Wearhouse and Jos. A. Bank as the brands become mixed.”
- “I see Men’s Wearhouse and Jos. A. Bank as complementary—Men’s Wearhouse being upper middle class and Jos. A. Bank being middle class.”
- “Perhaps the newly merged company will delineate between ‘work’ wear and ‘formal’ wear within the locations.”
- “Lower pricing is what I see as the issue [with this merger]. Will the brand become too diluted?”
- “The merger will be a negative for the industry due to the [loss] of too many individual identities.”
- “Now my HR hat comes out [in giving advice to Men’s Wearhouse] ... communicate with your people. Make sure they buy into the new brand so that they can represent and train/educate their customers as well as welcome new customers. Long term, decide what you want your actual brand/specialty to be.”
- “The shift to more casual professional wear will benefit the new company.”
- “The newly merged company will not be able to grow its tuxedo business at Jos. A. Bank without hurting tux sales at Men’s Wearhouse. I do not see enough of a market.”

## 5. HR director for a nonprofit organization in Ohio

This organization’s dress code is business casual, though professional attire is needed when the office has important meetings. Younger men prefer casual while older men still wear button-down shirts without ties. The source would recommend Men’s Wearhouse to a new hire because it is more economical with good quality. Jos. A. Bank is higher-end and pricey. She views the merger as neutral for the industry.

### Workplace Fashion Trends

- “Our dress code is business casual. It changed last year. Women were usually always business casual, but men had to wear a button-down with tie. When we got a new executive director, we changed it so a tie is not required. Men and women can now wear polo shirts, and we have ordered ones with our company name on them. There are times when we have important meetings and guests where we do wear professional attire, but that is usually only a handful of times per year.”
- “This year I pretty much see khakis and polos.”
- “Younger workers tend to want to go much more casual than the older men. I see older men still wearing button-downs [but with no tie] and the younger men wearing polos or more ‘hip’ T-shirts.”
- “In terms of which men’s clothing retailers are not on top of current trends, it just depends on the buyer.”
- “I do know that some men wear blazers with dress pants or khakis versus a suit. My son has a suit for weddings, funerals and job interviews. Work is business casual.”
- “I would recommend Lands’ End to a new hire. I buy all of my son’s button-down shirts there because they are no-iron and come in long length and slim fit. The pants are also classic and you can choose the length, too. The quality is good for the price.”

### Men’s Wearhouse and Jos. A. Bank

- “The material at Men’s Wearhouse and Jos. A. Bank is of great quality.”
- “If we need a suit, Men’s Wearhouse is where we go because they can tailor to my son’s slim figure—and tailor for the life of the suit!”
- “The demographic at Men’s Wearhouse/Jos. A. Bank is anyone with a professional job or anyone who needs to shop for a special occasion. I see men 28 to 55 years old in there.”
- “I see a lot of prom and wedding people lining up for the tuxes at Men’s Wearhouse.”

I do not think the post-merger company will be more vulnerable to smaller competitors or higher-end designer names. But I would hope that it would be good quality at a reasonable price, unless you want to go for a much higher clientele.

*HR Director, Nonprofit Organization  
Ohio*

# The Men's Wearhouse Inc.

- “Many of the weddings are now going casual too. There will always be that tradition, but I do not see the tuxedo industry growing.”
- “Weddings happen all year-round.”

## Merger

- “I was not aware that Men's Wearhouse and Jos. A. Bank plan to merge, but I envision Jos. A. Bank as more high-end with older clientele.”
- “I do not think the post-merger company will be more vulnerable to smaller competitors or higher-end designer names. But I would hope that it would be good quality at a reasonable price, unless you want to go for a much higher clientele.”
- “Men's Wearhouse [is] more economical with good quality. Jos. A. Bank is higher-end, more pricey. Both offer nice shirts, suits, slacks and blazers.”
- “The merger will be neutral for the industry.”
- “The newly merged company should focus on marketing to their demographic and keeping prices competitive.”

## 6) Online Consumer Survey

In a survey of 136 men who reported purchasing a suit, sportscoat or blazer in the past 12 months or are planning to do so in 2014, Men's Wearhouse was the leading retailer, largely because of special promotional pricing. Macy's and J.C. Penney were consistently behind Men's Wearhouse as the second and third destinations to purchase suits and sportscoats. Jos. A. Bank posted minimal adoption among survey respondents. Men's Wearhouse's lack of an online store was not viewed as a hindrance to the company. Men are wearing suits less often, as office dress codes move toward casual wear. Respondents have slightly increased their use of formal wear. Tuxedo rentals are expected to pick up throughout 2014.

## SUITS

Men's Wearhouse is the standout leader in the suit market, followed by Macy's and J.C. Penney. Promotional pricing is driving sales of suits. Online stores do not matter to consumers making suit purchases. Suits are being worn infrequently, as office norms shift to more casual styles.

### Bought a Suit in the Last 12 Months

59.3%, or 80 male respondents, have bought a suit in the last 12 months. (Q7)

Men's Wearhouse was the clear leader among men who have bought suits in the last 12 months. Respondents based their purchase decisions on special promotional pricing, and viewed online stores as unimportant to purchasing a suit—one that they will wear only a few times a month or a year.

- Men's Wearhouse (67.5%) was the most considered location for males who bought a suit in the last 12 months. (Q8)
  - Macy's (46.3%) was the second most considered location. (Q8)
  - J.C. Penney (42.5%) was the third most considered location. (Q8)
  - Jos. A. Bank was considered by 27.5% of males who bought a suit in the last 12 months. (Q8)
- Men's Wearhouse (41.3%) was the location where the most men bought their suits in the last 12 months. (Q9)
  - J.C. Penney (17.5%) was the second location. (Q9)
  - Macy's (16.3%) was the third location. (Q9)
  - 3.8% of males bought their suit at Jos. A. Bank. (Q9)
- Special promotional pricing (27.5%) was the most important reason men bought their suits at a specific store. (Q10)
  - Past experiences (16.3%) were the second most important reason. (Q10)
- The availability of an online store was not at all (27.5%) or only slightly (23.8%) important when buying a suit. (Q11)
- Most respondents in this group wear a suit a few times a month (22.5%) or a few times a year (21.3%). (Q12)

# The Men's Wearhouse Inc.

## Will Purchase a Suit During the Remainder of 2014

65.9%, or 89 male respondents, will buy a suit during the remainder of 2014. (Q13)

**Men's Wearhouse is the leading store among those considering buying a suit during the remainder of 2014, thanks to past experiences and special promotional pricing. Online access is not very important to the choice of store when considering a suit, which respondents said they will wear only a few times a year.**

- Men's Wearhouse (73%) was the most considered location for males to purchase a suit during the remainder of 2014. (Q14)
  - J.C. Penney (38.2%) was the second most considered location. (Q14)
  - Macy's (37.1%) was the third most considered location. (Q14)
  - Jos. A. Bank (30.3%) was the fourth most considered location. (Q14)
- Men's Wearhouse (40.4%) was indicated as the typical location for the respondents to purchase a suit. (Q15)
  - J.C. Penney (14.6%) was the second typical location. (Q15)
  - Macy's (12.4%) was the third typical location. (Q15)
  - 9% of male respondents typically purchase a suit at Jos. A. Bank. (Q15)
- Past experiences (23.6%) were the most important factor when choosing a store to purchase a suit. (Q16)
  - Special promotional price (14.6%) was the second most important factor. (Q16)
- The availability of online purchases for suits is slightly important (29.2%) or not at all important (22.5%). (Q17)
- Respondents who will purchase a suit during the remainder of 2014 expect to wear it only a few times a year (27%), once every few months (18%), or a few times a month (16.9%). (Q18)

## SPORTSCOATS

**Men's Wearhouse will continue to be the leader in sportscoat purchases throughout 2014. Special promotions and positive past shopping experiences are effective at attracting male customers. As are cut, fit, and everyday low prices, which were a focus of those looking to buy a suit in the future. The ability to shop online was not important in sportscoat purchases. Sportscoats will continue to be worn only occasionally.**

## Owns or Wears a Sportscoat

75.6%, or 100 respondents, wear or own a sportscoat. (Q19)

**Men's Wearhouse was viewed as the best place to purchase a sportscoat because of special promotional pricing and past shopping experiences. Online stores are not at all important when purchasing a sportscoat, which will only be used a few times a month or once every few months.**

- 34% of male respondents purchased their sportscoat(s) at Men's Wearhouse. (Q20)
  - 26% of male respondents purchased their sportscoat(s) at J.C. Penney. (Q20)
  - 23% of male respondents purchased their sportscoat(s) at Macy's. (Q20)
  - 6% of male respondents purchased their sportscoat(s) at Jos. A. Bank. (Q20)
- Men's Wearhouse (34%) is viewed as the best place to purchase a sportscoat. (Q21)
  - Macy's (15%) is viewed as the second best place. (Q21)
  - J.C. Penney's (10%) is viewed as the third best place. (Q21)
  - 6% of respondents view Jos. A. Bank as the best place to purchase a sportscoat. (Q21)
- Promotional pricing (29.3%) was the top reason respondents bought a sportscoat at a particular location. (Q22)



# The Men's Wearhouse Inc.

- Past experiences (20.2%) were the second reason respondents bought a sportscoat at a particular location. (Q22)
- Respondents said an online store was not at all important (38.4%) or slightly important (20.2%) when purchasing a sportscoat. (Q23)
- Respondents who own a sportscoat wear it a few times a month (30.3%) or once every few months (20.2%). (Q24)

## Will Buy a Sportscoat During the Remainder of 2014

52.3%, or 69 male respondents, will buy a sportscoat during the remainder of 2014. (Q25)

**Future buyers view Men's Wearhouse as the best place to purchase a sportscoat. They will base their purchase on past experiences, cut and fit, and special promotional or everyday low prices. These respondents viewed online access as not at all important to purchasing a sportscoat, and wear the item a few times a month.**

- 55.1% of respondents are looking to buy a sportscoat at Men's Wearhouse. (Q26)
  - 31.9% of are looking to buy a sportscoat at J.C. Penney. (Q26)
  - 29% are looking to buy a sportscoat at Macy's. (Q26)
  - 18.8% are looking to buy a sportscoat at Jos. A. Bank. (Q26)
- Respondents view Men's Wearhouse (34.8%) as the best place to purchase a sportscoat. (Q27)
  - 5.8% view Jos. A. Bank as the best place to purchase a sportscoat. (Q27)
- Sportscoats will be bought based on past experiences (20.6%), cut and fit (14.7%), special promotional pricing (13.2%), and everyday low prices (13.2%). (Q28)
- An online store is not at all (35.3%) or slightly important (23.5%) for respondents looking to purchase a sportscoat during the remainder of this year. (Q29)
- Respondents wear a sportscoat a few times a month (23.5%) or once every few months (20.6%). (Q30)

## **ALL 136 RESPONDENTS**

**Overall trends show office dress codes shifting to casual attire over suits, men wearing formal wear slightly more often than last year, and expectations for tuxedo rentals to pick up during the remainder of 2014.**

### **Office wardrobe is trending toward casual attire over suits.**

- Only 20% of men are required to wear a suit to work. (Q5)
- Office wardrobe is trending toward business casual attire (37%), casual attire (27.4%) or no dress code at all (17.8%). (Q6)

### **Men are wearing formal wear slightly more often year to year, and base their purchase decisions on past experiences, special promotional pricing, and everyday sales prices.**

- 31.4% of respondents are wearing more formal wear year to year, compared with 22.1% who are wearing less formal wear this year. (Q31)
- Respondents rely on past experiences (16.8%), special promotional pricings (16.8%), and everyday sales prices (16.8%) when purchasing formal wear. (Q32)

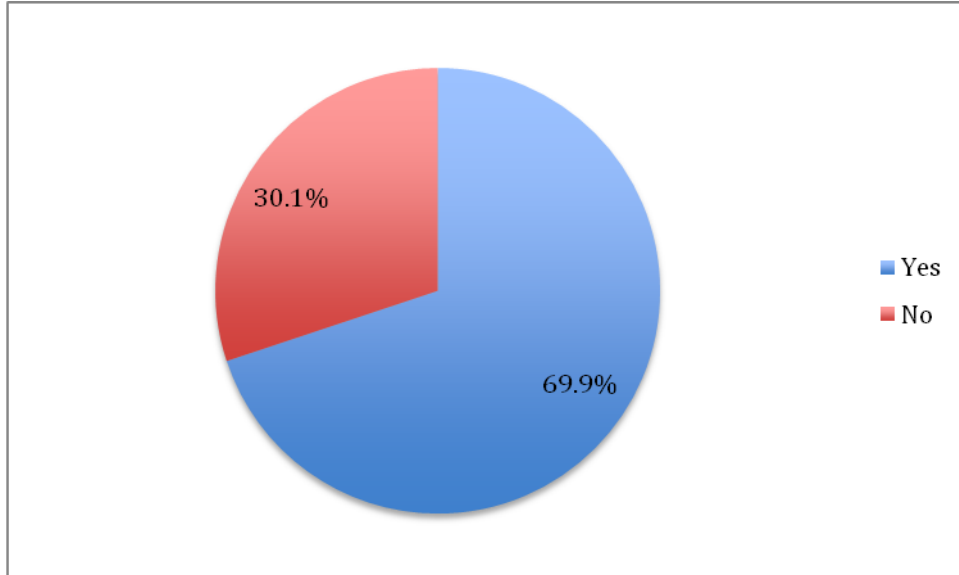
### **Tuxedo rentals are expected to pick up this summer.**

- Only 14.5% of respondents have rented a tuxedo in the last year. (Q33)
- 21.4% of male respondents will rent a tuxedo in the remainder of 2014. (Q34)

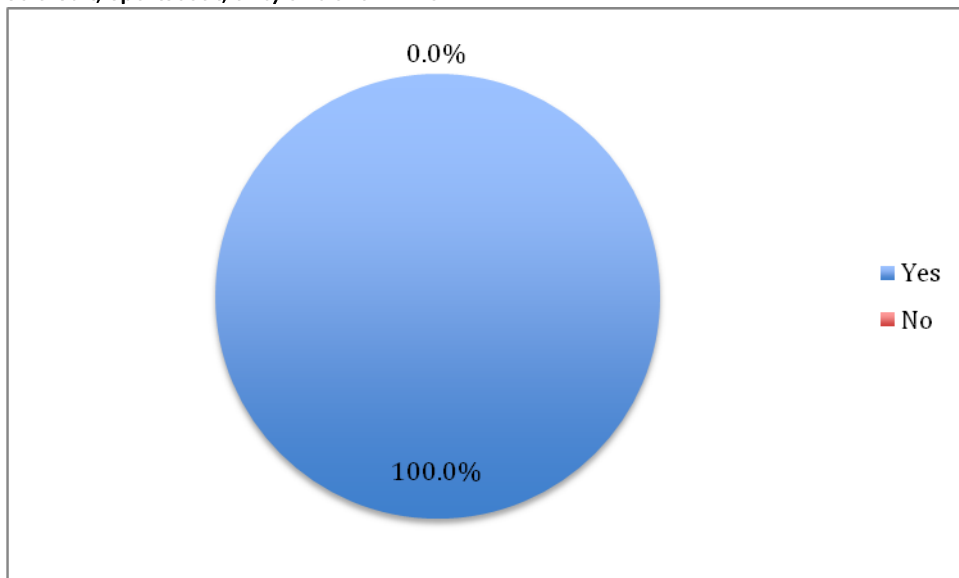
# The Men's Wearhouse Inc.

## ALL 136 RESPONDENTS

1. Have you purchased a suit, sportscoat, and/or blazer in the last 12 months?

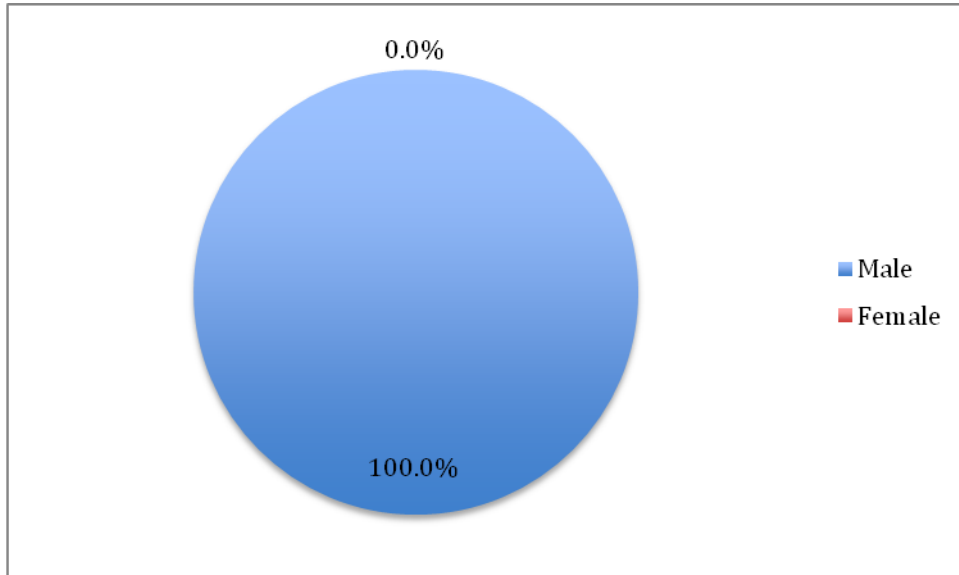


2. Will you purchase a suit, sportscoat, and/or blazer in 2014?

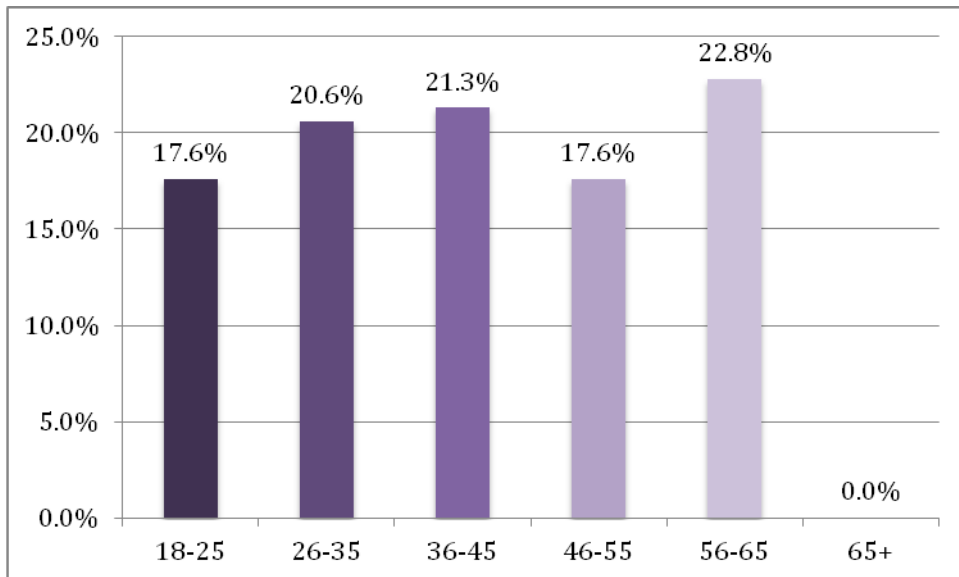


# The Men's Wearhouse Inc.

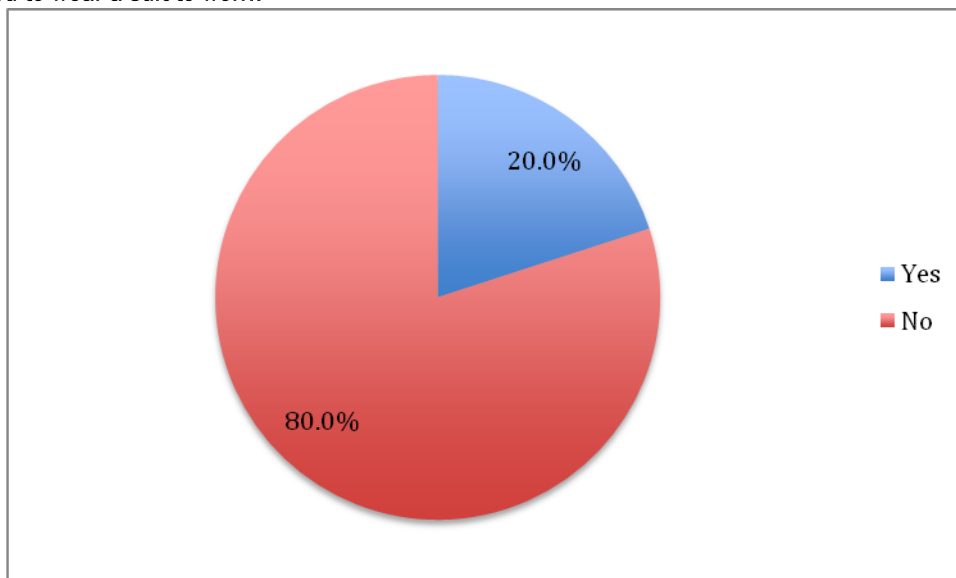
## 3. What is your gender?



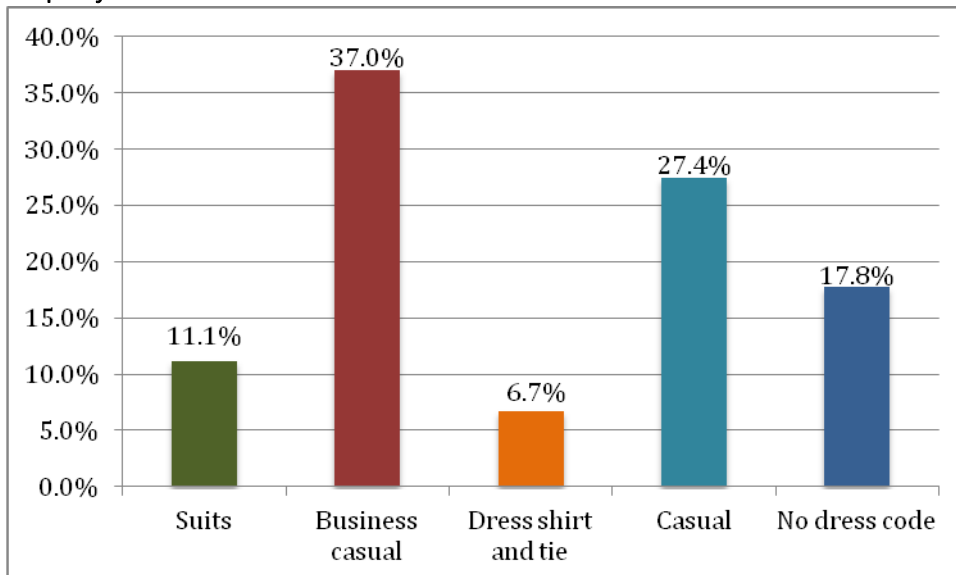
## 4. How old are you?



5. Are you required to wear a suit to work?



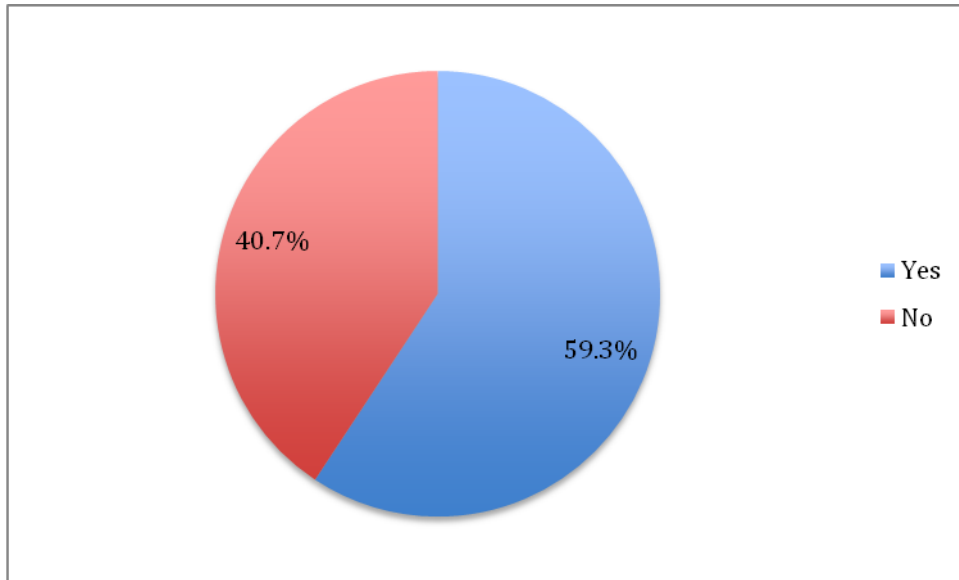
6. What is your office policy on dress code?



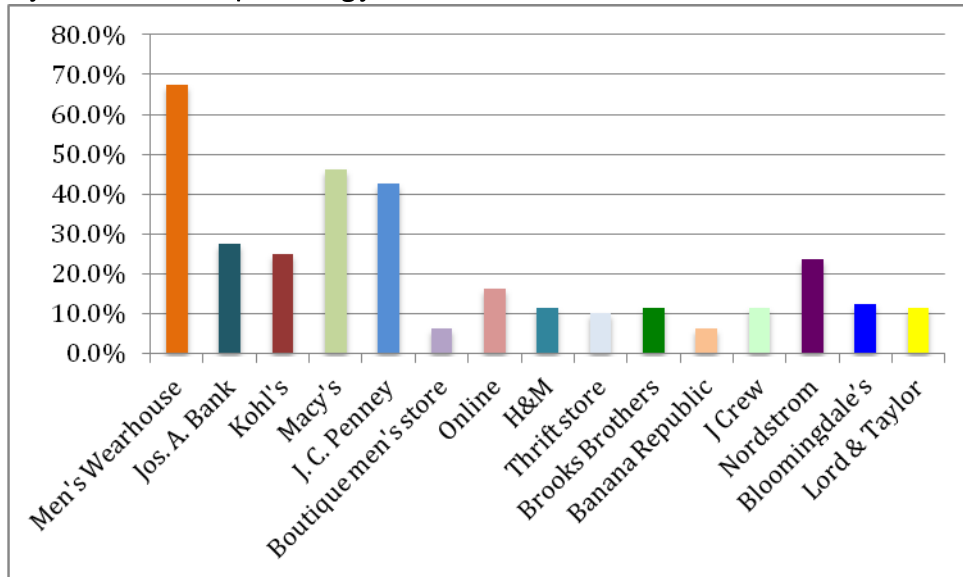
## MEN WHO HAVE PURCHASED A SUIT IN THE LAST 12 MONTHS

7. Have you purchased a suit in the last 12 months?

# The Men's Wearhouse Inc.



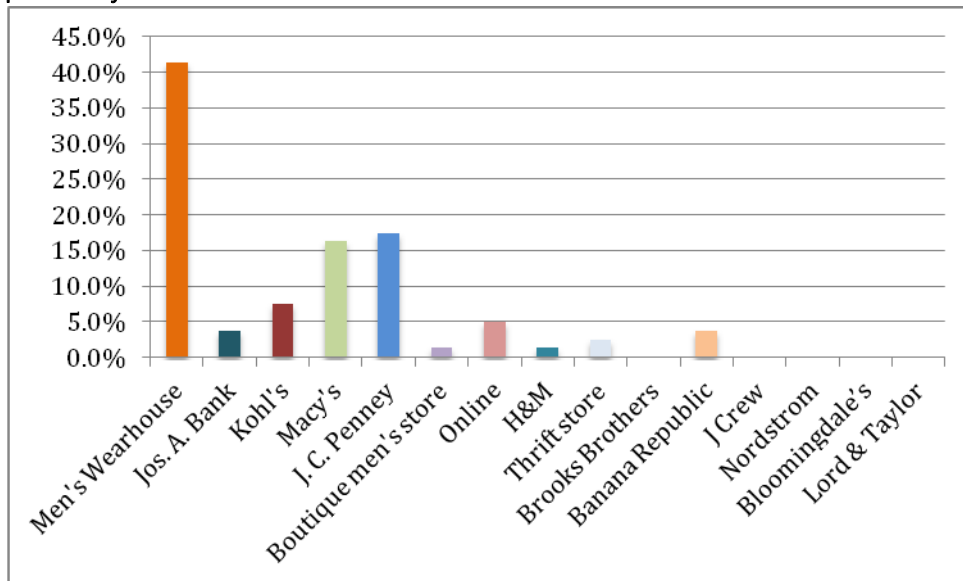
## 8. Which stores did you consider when purchasing your suit?



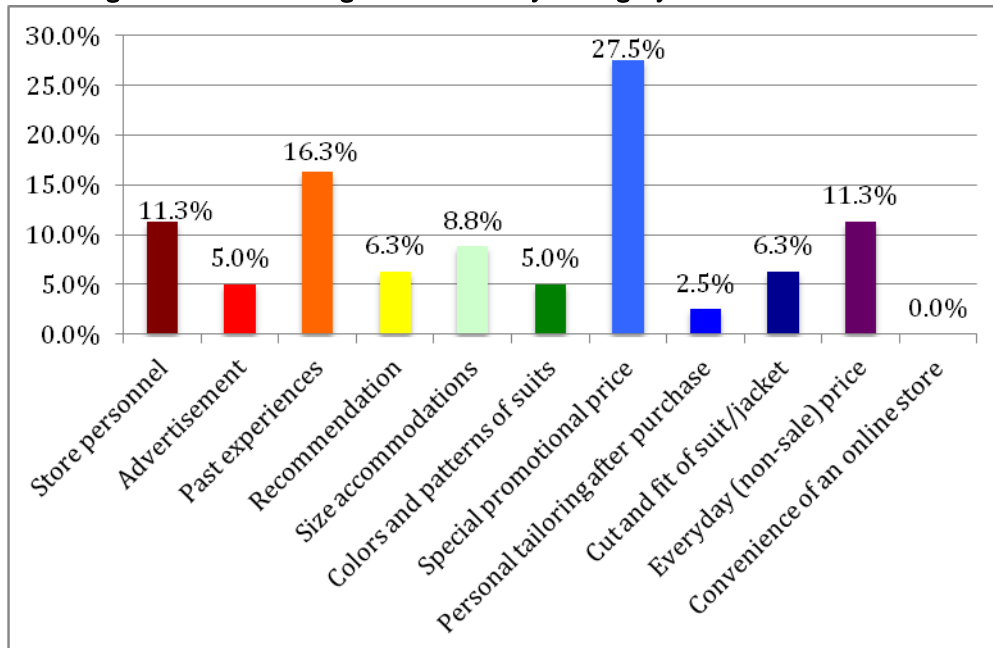


# The Men's Wearhouse Inc.

## 9. Where did you purchase your suit?

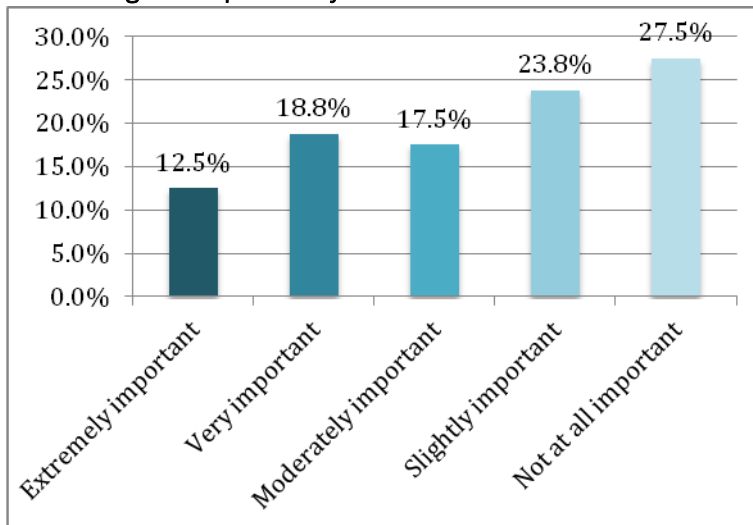


## 10. What was the deciding factor when choosing the store where you bought your suit?

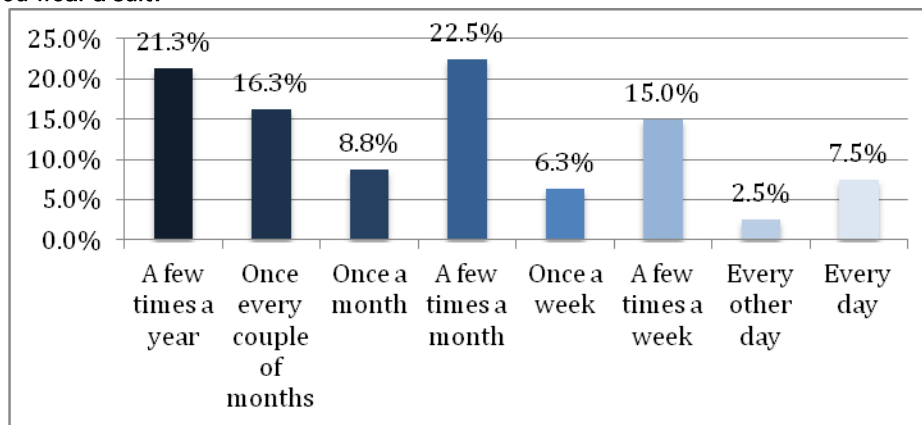


# The Men's Wearhouse Inc.

11. Please rate the importance of being able to purchase your suit online.



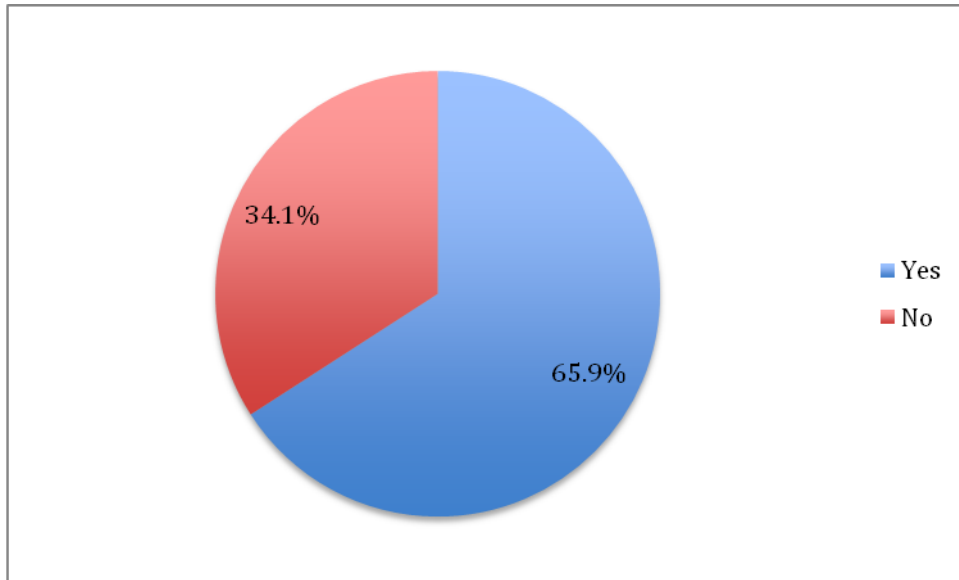
12. How often do you wear a suit?



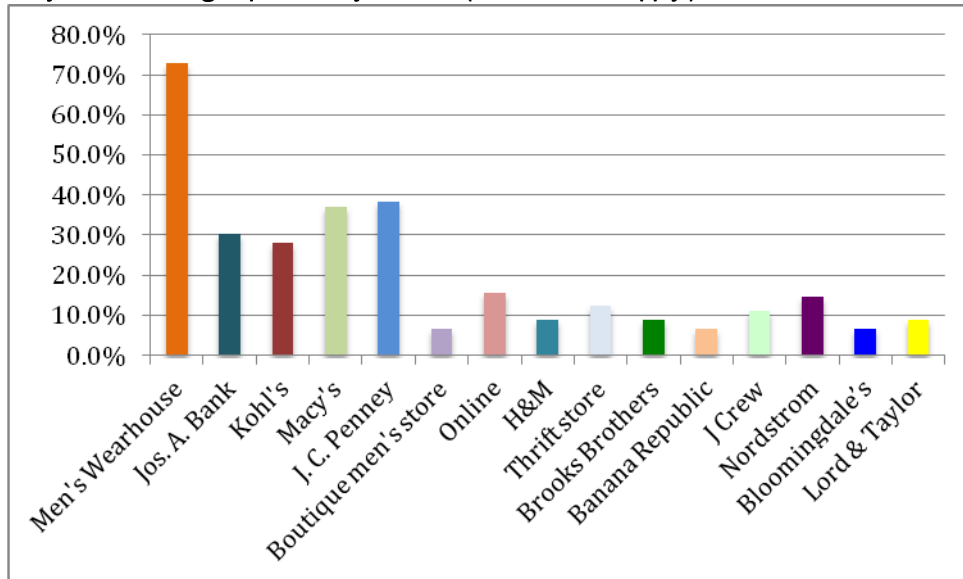
## MEN WHO WILL PURCHASE A SUIT DURING THE REMAINDER OF 2014

13. Will you purchase a suit during the remainder of 2014?

# The Men's Wearhouse Inc.

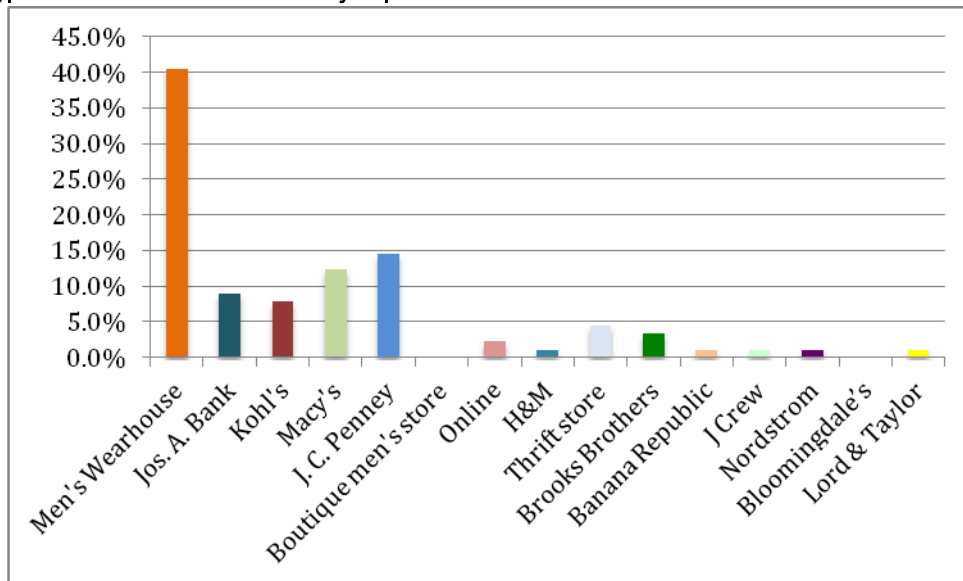


14. Which stores are you considering to purchase your suit? (Select all that apply.)

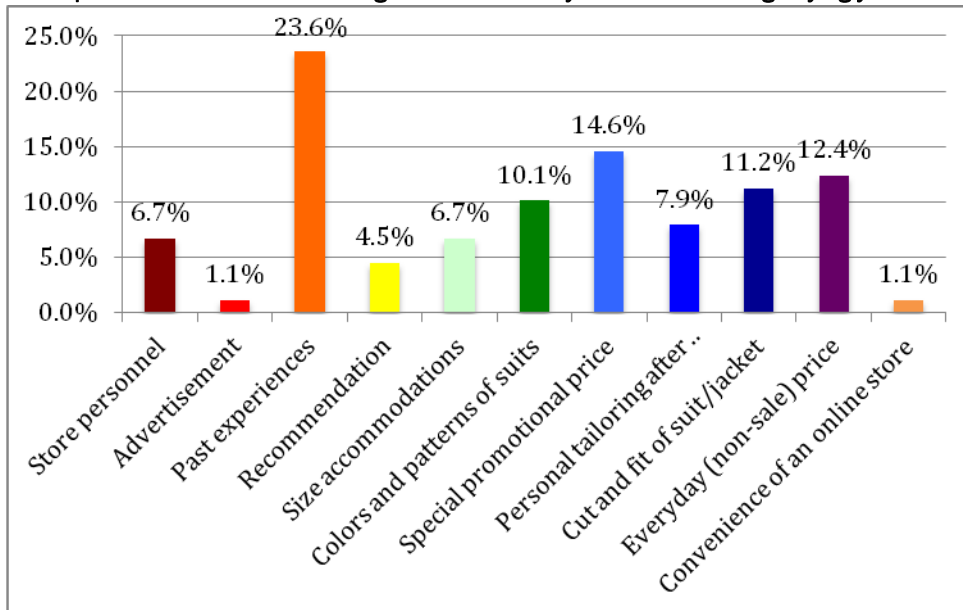


# The Men's Wearhouse Inc.

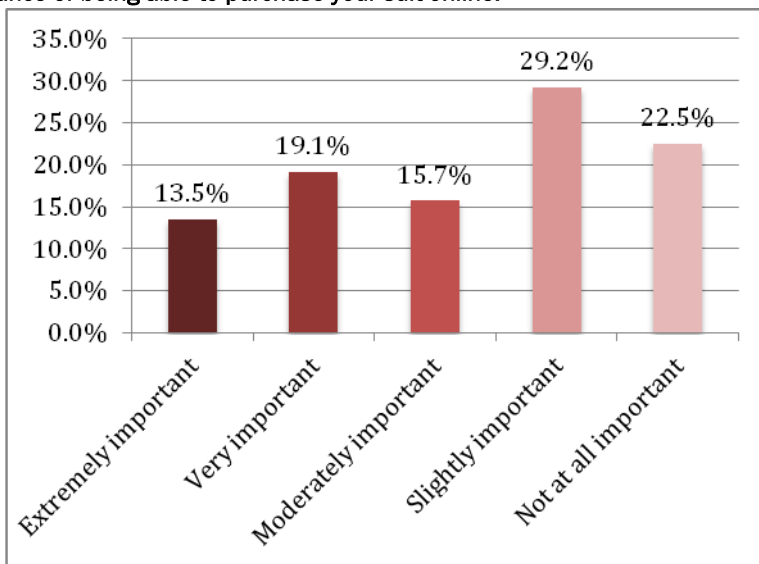
15. What is the typical retail location from which you purchase a suit?



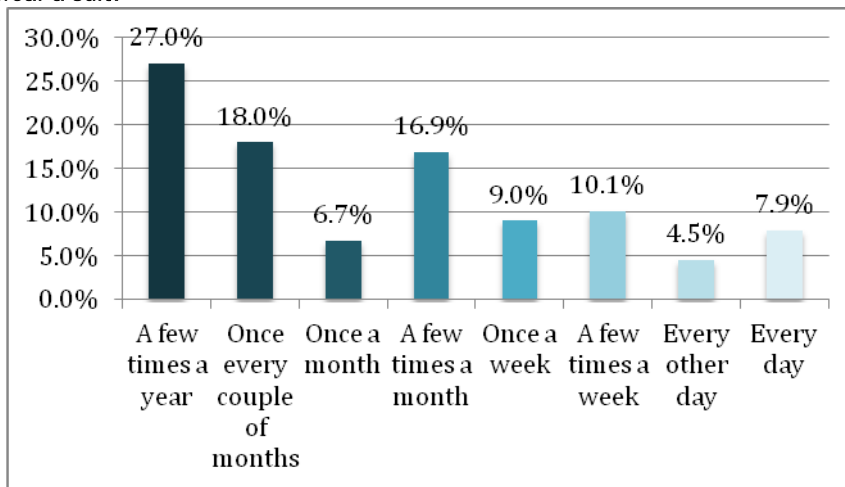
16. What is the most important factor when choosing the store where you are considering buying your suit?



17. Please rate the importance of being able to purchase your suit online.



18. How often do you wear a suit?

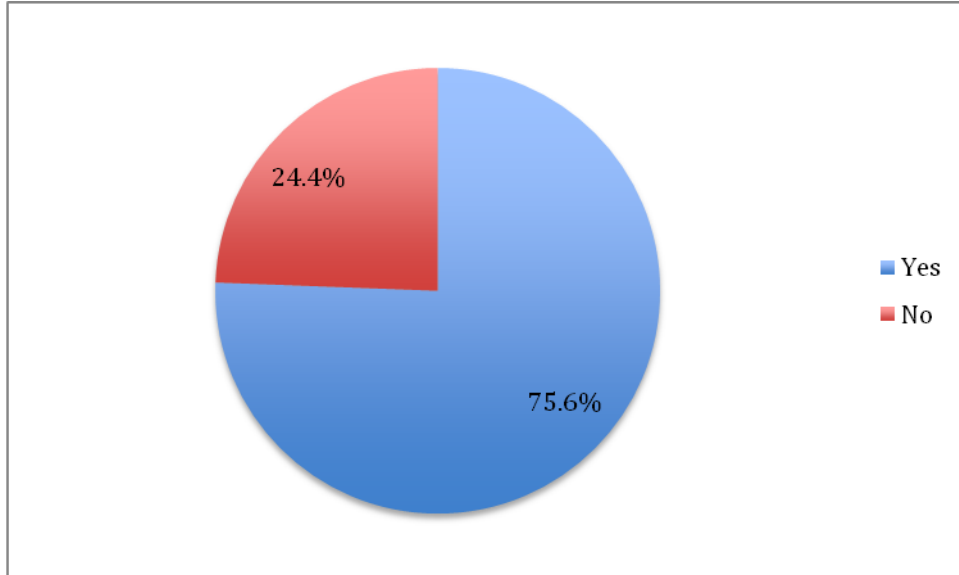




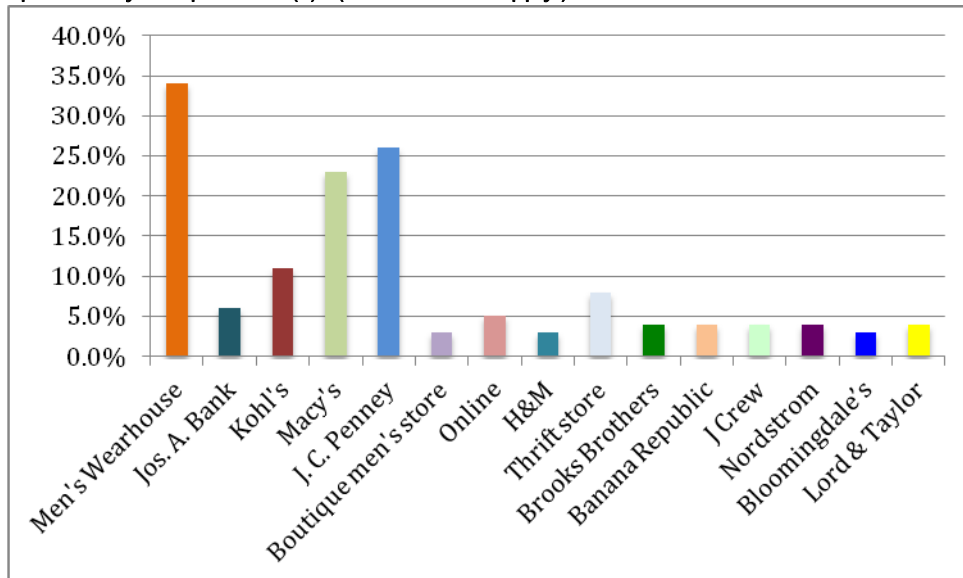
# The Men's Wearhouse Inc.

## MEN WHO OWN OR WEAR A SPORTSCOAT

19. Do you wear or own a sportcoat?

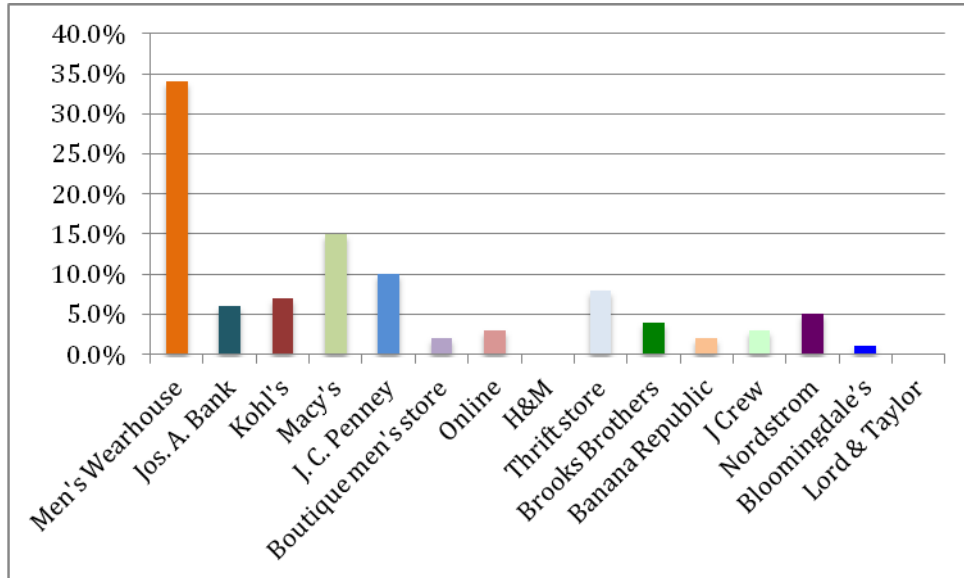


20. Where did you purchase your sportcoat(s)? (Select all that apply.)

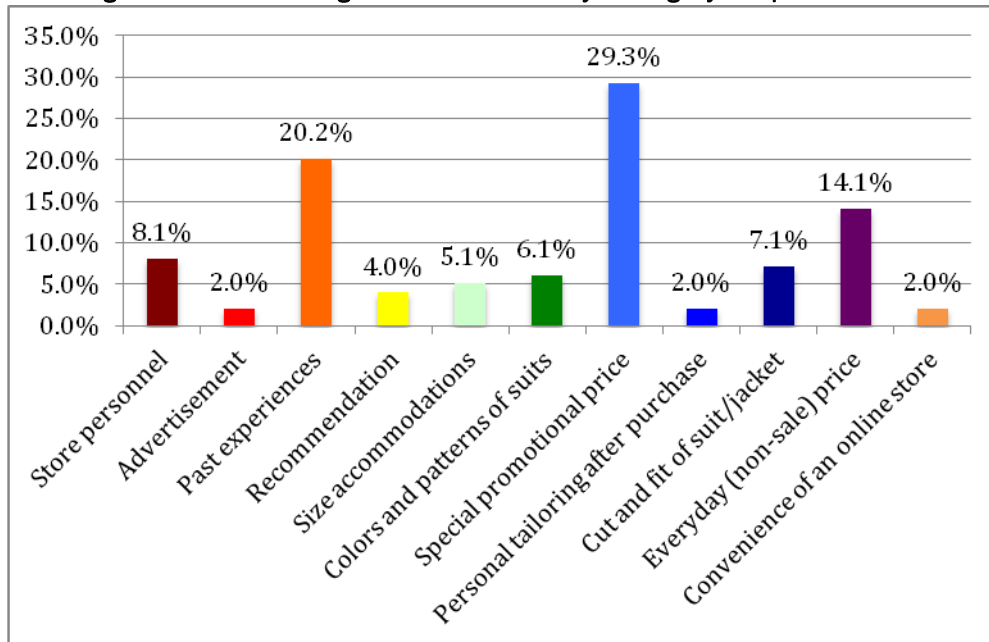


# The Men's Wearhouse Inc.

## 21. Where is the best place to purchase a sportscoat?

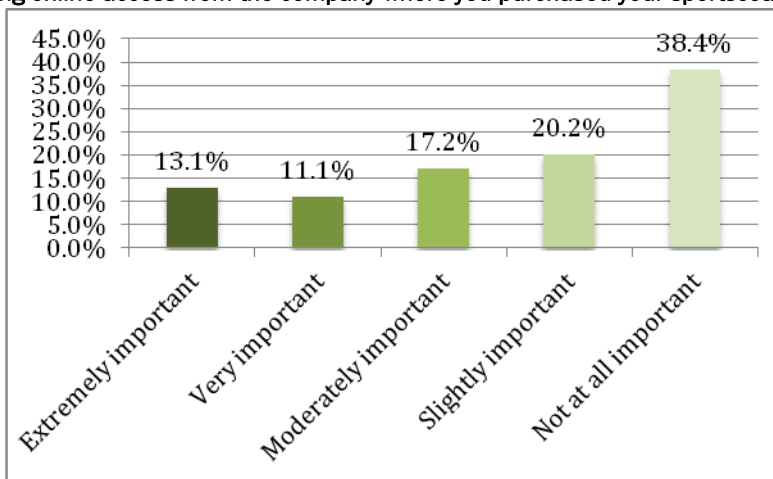


## 22. What was the deciding factor when choosing the store from which you bought your sportscoat?

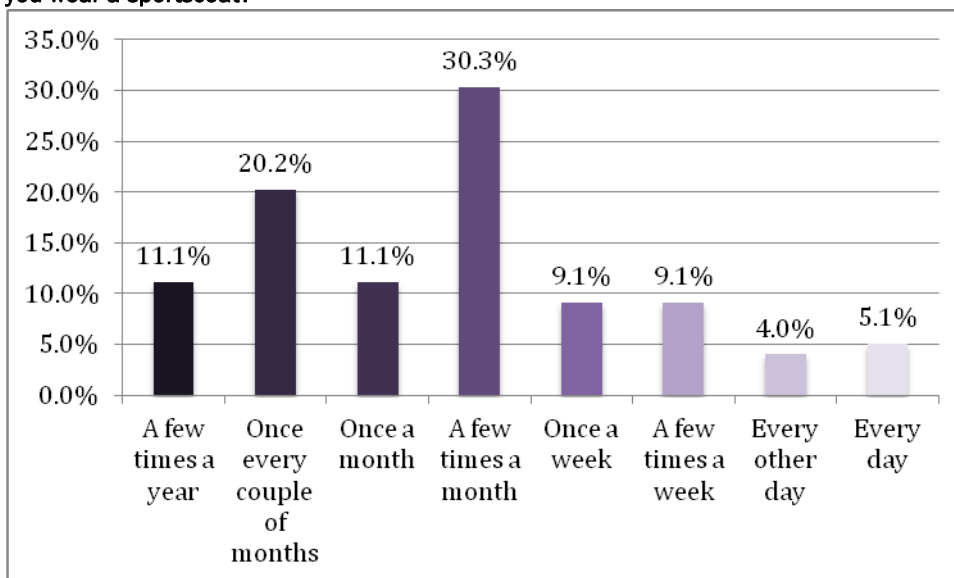


# The Men's Wearhouse Inc.

23. How important is having online access from the company where you purchased your sportscoat?



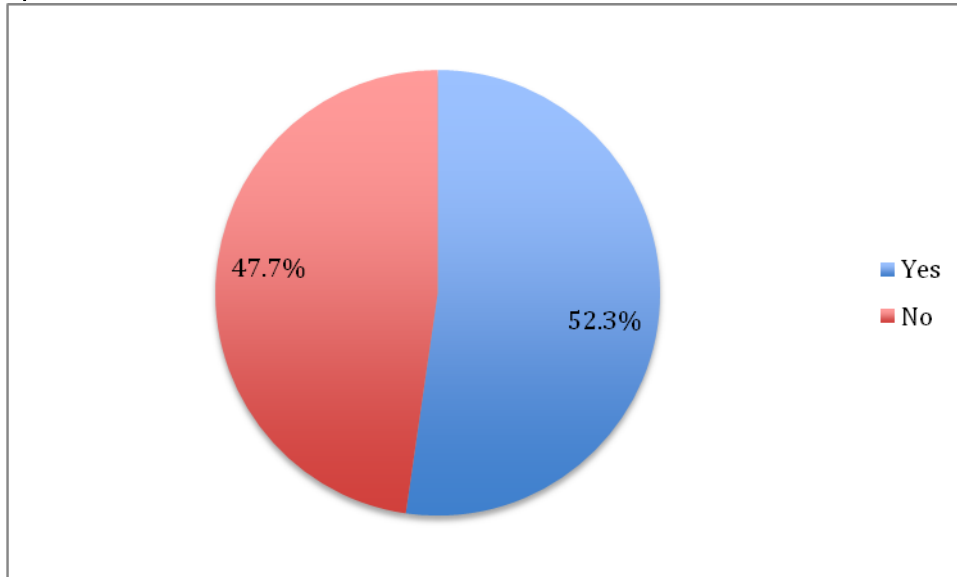
24. How often do you wear a sportscoat?



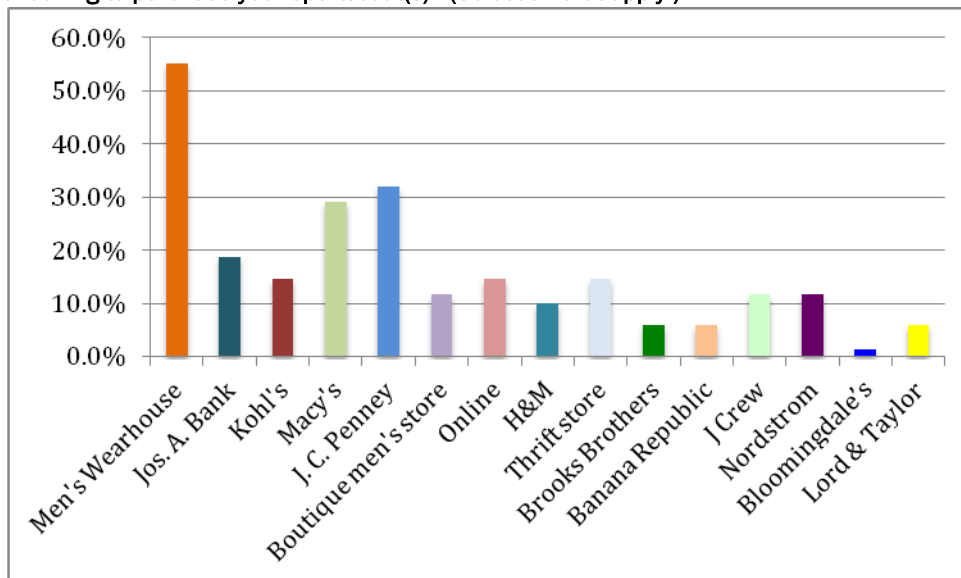
# The Men's Wearhouse Inc.

## MEN WHO WILL BUY A SPORTSCOAT IN 2014

25. Will you buy a sportcoat in 2014?

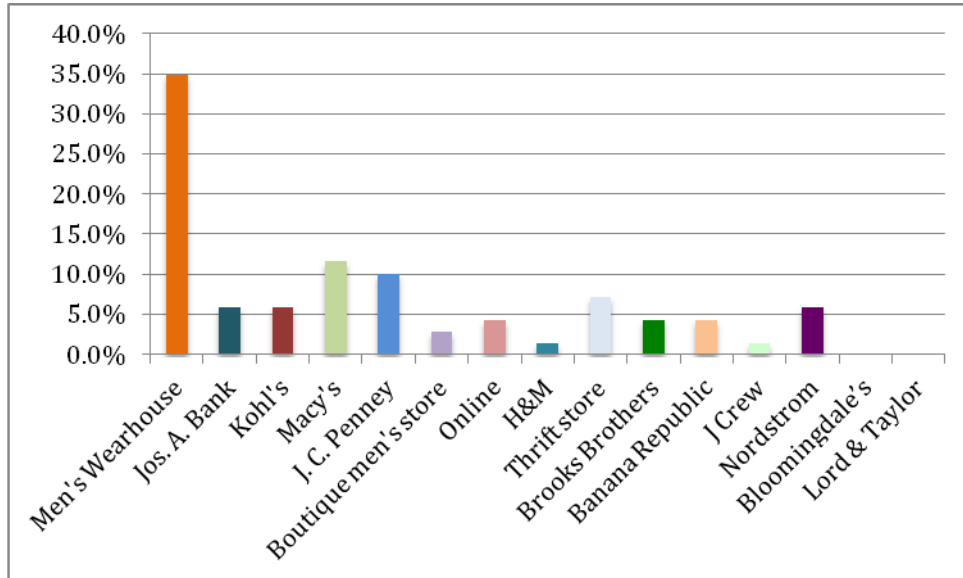


26. Where are you looking to purchase your sportcoat(s)? (Select all that apply.)

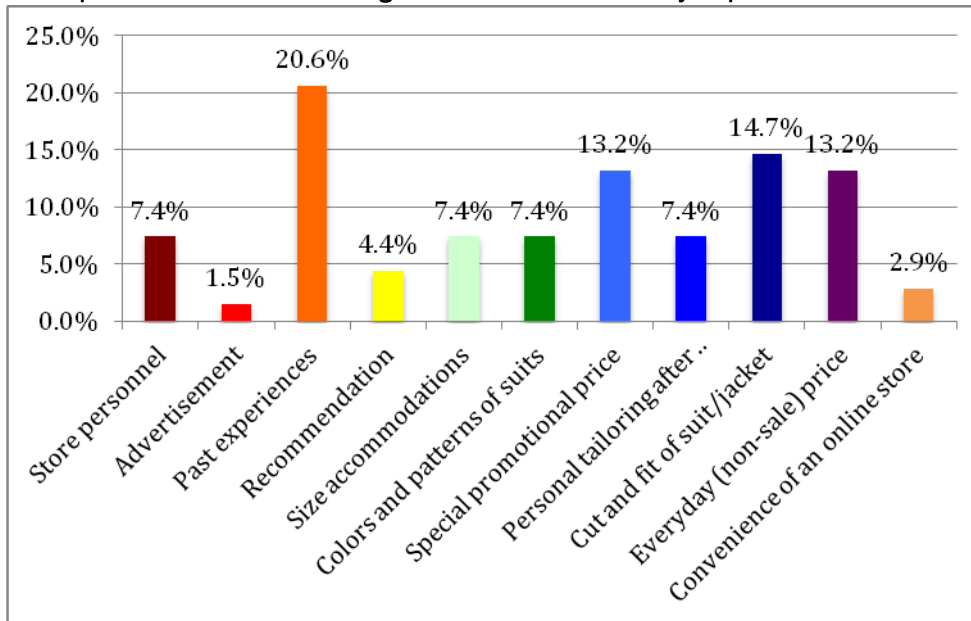


# The Men's Wearhouse Inc.

27. Where is the best place to purchase a sportcoat?

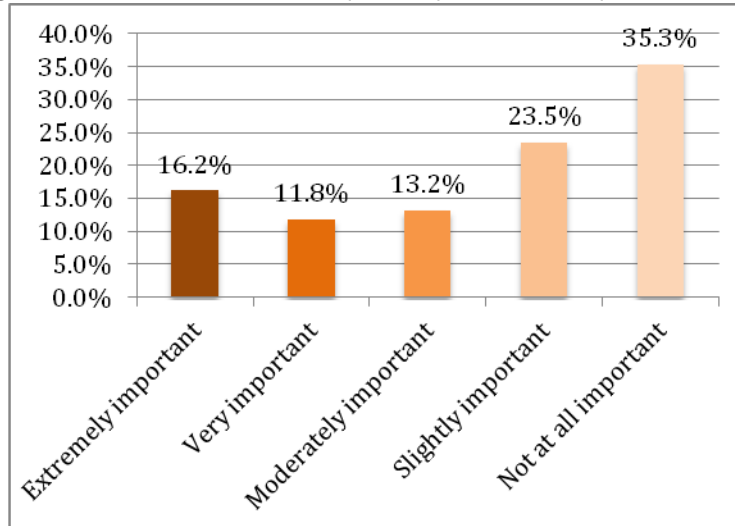


28. What is the most important factor when choosing the store from which to buy a sportcoat?

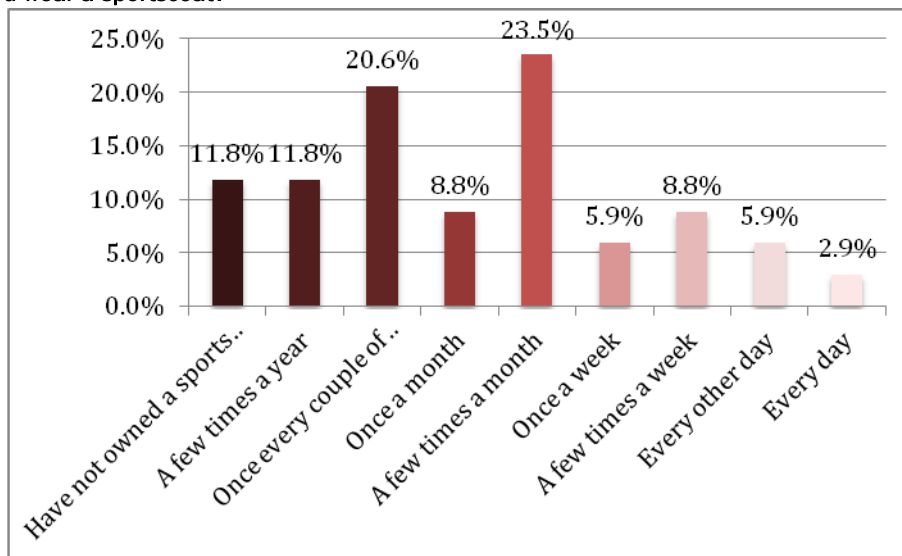




29. How important is having online access from the company where you purchased your sportscoat?



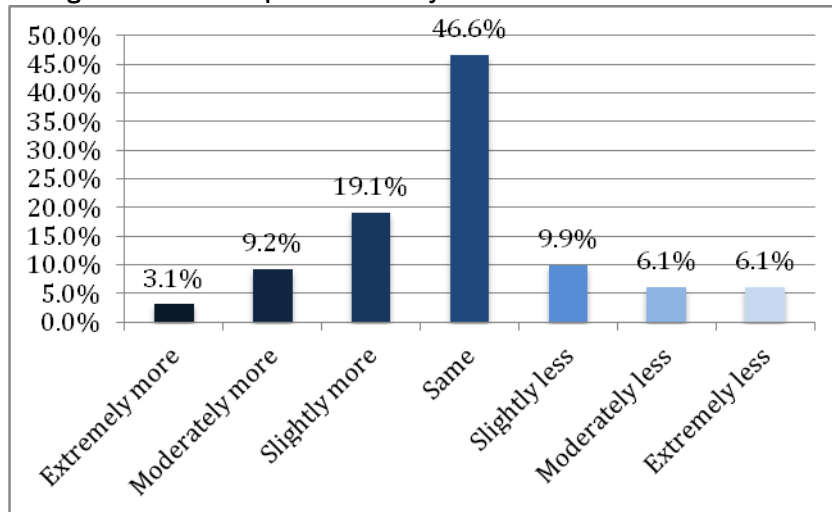
30. How often do you wear a sportscoat?



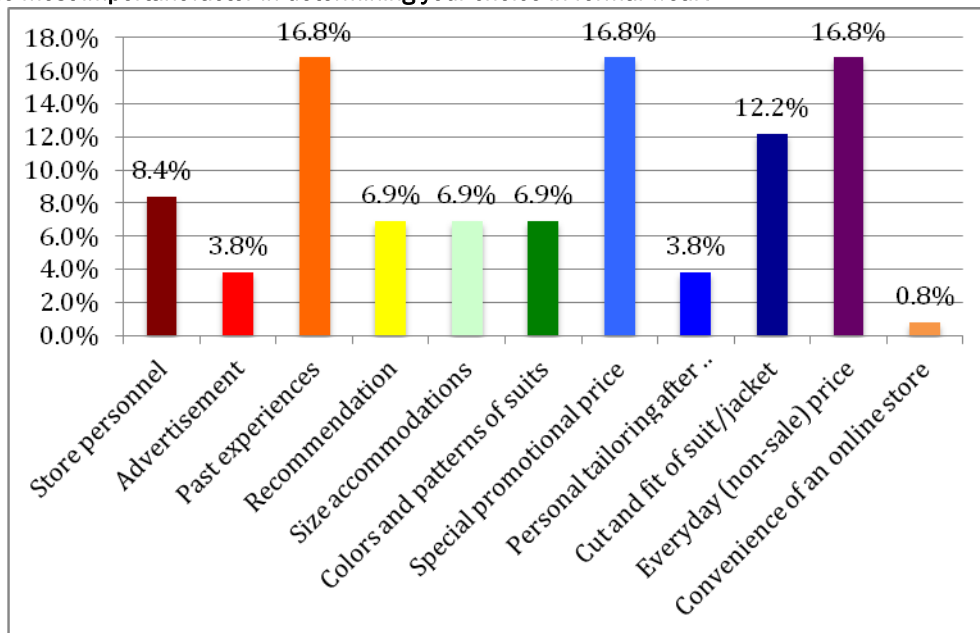
# The Men's Wearhouse Inc.

## ALL 136 RESPONDENTS

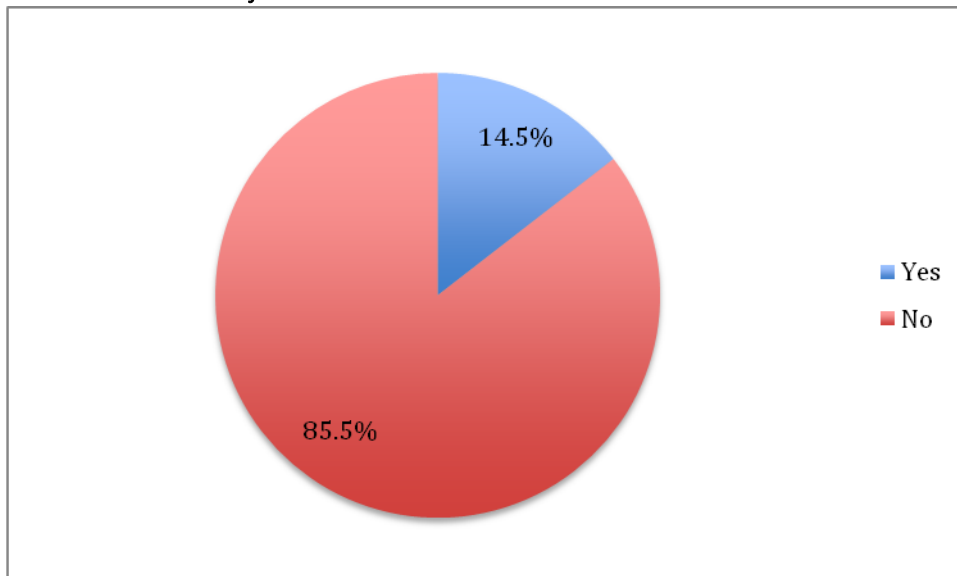
31. How often are you wearing formal wear compared with last year?



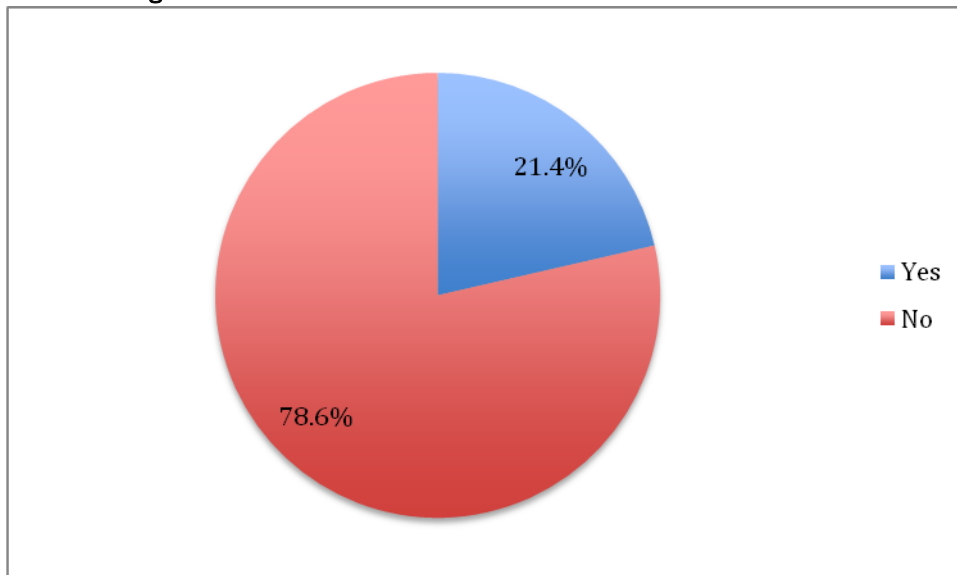
32. What was the most important factor in determining your choice in formal wear?



33. Have you rented a tuxedo in the last year?



34. Will you rent a tuxedo during the remainder of 2014?



## Secondary Sources

The following four secondary sources centered on the completion of Men's Wearhouse's acquisition of Jos. A. Bank, Men's Wearhouse being positioned to benefit from the summer men's wear trend of fitted styles and floral prints, the launch of a men's fashion week in Philadelphia, the increase in slim-fitted dress shirts being attributed to casual dress codes, and men moving away from classic-style tuxedos and toward different colors, styles and accessories.

June 11 *Baltimore Business Journal* [article](#)

# The Men's Wearhouse Inc.

Men's Wearhouse's acquisition of Jos. A. Bank received FTC approval. The merger will allow Men's Wearhouse to open 100 new stores in the next three years and save an estimated \$100 to \$150 million through purchase and marketing efficiencies and the optimization of customer service.

- "The Men's Wearhouse Inc. plans to open 100 new stores over the next three years following its merger with Jos. A. Bank Clothiers Inc."
- "The merger will give the Houston-based men's clothing retailer flexibility to aggressively expand its 670-store portfolio, Stifel Nicolaus analyst Richard Jaffe wrote in a research note issued after Men's Wearhouse's June 5 earnings call."
- "The merger will likely provide approximately \$100-\$150 million of run-rate annual synergies over three years through improving purchase efficiencies, optimizing customer service and marketing practices, and streamlining corporate functions,' Jaffe wrote. 'We estimate that the transaction will be accretive to Men's Wearhouse earnings in the first year following closing.'"
- "Men's Wearhouse is acquiring Hampstead-based Jos. A. Bank Clothiers Inc. (Nasdaq: Jos. A. Bank) for \$1.8 billion. The Federal Trade Commission recently gave the deal its blessing, saying the merger is 'not likely to harm consumers.'"
- "In the meantime, Jaffe wrote, Men's Wearhouse is benefitting from the trend toward slim-fit men's suits."
- "The modern and slim fit categories are generating sales from younger customers as well as all demographics,' Jaffe wrote. 'Slim fit represents approximately 45 percent of suit sales and is growing at a rapid rate. The company continues to shift more inventory into modern and slim fit products. We believe Men's Wearhouse is well positioned to benefit from this cycle.'"
- "Jaffe also recently raised his second-quarter and full-year earnings estimates for Men's Wearhouse. He raised his second-quarter earnings estimate to \$1.17 a share from his previous estimate of \$1.15 and his full-year view to \$2.80 a share from \$2.75."

## June 16 JC Online [article](#)

Men's summer fashion tips show tailored fits, layered clothes, floral prints and mixed patterns. Men's Wearhouse is benefiting from its sales of modern, slimmer fits and floral brocade ties.

- "[M]any men are household name designers. Thus, there's much happening in the world of style when it comes to the opposite side of women's wear, which often pulls from traditional types of men's wear."
- "If you look at celebrities such as Kanye West, Pharrell Williams, Brad Pitt and Jared Leto, their styles are simple yet sophisticated, often dangling on the edge of contradiction. Clean yet messy, formal yet casual. They mix streetwear with suit pieces or play with texture and patterns."
- "Here are a few summer trends for men:"
- "Tucked and tailored—No matter what you wear, whether it's a T-shirt or a pair of jeans, fit is of the utmost importance. Michael 'Luke' Lukasik, store manager of Men's Wearhouse in Lafayette, said today's modern fit for men is more tapered and close-fitting than in the past. This means that when you shop, guys, don't be afraid to wear clothes that fit, including tailored jackets and skinny jeans. This does not mean that clothing needs to be skin-tight but more body conscious."
- "Layered looks—One thing women's wear likes to borrow from men's wear is the look of structured layers. Men, celebrate this fashion inheritance by wearing structured jackets with vests and button down shirts. Another popular look for summer is the short suit or pairing a structured long-sleeve jacket with shorts. Vests are also huge for men right now. For a casual summer look, simply layer a denim pinstripe vest over a long-sleeve button down or even a T-shirt. For a more sophisticated casual look, layer a navy vest over a striped pinstripe woven shirt in a lighter blue shade and add a bow tie. You can pair this with either jeans, slim-fitting dress pants or even shorts."
- "Flora and fauna—Design houses such as J. Crew are selling shirts in flora and fauna prints. These are large abstract leaf-style prints that give a fresh alternative to traditional plaid and stripes."
- "Even the local Men's Wearhouse is selling floral brocade ties."
- "'The floral print is going to make its way back, or at least try to,' Lukasik said."
- "Don't think Hawaiian print shirts. Think modern fabrics such as chambray and contemporary colors such as indigo. Also, opt for more tailored fits. This is especially important when wearing a large print."
- "In the mix—Don't be afraid to mix prints, either. Try pairing these bolder floral prints with more muted complements such as camouflage or a stripe."

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- “Camouflage is also a major trend for both women and men. It functions as a neutral and can be found in many different colors. Try sandy colored camouflage as a summer staple.”
- “Luxe linen—Linen is a key summer fabric because it’s more lightweight than its winter counterpart, wool, enabling it to breathe well in the heat.”
- “The fabric is also versatile and comes in structured jackets, pants, shirts and modern fit vests.”

## June 3 Philly.com [article](#)

FBH has started a men's style week in Philadelphia to encourage men to dress better.

- “There’s nothing like the sight of a man in a well-tailored suit, perhaps with a coordinated pocket square, colorful socks and finely made Italian leather shoes.”
- “That’s why I loudly applaud Philly’s first-ever Men’s Style Week, actually a two-day event this weekend at the Crane Arts Building, on American Street near Master, in North Philadelphia.”
- “‘We decided that doing a men’s style week would inspire people in the city to support our local designers and to dress better,’ said Kevin Parker, 28, a partner in FBH. ‘There are a lot of men dressing up now.’”
- “Anything that will inspire young men to pull up their pants and put on a tie sounds like a good plan to me.”
- “Later in 2007, FBH staged a huge fashion event inside the City Hall courtyard to showcase clothing by men’s wear designer Ron Wilch, and Melanie C. Brandon’s Von Alexandria collection.”
- “Since then, FBH has produced two Philly Fashion Weeks a year—in September and in February. CMK seems to have disappeared from the local fashion scene.”

## June 13 WPRI [article](#)

Men are moving away from classic black tuxedos and toward different colors, styles and accessories.

- “Michelle Linhares-Teixeira, owner of Ana’s Bridal Boutique and Tuxedo, joined The Rhode Show to share tips on some of the current wedding trends for tuxedos.”
- “Men now have many different colors, styles and accessories they can choose from.”
- “When asked about when it is important for a man in the wedding to wear a tie versus a bow-tie, Michelle said, ‘The groom does set the tone on what style he is looking to achieve.’”
- “She also said it is key to get measured for tuxedos two to three months prior to the wedding so that on the wedding day, everything can run smoothly.”

## June 9 Standard Examiner [article](#)

Men’s shirt makers are meeting the demand for slim and extra-slim fits. The lack of stringent dress codes is aiding this trend.

- “American men over the past decade have embraced the slim-fit shirt styles long favored by their counterparts in Europe and Asia.”
- “Now the fashion industry is betting that U.S. guys, spurred on by encouraging partners and the spread of social media, are ready for something more extreme: extra-slim fits, which can be 4 inches smaller around the waist and chest than plain old slim versions.”
- “‘We’ve gone from people being afraid of the slim fit to people accepting the slim fit to people wanting something that is even more fitted,’ Paul Tribble, co-founder of shirt maker Ledbury in Richmond, Virginia, said in a phone interview. ‘That has been a style and attitude change over the last four years.’”
- “The dress-shirt industry could use a new trend to revive U.S. sales that researcher NPD Group says fell 3 percent to \$2.8 billion in the 12 months ended in March. Total men’s apparel sales grew 0.9 percent to \$59.8 billion in the same period, the firm said.”
- “The Internet has helped the shift along, as have the women in men’s lives, said Tribble, whose company is now developing extra-slim versions of its shirts.”
- “Among the men who credit their spouses with pushing a slimmer dress style is Robert Burns, 33, a marketer for a European luxury car brand who lives in Montvale, New Jersey.”

More casual dress codes at work also have contributed to the trend, Julian said. When men started taking off their jackets, they saw a greater incentive to wear a better-fitting shirt, he said.

*Standard Examiner Article*

# The Men's Wearhouse Inc.

- “‘She would say, ‘My God, you can fit four of you in this shirt,’ he said. ‘It’s not 1996 anymore!’ Once she level-set me, I developed my own interest in claiming how I present myself.”
- “After some trial and error, he discovered slim versions from Gap’s Banana Republic, J. Crew and Ledbury two years ago. Now, he easily spends \$100 to \$150 on a shirt, compared with only \$60 before. And, the 6-foot, 180-pounder is ready for extra-slim.”
- “Burns’s generation of 18- to 34-year-olds, an 80 million- strong cohort, is leading the switch to tighter fits, said Tom Julian, men’s fashion director at Doneger Group, a New York- based trend forecaster.”
- “More casual dress codes at work also have contributed to the trend, Julian said. When men started taking off their jackets, they saw a greater incentive to wear a better-fitting shirt, he said.”
- “Currently, 40 percent of Nordstrom’s dress-shirt sales are regular, 50 percent are trim and 10 percent are extra-trim, Valls said. Five years ago, 60 percent were regular and 40 percent were trim, he said.”
- “As slim has become more mainstream, even classic-fit shirts have become more streamlined, so that they don’t look blousy, said Mitchell Lechner, president of the dress-furnishings group of PVH Corp., the New York-based owner of Van Heusen.”

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