



An Analytical Study of Footwear Segments of Indian Organised Retailing Industry

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ABSTRACT

In any country of the world Retailing Industry is constituted by two segments like Organized Retailing Industry and Unorganized Retailing Industry and both the segments performing well. In developed countries like USA, Canada, France, and Britain Organized Retail segment dominates the total retailing Industry where as in developing countries like India, Pakistan, Sri Lanka Unorganized Retailing segment dominates Total Retailing Industry of the country. In any country retailing industry contributes lots to the economic development by offering business opportunities to the businessmen, providing direct and indirect employment opportunities to the people and better products and services to the customers. Contribution of both the segments differs from country to country. In India there is coexistence of Organized and Unorganized segments of Retailing Industry. At present the share of organized retailing segment of Indian retailing industry is approximately 5% but it has been increasing gradually and it is estimated that the market share of organized retailing segment will be 24 % in 2020. In the paper researcher has tried to analyze Footwear segments of Indian Organized Retailing Industry which include the market size & growth, market segmentation, SWOT Analysis and some key players of the segment.

KEYWORDS : Retailing, Retailing Industry, Organized Retailing Segment, Unorganized Retailing Segment, Footwear Segment

INTRODUCTION: Retailing industry is gaining the attention of government, researchers, academicians and policy makers. For any country Retailing is a distinct, diverse and dynamic sector which is of huge economic significance to most developed nations. It generates revenue and wealth for nation, encourages investments and brings technological advancements. It also brings employment and creates wealth of the economy and vibrant part of our changing society and a major source of employment.

Retailing Industry is divided into two sectors: Organized Retailing Sector and Unorganized Retailing Sector.

ORGANIZED RETAILERS - Organized Traders/Retailers are those who are licensed for doing trading activities and registered to pay different taxes to the government.

UNORGANIZED RETAILERS – Unorganized Retailers are those consisting of unauthorized small shops - conventional Kirana shops, general stores, corner shops among various other small retail outlets selling different items in small quantity, normally not paying tax to the government and majority of them are managed or controlled by the local government authorities.

In this paper, efforts have been made in analyzing the footwear segment of Indian Organized Retailing Industry.

METHODOLOGY: The analytical study is based on secondary data collected from reports and websites of different Indian companies engaged in footwear segment of Indian Organized Retailing Industry.

UTILITY: This secondary data based analytical study will be useful to researchers, academicians and corporate officers for getting the idea about present status of Footwear Segment of Indian Organized Retailing Industry.

ANALYTICAL STUDY OF FOOTWEAR SEGMENT OF INDIAN ORGANIZED RETAILING INDUSTRY: The following part of the research paper concentrates of analytical study of footwear segment of Indian Organized Retailing Industry which includes market size of the segment, market segmentation, SWOT Analysis and some key players.

MARKET SIZE & GROWTH: India is the major manufacturer of footwear products at a world level after China, with approximately 13% of world footwear product with 95 % output remain in country for the people where as 5 % production / output are exported in different countries of the world. As per Indian Report –2015 published by Images Multimedia Private Limited, New Delhi total retail market of Indian footwear segment is worth `33,592 Cr (US\$ 5.6 bn) growing at 17-18 per cent and is expected to cross `54,000 Cr (US\$ 9.04 bn) by

2017. North Asia is the biggest manufacturer of footwear in the world, accounting for 70% of the overall production in the industry. In 2014, the global footwear market was valued at approximately USD 208 billion, and is projected to reach USD 258 billion by the year 2023. The Indian footwear market is segmented between organized and unorganized segment. The organized segment fulfill need of 1/3rd part of the market where as the remaining market is catered by unorganized players. The organized sector is represented by major domestic and international players like Bata, Liberty, Adidas, Metro Etc and the unorganized segment comprises of small cottage industry based manufacturers. Due to increasing household income, changing consumer behavior from saving to spending and modern way of life, the organized retail in footwear market is rapidly rising and expected to grow at a higher rate in the future. The market is further segmented into men, women and Kid's segment. In India the production activities of footwear products are located in different states like Vaniyambadi, Chennai, Dindigul, Trichy, Ranipet, Ambur in Tamil Nadu, Bombay in Maharashtra, Kolkatta in West Bengal, Noida, Agra and Kanpur in Uttar Pradesh, Ludhiana and Jalandhar in Punjab, Bangaluru in Karnataka, Hyderabad in Andhra Pradesh, Karnal and Amballa and Delhi and

MARKET SEGMENTATION: The market can be segmented by type like athletic and non athletic market, mode of sale like retail sale market and online sale market, gender or end user like men, women, and kids material like leather and non leather and use like domestic use and industrial use.

SWOT ANALYSIS

STRENGTHS : The Footwear Segment has much strength and that can be exploited positively for the development of the entire industry and to become competitive globally. In this segment there is easy availability of highly skilled labor at low cost and that can make the final product more competitive in the market. Manufacturers have huge potentials to export the products in the foreign market. Management of many units has business background that will help them to become quality conscious and environment conscious. Best modern production technology can make them best in the business. The raw materials are easily available from the domestic market. Central as well as state level governments are always keen to provide technical and non technical support for the development of the industry. The government policy for export of footwear is favorable and government has good contacts with buyers in EU and USA.

WEAKNESS: There are certain weaknesses of this segment like manufacturing hubs are limited to few areas of the country. There is need to improve quality standards. There is low level of modernization and upgradation of technology. Labor productivity is low. There is lack of modern finishing facilities for leather products. In certain units there is unhygienic environment / working condition we see. Certain units have Unawareness about

international standards of the industry. Many units facing difficulties in accessing to testing, designing and technical services. There is lack of warehousing support from the government.

OPPORTUNITIES : In the present era of LPG , this segment has many opportunities emerging in India that should be exploited like growth in fashion driving women footwear, health awareness among people pushing sports range products, on-line retailing expanding consumer base, enough scope to supply finished leather to multinationals business players setting up their business in India, growing fashion consciousness at global level , use of latest information technology and decision support software to help eliminate the length of the production cycle for different products, growing international and domestic markets, exposure to newer markets through Fairs and exhibitions, retaining / maintaining customers through quality supplies and timely deliveries, de-reservation of the footwear sector and use of e-commerce in direct marketing

THREATS: This segment are also facing certain threats like men's range lack fashion element , kids is primarily uniform driven segment ,entry of multinationals companies in domestic market, entry of chemise low quality and low price products attracting the price sensitive customers, improving quality to adapt the stricter international standards, fast changing fashion trends which are difficult to adapt for the Indian leather industries , major part of the industry is unorganized ,difficulty for small manufactures in obtaining bank loans resulting in high cost of private borrowing.

KEY PLAYERS OF FOOTWEAR SEGMENT IN INDIA: So many companies are engaged in Indian Footwear business .The following part of the paper gives the brief idea about some key players working in India.

1. Bata: Bata is India's largest footwear company. The company was started in 1931 and make shoe for men, women and kids.

Popular Brand Names: Ambassdor, Comfit, Marie Clarie, PotaPata, Safari, North Star, Power.

2. Nike: Nike is one of the global brand worth over \$10 Billion. The brand itself is enough.

Popular Brand Names: Nike Blazers, Nike Dunk, Air Max, Foamposite .

3. Reebok: Reebok is also a global brand with huge presence in India.

Popular Brand Names: All Terrain Thunder, Reebok Classic, Plimton, Zjet, Royal Badge .

4. Liberty: Liberty is an Indian company worth Rs 650 Crore. It operates in 20 different countries.

Popular Brand Names: Coolers, Fortune, Force 10, Gliders and Windsor, Force 10, Gliders, Seniorita and Tiptopp, Footfun, Force 10, Gliders, Prefect.

5. Adidas: Adidas is the parent company of Reebok and it worth over \$20 Billion .

Popular Brand Names: FG/AG Cleats, Messi Version, Pure Boost, Supernova, Pure Boost, Ace.

6. Paragon: Paragon is an India company established in the year 1975 in Kerala.

Popular Brand Names: Max, Solea, Walkie, Vertex, Escoute, Slickers, Meriva, Stimulus, Fookids, Para Lite, School Worth

7. Woodland: Woodland is owned by Aero Group with over 3000 multi brand stores in several countries. The company was founded in year 1992 in Canada.

Popular Brand Names: LB, LS, LD, LP, GC, GB etc

8. Puma: Puma a German company founded in the year 1948.

Popular Brand Names: Evo Speed, Mobium Elite Speed Ferrari, IGNITE, Karbon, Voltaic, Pulse, Faas, Expedite etc.

9. Red Tape: Red Tape owned by Mirza International Limited was founded in the year 1996. The brand ambassador is Salman Khan.

Popular Brand Names: RTS range for shoes and RSS for Sandals.

10. Relaxo : Relaxo is an Indian company founded in 1984 and went public in 1995. Relaxo worth over Rs 1000 Crore with over 10 manufacturing units across India.

Popular Brand Names: Hawaii, Sparx, Casualz, Flite, Schoolmate, Elena

11. Action: Action is one of the iconic brands of the country and it is owned by Action Group.

Popular Brand Names: Campus, Flotter, Dotcom, Hooaha, Milano, Fun Time, Chanchal, Micro, Florin, Easy Line, Roaming, Fly Float, School Time, Health Plus, Eva Flotter, Synergy Shoes, Mausam

12. Lotto: Lotto is global brand with a presence in India .

Popular Brand Names: Shock-Off, ReactiveArch, Syn-Pulse, Dry Out Tech, Puntoflex, Dual Density, Longlast 40, Reactive Insole

13. Valentino: Valentino is an Indian shoe brand situated in Agra established in 1985 by Moti Lal Daultani.

Popular Brand Names: Sandals, Westport FlipFlops, Appeal.

14. Hitz: Hitz established in 1990 in Agra.

Popular Brand Names: Brutni, Splash, Churchill, Zara, Goldy, Puzo, Kangi, Philp, Pearl, Lotus, Rubby, Crazy

15. Lancer: Lancer an Indian company formed in 1989 with office in New Delhi.

Popular Brand Names: LCR Sports, PU Slippers, School Age, Belly, Mo-cassin etc

CONCLUDING REMARKS: The concluding remark of the research paper is that Footwear Segments of Indian Organized Retailing Industry is performing well. Year by year market is more expanding. Some foreign players have also entered in Indian market and they are also performing well. India is the major manufacturer of footwear products at a world level after China, with approximately 13% of world footwear product with 95 % output remain in country for the people where as 5 % production / output are exported in different countries of the world. Total retail market of Indian footwear segment is worth `33,592 Cr (US\$ 5.6 bn) growing at 17-18 per cent and is expected to cross `54,000 Cr (US\$ 9.04 bn) by 2017.

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