

INDIAN FOOTWEAR INDUSTRY: CONSUMER BEHAVIOUR AND BRAND PREFERENCE TOWARDS BATA

Ms. Radhika Roy*

Ms. Aadya Sharma**

Dr. Pravin Kumar Bhoyar***

Abstract

The focus of the authors in the paper is to study the consumer behaviour towards Bata products and brand preference in the Indian footwear industry. Bata is one of the oldest footwear brands of India. Since many competitors have paved their ways in the Indian footwear market, people started recognizing Bata as a school footwear manufacturer. A primary survey was conducted among 100 respondents in Delhi and NCR region to study consumer behaviour and their preferences towards the Brand. SWOT analysis has also been done using these responses. The study concludes that Bata produces durable, comfortable and quality products, but does not focus on trendy and stylish designs. Bata being an international brand, still holds an Indian image. Bata should rework on a lot of factors like promotions, designs and online present in order to stay in the Indian market and compete with other rising brands like Puma, Catwalk, Adidas, Reebok, etc.

Keywords: Brand preference; Consumer Behaviour; Bata India; Indian footwear industry; SWOT Analysis.

* MBA Student, Batch 2015-17, Symbiosis Institute of Management Studies (Constituent of Symbiosis International University), Pune

** Teaching Assistant, Symbiosis Institute of Management Studies (Constituent of Symbiosis International University), Pune

*** Deputy Director, Symbiosis Institute of Management Studies (Constituent of Symbiosis International University), Pune

1. Introduction

About the company:

Bata is a family-owned global footwear business and a fashion accessory manufacturer and retailer with acting headquarters located in Lausanne, Switzerland. It is organized into three business units-

- Bata Europe
- Bata Emerging Market
- Bata Protective

1897 Tomas Bata introduced the *Batavia*, the first fabric shoe and with it mechanized manufacture after which the production reached 2,200 pairs per day, made by approximately 250 employees. Today, Bata has a retail network of over 5000 retail stores over 60 countries manufacturing high quality shoes for ladies, men and children. Bata South Africa is the leading footwear manufacturer and retailer. The retail chain includes a wide range of products like ladies handbag, school and travelling bags and sports shoes and leisure brands such as power.

Bata group has a worldwide presence across 5 continents serving up to 1 million customers per day and operating in 4600 retail stores globally. Prior to its incorporation of Bata, footwear was manufactured by handicrafts and small enterprise sectors. The company started with its small operation unit in Konnagar in 1932.

Their functioning in India:

Bata India is a footwear manufacturing company incorporated in 1931. The company was earlier known as Bata Shoe Company which was later changed to Bata India in 1931.

The company manufactures footwear for men, women and children. The company manufactures shoes of various quality such as leather, rubber, canvas etc. It currently has 5 factories at Batanagar (west Bengal), Bataganj (Bihar), Faridabad, Peenya (Karnataka) and Hosur (Tamil Nadu).

Bata India has introduced the concepts Flagship, City, Family and Bazaar stores that cater to different segments of the market which are available at different locations.

Segmentation of Bata based on different income groups in India:

In India, the population is divided into four income groups. The low income group and lower middle income group constitute majority of the population. The upper middle class and upper class people constitute a very small proportion of the population, but hold a major part of the national income.

As the country is divided into parts, the products of Bata can also be segmented based on different income groups. Table I describes the same:

Table I: Segmentation of Bata based on Income groups

Upper Middle Class	Hush Puppies, Scholl, Marie Claire, Weinbrenner
Lower Middle Class	Sunshine, Bata Lite, Power
Low Income Group	Sandak, Bata

Source: Literature Review of Bata

Based on price and product type, Bata products have been divided based on income groups. As seen from table I, Hush Puppies, Scholl, Marie Claire and Weinbrenner are the top end products of Bata, mostly bought by upper middle income group customers. Sunshine, Bata Lite and Power are products, mostly bought by lower middle income group; and Sandak and Bata are low end products, mostly bought by low income group customers.

Challenges faced by Bata in India and major competitors:

Being a developing economy, most of the population of India still belong to lower and middle income group. Bata was the first footwear company which came to India in 1931, and held largest market share during that time. Metro shoes, from Mumbai, entered this market in 1947, but not at such a major scale. After Bata, Corona was the second biggest footwear industry in India, which came in 1953, followed by Liberty in 1954. Till 1980, the major competitors were

Bata and Corona. Post 1985, companies like Reebok, Puma, Adidas, etc. started entering the Indian market. Bata started getting competition from such big market players.

Later on, people started recognizing Bata as company, which produces school shoes for children. Recently, Bata came up with various high end products too, in order to compete with brands like Liberty, Metro, Reliance footprint, Puma, etc.

Objective of the study:

The objective of the paper is to study the consumer preferences and demand of Bata shoes in India. To bring back the audience of young adults by developing new marketing strategies without cannibalizing on its existing customers – Children and Adults.

Review of Literature

Sandip Sarkar in 2008 wrote a paper on “A case study of footwear industry in India”. In Indian footwear industry, barriers to entry are very less, and market volatility is very high. In the paper, the author took three states of India viz. Uttar Pradesh, West Bengal and Tamil Nadu to give a picture of the dynamism and complexity of footwear industry in India.

Anupam Bansal in 2014 wrote a paper on “Is liberty following Bata’s footsteps?” Liberty and Bata both had an age- old image of school shoemakers. Over the years, both underwent transformation to cater lifestyle flamboyance. Liberty footwear originated in India, whereas Bata is a UK based company. In Indian market, their journey of transformation had been similar. Bata introduced its TVC in 2012, which repositioned the brand with layers of comfort, fashion and aspiration. Within six months of this launch, Liberty also brought about changes and highlighted fashion, style and comfort, similar to Bata. Bata’s campaign inspired Liberty to follow the footsteps of Bata in order to revamp its brand image.

Dr. B.S. Sandhu and Amreen Thind wrote a paper on “A study of brand- focused buying behaviour of young Indian customers in apparel and footwear segments” to examine prevailing brand preference among the youth with focus on brand, and to investigate the future brand inclination in footwear and apparel industry. The authors took a sample size of 200, to

understand the buying behaviour of customers. With the help of descriptive analysis, the authors tried to explain the nature of customers towards brand engagement. The analysis results using underlying factors match with the existing literatures in this market research segment, that consumers are brand conscious.

Geetha Anand and U. Alekya wrote a paper on “A study of consumer behaviour in the footwear industry”, where the authors seek to analyse the footwear industry of India, and the buying behaviour of Indian customers in footwear segment. According to the authors, the footwear industry is an important part of the fashion industry, and is very competitive and vibrant. In the paper, the authors seek to analyse the patterns and consumer behaviour across the pyramid, and conclude that consumer base in India can be found mostly in the bottom segment of the pyramid. In September 2012, B. Gajanana Prabhu wrote a paper on “an investigation on brand preference among sport shoe consumers: a cross sectional investigation”. In the paper, the authors focused on studying the brand preference of customers among the sport shoe segment, and came out with a conclusion that Reebok and Nike being more preferred brand over Indian shoes like Bata, action, ASE, etc. The authors also concluded the reason behind this preference being quality and durability. Customers were found to be least interested in price and variety over quality and durability.

Along with the research publications, various articles have also been written in order to study the consumer preference in footwear industry. Maximum literatures suggest that customers have inclination towards brand. In most of the cases, customers prefer brands like Nike, Reebok in sport shoe segment over Bata and action. Bata, action, liberty have a considerable number of market share in daily wear shoes.

2. Data and Research Methodology

For the purpose of the study, primary data was collected using survey and questionnaires. Questionnaire was distributed among children and adults of age group 18- 25 in Delhi and NCR area. The questionnaire included questions in order to study the behaviour and preference of customers towards the brand.

The target group included male as well as female participants. The sample size was 100. Out of the total sample population, 32% belonged to age group of 18 to 21 and 68% belonged to age group of 22 to 25. Also, 53% respondents were female and 47% respondents were males.

A pilot study was also conducted to test the feasibility of research on 10 respondents. A questionnaire was prepared and their opinion was taken in order to study the consumer preference and behaviour towards the brand.

3. Results and Discussion

Bata is one of the oldest footwear industries in India. To study the consumer behaviour and preference towards the brand, a questionnaire was circulated among 100 respondents, and a survey was conducted. It dealt with their preference towards Bata, what entices them to buy or to not buy from Bata, which product line they prefer the most, the platforms used to buy Bata products, etc. Based on the responses recorded, the following inferences can be drawn:



Figure 1: Customer's Preference towards Bata Products (Source: Primary Data)

Figure I shows the preference of customers towards Bata products. 73% respondents believed that sales and discounts entice them to visit stores, whereas 27% respondents do not feel so. 72% respondents said that they would like to visit Bata store to make purchases, whereas 28% respondents did not want to go to Bata store to buy Bata products. Only 48% respondents had made a visit to a Bata store in the past six months, whereas 52% did not. 34% respondents also buy accessories like bags, belts, wallets etc. from the Bata store, whereas 66% respondents

either did not know that Bata keeps other accessories too, or do not buy such accessories. Thus, from the above mentioned graph, we get mixed responses.

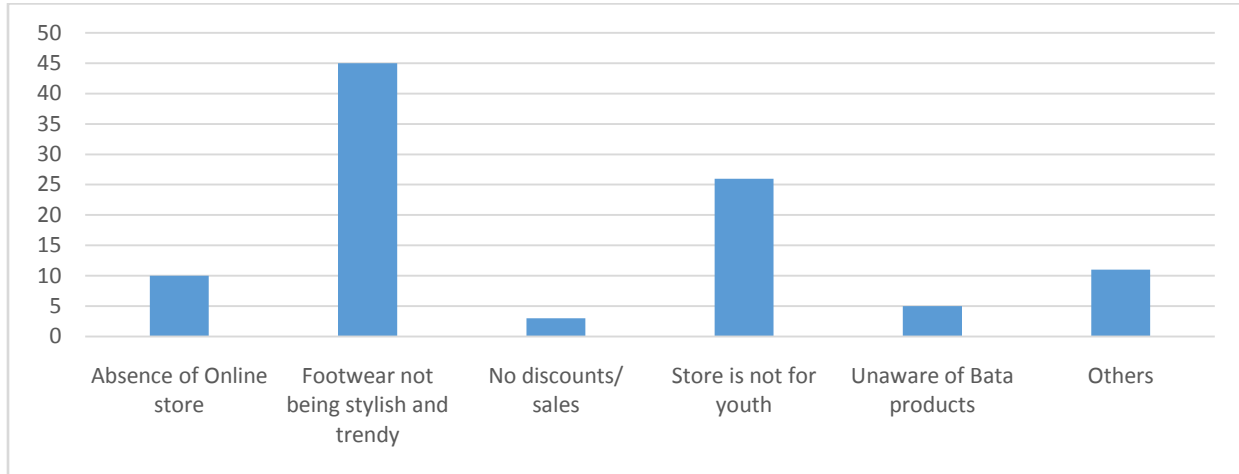


Figure 2: Why Respondents do not buy Bata products (Source: Primary Data)

Figure 2 answers the question about why do respondents do not buy Bata products. 45% respondents are of opinion that Bata footwear are not stylish and trendy. The youth, to whom the questionnaire was distributed, do not find it stylish and trendy, and 26% respondents opine this. 3% respondents do not buy from Bata because Bata do not give discounts/ sales. 10% respondents do not shop from Bata because of absence of online store. 5% respondents are unaware about Bata products, and rest 11% respondents stated other reasons.

To conclude this point, 71% respondents in total do not find these products for youth as these are not stylish and trendy.

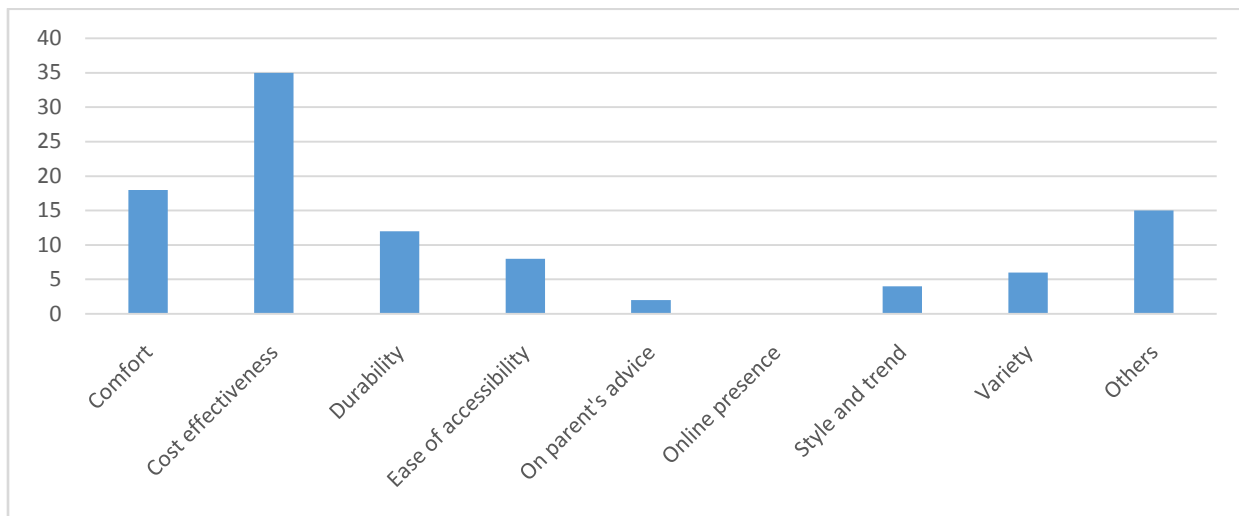


Figure 3: What triggers the respondents to buy from Bata? (Source: Primary Data)

Figure 3 describes the various factors, which triggers the respondents to buy from Bata. 35% respondents believe that cost effectiveness is the most important factor, which influences them to buy Bata products. 18% respondents find the Bata products comfortable and 12% find them durable. Rest respondents prefer buying from Bata as accessibility is easy, Bata shoes provides variety, and are stylish and trendy. 2% respondents buy these on parent's advice. Nobody advocated the option of presence of Bata products online.

In India, many people still have the mentality that Bata manufactures school shoes for children. More recently, Bata has come up with a variety of products, and various brand segments like Hush Puppies, Marie Claire, Sandask, Bata Lite, etc.

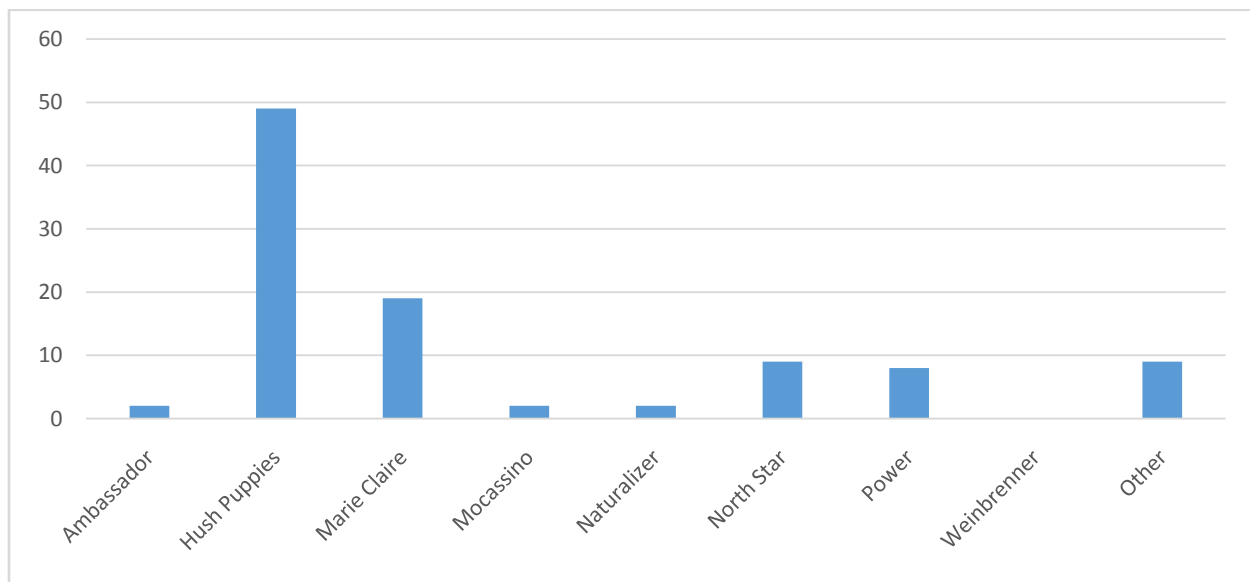


Figure 4: Which Bata products respondents prefer buying the most? (Source: Primary Data)

Figure 4 shows the preference of customers, as to which Bata product they like to purchase the most. Based on the responses recorded, 49% respondents replied with Hush Puppies, which is one of the top end products of Bata. It was followed by Marie Claire with 19% responses. Rest included Power, Ambassador, North Star and others.

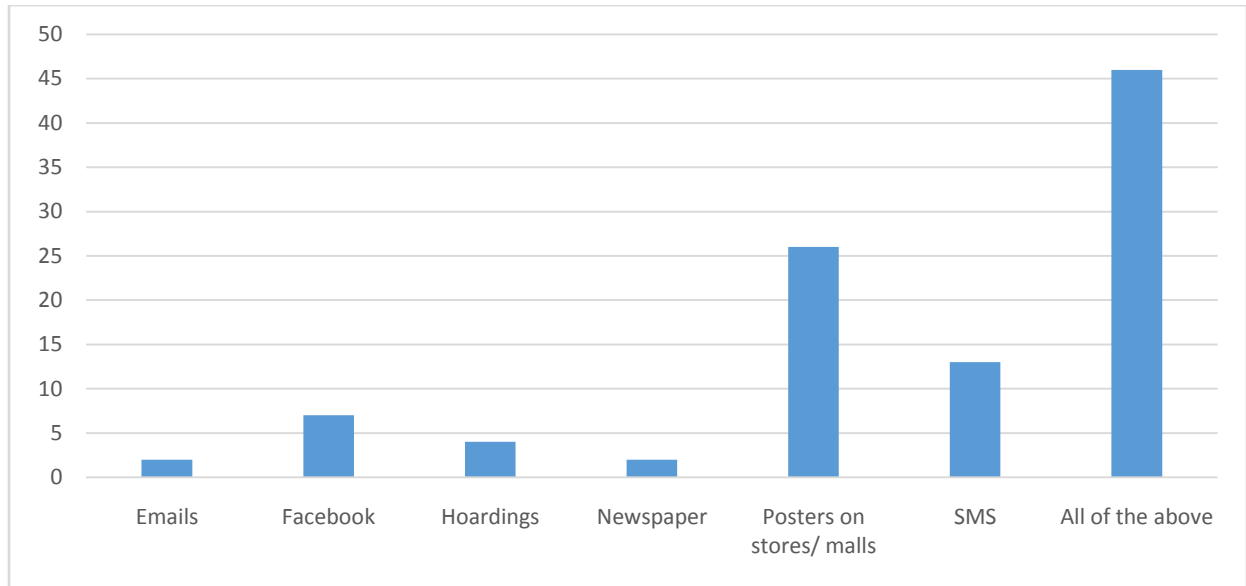


Figure 5: How do respondents get to know about offers and new arrivals? (Source: Primary Data)

One of the previous questions indicated that 73% respondents believed that offers and promotional discounts and sales entice them to visit the stores. So, a question was asked about how people get to know about discounts, sales, new arrivals and promotional offers. Figure 5 describes the same.

26% respondents answered that they get to know about it from posters that are put up in malls and stores. 13% respondents said that they come to know about this via SMS, 7% respondents favoured Facebook, 4% respondents answered in favour of hoardings, and 2% each via email and newspapers. 46% respondents answered that they get to know about these offers and new arrivals from all such sources.

In reality, Bata is not very active in terms of advertising its products. It is one of the weaknesses of Bata. But people coming to know about such schemes and offers indicate that Bata have a good customer share. But in order to attract new customers and keep the old customers intact, Bata should start making efforts in this direction as well.

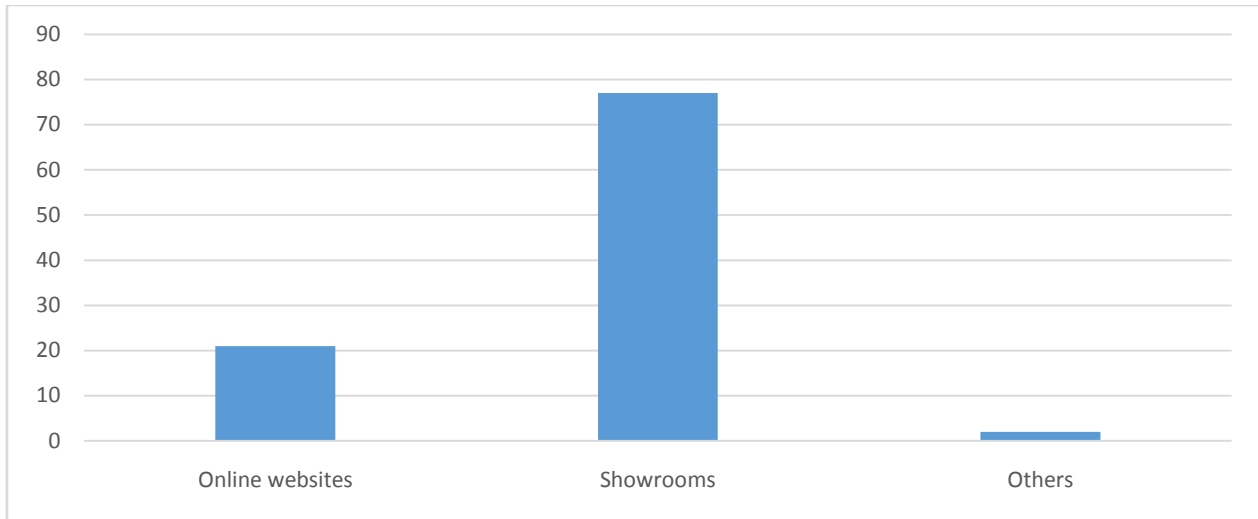


Figure 6: Respondent's preferred platform to buy footwear (Source: Primary Data)

Figure 6 shows the various platforms preferred by respondents in order to buy footwear. 77% respondents replied that they prefer going to the showrooms to buy footwear. 21% respondents replied that they prefer online websites, whereas 2% referred to other platforms like local shopkeepers. This question should also be a trigger for Bata India as Bata does not grasp the online market properly.

Apart from these questions, other questions were also asked to the respondents. Respondents were asked about which section of the store they visit once they enter the store.

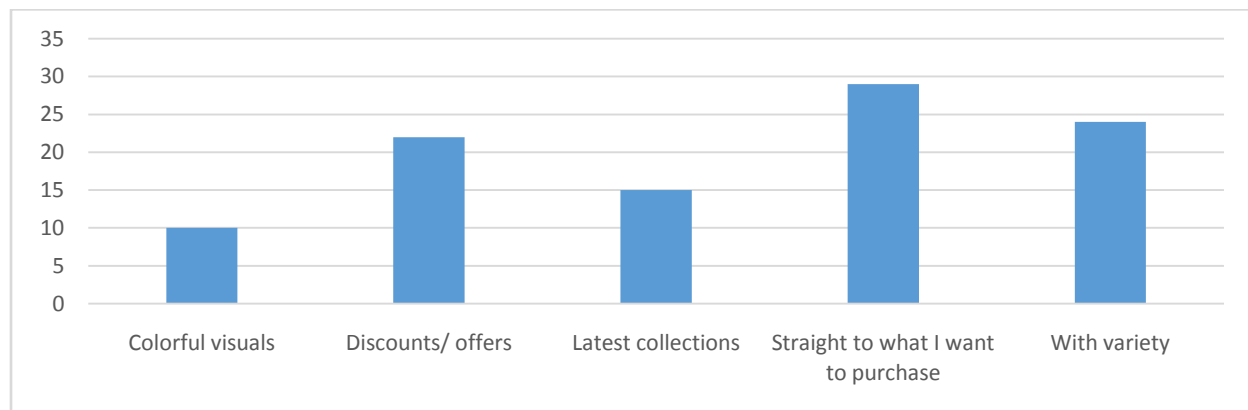


Figure 7: Which section in the store attracts the customers the most? (Source: Primary Data)

Figure 7 shows that 29% respondents straightaway goes to the section, from where they want to make a purchase. 24% goes to the section with variety, 22% after sale and offers, 15% goes to

the new arrivals section and rest 10% goes to the section with colourful visuals. This also shows us the consumer behaviour and preferences towards different products.

Apart from these data, respondents also suggested that Bata footwear are most comfortable and durable, which attracts the customers the most. In their words, Bata gives comfort with style. But at the same time, Bata is seen as an Indian brand, but it is not. It should focus on styles and designs too, which can improvise its image as an international brand. At the same time, Power and Weinbrenner, which belong to sport shoe segment of Bata, should be promoted like other brands. And not only these two, but others also should be advertised.

Nowadays, online shopping has become prominent. Be it clothes, groceries, electronic items or footwear, people have started buying most of the products online. But Bata products are not easily available online. Even if it is available in a few websites, not all designs and sizes are available. It is one of the weaknesses of Bata as other brands like Puma, Catwalk, Metro, Adidas, Reebok, etc. have online presence.

Bata have a lot of positive fronts like it have footwear segments for various income groups. It allows Bata to capture a larger market share. Unlike bigger brands, Bata provides equal opportunity to people from different strata of the society to buy their products. Thus, this also helps Bata with global expansion. Product lines of Bata like Hush Puppies, Weinbrenner, etc. are globally recognized. This again would help Bata to strengthen its footholds in India.

But at the same time, Bata needs to do promotional activities and advertisements. Bata gets immense competition from brands like Puma, Adidas, Catwalk, etc. In order to stay in the market, Bata should buck up.

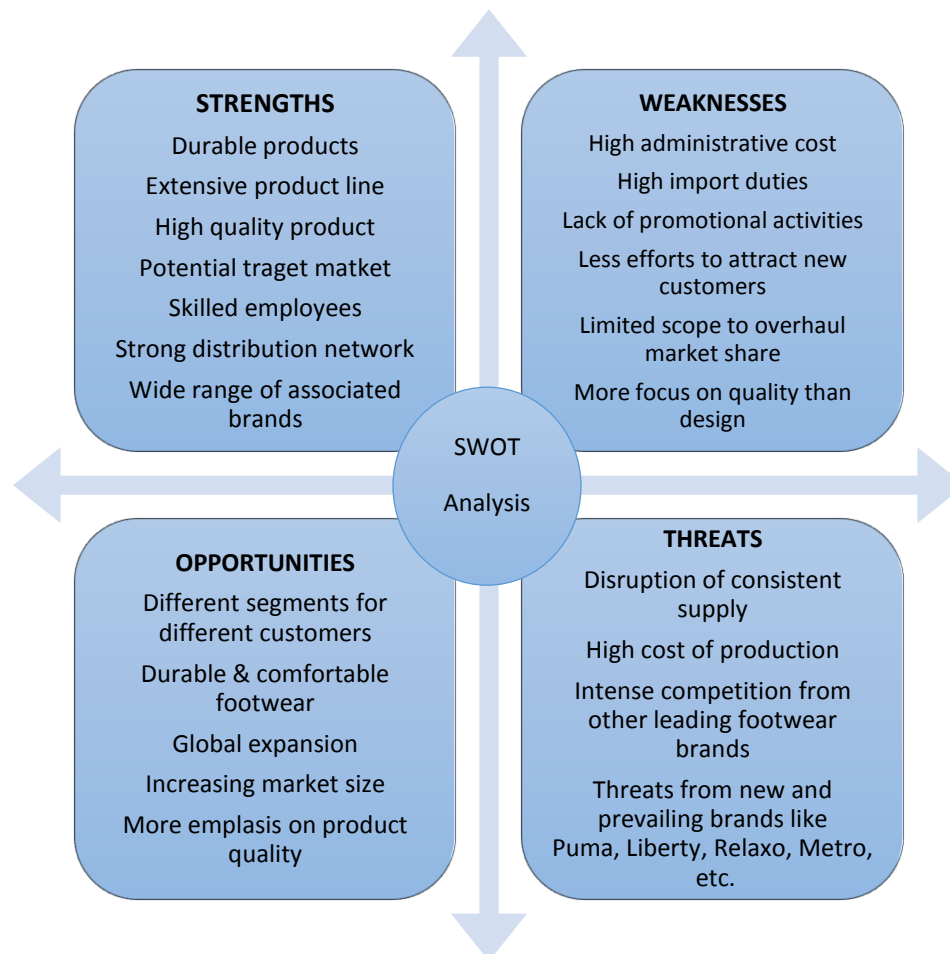
These are just a few inferences. Based on the results derived from the questionnaire and various suggestions given by the respondents, a SWOT analysis of Bata has been done.

Swot analysis of Bata:

Based on the study, SWOT analysis of Bata can be done. SWOT analysis is a study undertaken by an organization to identify its internal strengths and weaknesses, as well as external opportunities and threats.

Table II: SWOT Analysis of Bata

Source: Primary Survey



Strengths: The strengths of Bata include comfortable, durable and quality products, which comes in a very reasonable price. Bata is also associated with a wide range of associated products. Hush Puppies, Weinbrenner, Scholl and Marie Claire are a few top end products of Bata. Bata lite, Sandak, Power are other product lines of Bata. It allows its customers to choose from a variety of products and over various price range. Thus, Bata products are very much affordable.

Apart from that, Bata has engaged skilled employees in the store. Bata also have a strong distribution network. If online present is ruled out, Bata is physically present all over India, and have 1200 retail stores. It makes Bata accessible for maximum people.

Weaknesses:Biggest weakness of Bata is high administrative and production costs, which eventually increases the price of the products. Bata products are also associated with high import duties.

Bata emphasizes more on quality, comfort and durability than design and style. Thus, Bata fails to attract the youth of this country to buy its products. At the same time, Bata does not make much efforts to attract new customers. With increasing competition in the Indian footwear industry, if Bata wouldn't make efforts to attract new customers by giving advertisements, promotional offers, etc., it may lose its valuable customers to bigger brands.

Opportunities:Bata has various product lines for different customer types. It allows Bata to attract customers from all strata. Table I showed various product line of Bata and its segmentation based on income groups of the customers.

Bata is well known for durable, quality and comfortable footwear. Although the products may not be very stylish, and may not attract a lot of youth. But even after that, Bata attracts a lot of customers, and have its own loyal customer segment. Bata also have the opportunity to create a rural market segment.

Threats: Bata have threats from new and prevailing footwear brands. Bata product line like Weinbrenner and Power have threats from Puma, Adidas, Reebok, etc. Hush Puppies, Marie Claire, Scholl have threats from Metro, Catwalk, Inc. 5, etc. Relaxo, liberty etc. are also giving tough competition to Bata footwear.

Bata in many cases is still known as the brand, which manufactures school shoes. If the Research and Development department of Bata do not do well to improvise the designs and trendiness of its footwear, then there is a threat for Bata to lose on a huge share of its customers.

4. Conclusion and Recommendations

Bata is a footwear company which is headquartered in Switzerland. It entered the Indian market in 1931 as Bata India. Since then, Bata India has been producing comfortable, durable and quality footwear. Corona was the first biggest competitor of Bata India. At present, many brands have come in the footwear segment including Puma, Adidas, catwalk, Inc. 5, Metro, Liberty, Relaxo, etc.

Within Bata, there are a lot of product lines, which can also be segmented based on different income groups of the customers. Hush Puppies, Weinbrenner, Scholl and Marie Claire are among the top end products of Bata, and their competitors include Catwalk, Puma, Adidas, etc.

This study was conducted among the youth in New Delhi and NCR region in order to study the brand preference and customer behaviour with respect to Bata products. Literatures as well as this study suggest that Bata never compromises on quality, but it should also focus on design. If Bata do not give weightage to promotional activities and design, then it might lost on its market share and valuable customers.

Bata is known for its comfortable, durable and quality footwear products. At the same time, it is very cost effective. Study suggests that 72% respondents favoured to go to Bata showrooms to buy Bata products. If online presence is ruled out, Bata products are available in over 1200 stores across India. It makes it very accessible for customers of all age groups as well as income groups. Bata thus caters its customers with comfort and style.

One of the drawbacks of Bata, as per the study is that Bata and its Research and Development department do not focus much on designs and trendiness. The study also suggests that 45% respondents feel that the footwear in Bata showrooms are not trendy and stylish, and 26% feel that such footwear are not for youth. In order to attract the youth, Bata should introduce new designs in its footwear segment. The youth thus find these old and not so fashionable footwear overpriced. Colourful and designer footwear along with quality and comfort would attract more customers.

Online absence of Bata products is another drawback. In this era of technology, online shopping has become prominent. Be it clothes, groceries, electronic items or footwear, people have started

buying most of the products online. But Bata products are not easily available online. Even if it is available in a few websites, not all designs and sizes are available. It is one of the weaknesses of Bata as other brands like Puma, Catwalk, Metro, Adidas, Reebok, etc. have online presence.

At many places, even after decades, Bata is still known as a brand, which manufactures school shoes. It is also seen as an Indian brand, but it is not. Bata should change its image by introducing stylish and trendy designs and with the help of good marketing strategies.

Thus, the above study suggests that Bata India have various strengths and opportunities, which can help the brand build up and can help in its global expansion. At the same time, it also have a lot of weaknesses and threats, which if not handled properly, can lead to severe damages.

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