MARKETING AT AQUALITE

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ABSTRACT

In this Report we have studied about various trends in shoe industry as, it is most dynamic industry. With changing fashion and trends, they modify themselves accordingly. In the recent years it has changes drastically. New technologies play a vital role in it. Further we studied market segmentation of shoe industry which are divided into 3 segments (Based on the Product, based on the mode of sale, Based on the End User). These were the market segmentation which are explained below in details. After that we studied major key player of Indian Footwear Industry and What are the import duty applied on Footwears in India. There are many opportunities and challenges which are faced by Footwear industry. To overcome these challenges various steps are taken by Government and Industry itself. This industry depends upon only fashion and trends. Every year various trends come in Footwear industry and top 2022 trends are listed and explained below. This report gives detailed insight of footwear industry in India and its position worldwide and how Aqualite play a role in it. Aqualite is a renowned company worldwide and people prefer its shoes. In this report we also studied people preferences toward Aqualite and its brand image.

Keyword : Marketing , Footwear Industry , Compound Annual Growth Rate , Aqualite

About the Internship

She did her Internship in Aqualite as marketing analytics where she did market analysis of the company. She was provided with the primary data by her company guide and was asked to make a report using the data provided. The primary data which was provided by the company guide was a detailed videos of interviews conducted by the company to analyze the customer needs and to collect information of competitors. She was asked to conclude the interviews and make a detailed report of it including every possible detail which will help the company to build a better reputation and brand awareness in the market to give a tough completion to the competitors.
Objectives

- To study the perception of people toward Aqualite.
- To Analyze their market value of their product.
- To study the demographic and geographical aspects linked with Aqualite and people preference according to it.
- To study which segment, prefer which product.

Methodology

Methodology Both primary and secondary sources of information were used in the preparation of this report. The secondary data is gathered from published documents, website, company’s website, magazines, newspaper, research papers, etc. The majority of the data in this report was compiled using the intern's experience working for the company during the internship periods.

She sought assistance from company employees and participated in team discussions while putting this report together. As a primary source, She observed various videos and analysed them to make a report for the company to know their market value and people’s perception towards Aqualite.

Industry Profile

The purpose of wearing shoes is to protect and comfort the feet. Typically, it is constructed from materials like leather, rubber, plastic, wood, canvas, and jute. Due to the premiumization of footwear and innovations in quality, it has become a symbol of luxury and sophistication over time. Due to the shifting aesthetic and fashion trends in India, customers now favour buying footwear made of highly technical materials that offer maximum comfort in a variety of quality and styles. Additionally, they can be used for both athletic and non-athletic purposes, which is why their demand is skyrocketing across the nation.

India is one of the biggest markets for shoes. This is a result of the quickening urbanization and industrialization, which has led to a rise in the demand for formal, casual, athletic, and fashionable footwear. Additionally, as globalization grows, well-known footwear brands are emerging across the nation. In addition, the market is growing as e-commerce retail platforms become more widely used, supported by consistent and simple internet access. Customers can choose from a variety of products with simple payment options when shopping online, which is fostering a positive outlook for the market. Additionally, the market is expanding as a result of rising health consciousness, escalating demand for sports and athletic footwear, and rising
consumer spending power.

The leather industry in India includes a very important segment called footwear, which actually serves as the sector's main driver of expansion.

In terms of annual global production, the Indian footwear industry contributes 9%.

With a share of 13% of the 16 billion pairs of shoes produced worldwide, India is the second-largest producer of footwear after China. In India, 2065 million pairs of various types of shoes are made (leather footwear - 909 million pairs, leather shoe uppers - 100 million pairs and non-leather footwear - 1056 million pairs). Each year, approximately 115 million pairs leave India. A little more than 95% of its production is used to meet domestic demand.

The principal manufacturing hubs in India are located in Chennai, Ranipet, Ambur in Tamil Nadu, Mumbai in Maharashtra, Kanpur in Uttar Pradesh, Jalandhar in Punjab, Agra, Delhi, Karnal, Ludhiana, Sonipat, Faridabad, Pune, Kolkata, Calicut, and Ernakulam. The footwear manufacturing sector employs about 1.10 million people.

Dress shoes, casual shoes, moccasins, athletic shoes, horachies, sandals, ballerinas, boots, sandals, and chappals made of rubber, plastic, PVC, and other materials are among the footwear exported from India.

India's footwear market was valued at US$ 13.49 billion in 2021, and from 2022 to 2027, it is anticipated that total revenue will increase at a CAGR of 12.83 percent, or nearly US$ 27.84 billion.

**India Footwear Market Overview**

A type of clothing made by humans, footwear encloses and safeguards the entire foot, including the soles. Motion control, stability, and neutral are the three types of footwear. Motion control shoes are the most at ease and corrective shoes. The product categories for footwear include Casual, Mass, Active/Sport, Leather, and Non-Leather. The final consumers of the footwear are women, men, and children. The two main ways that Indian footwear is sold are online and offline. India sells nearly 78 percent of its footwear to European nations and the US, with exports totalling US$ 1660.41 million to the EU and US$ 312.21 million to the US. India's footwear is very well-liked in Europe and the US.

On a national level, India is thought to consume footwear at a rate of about 90%. Changing lifestyles and rising disposable income are expected to cause a sharp increase in domestic demand. The market has experienced exponential growth in volumes as well; for instance, from 228 million pairs in 2015 to 278 million pairs in 2019. The availability of inexpensive raw
materials in large quantities, along with cheap labour, is advantageous to the footwear industry in India. This lowers production costs, which in turn lowers market prices.

Even though they are among the biggest producers in the world, the majority of Indian footwear manufacturers are lousy at marketing and promoting their goods. Small and medium-sized businesses make up the majority of these participants, and they have poor supply chains and small marketing budgets.

**India Footwear Market Segment Analysis**

1. **Based on The Product**

Markets are divided into categories such as Casual, Mass, Active/Sport, Leather, and Non-Leather. By 2027, the casual segment is anticipated to command a xx percent market share. The main purpose of casual footwear is to promote ease of movement. For added comfort and support, they are also internally insulated. Casual footwear alleviates blood flow issues, prevents foot pain, and enhances posture without causing long-term harm. During the forecast period of 2022–2027, these are the major factors influencing this segment's growth in the India footwear market.

![Export and Import in Indian Footwear Industry](image)

2. **Based on The Mode of Sale**

Online and offline sales are the two market segments. The online sales segment is anticipated to expand quickly during the forecast period at a CAGR of xx percent. Indian consumers now have quick access to global trends thanks to the increased use of digital technology and smart phones. Online sales are growing in popularity in the Indian footwear industry. The expansion of online
retailing is being driven by the changing shopping preferences of Indian consumers. During the forecast period of 2022–2027, these are the main factors boosting this segment's growth in the India Footwear market.

3. Based on The End User

There are three market segments: Kids, Men, and Women. The women’s segment is anticipated to expand quickly, with a CAGR of 20% during the forecast period. This is brought on by both the increased use of internet services and the employment of women. The primary footwear manufacturer's increased spending to reach a wider consumer base has also helped this. The shift to branded products is advantageous for the women's market. These are the driving forces behind this segment’s expansion in the India Footwear market between 2022 and 2027.
India Footwear Market Key Players

- Bata
- Metro
- Liberty
- Ajanta
- Khadims
- Paragon
- Action
- Sreeleather
- Catwalk
- Mochi
- Relaxo
- MACRO FOOTWEAR
- Lallan Shoes
- Carbon Footwear
- Shoe Art India
- Condor Footwear
- DSK Leather Works
- Days Footwear

Import Duty on Footwear in India

In the 2020 budget, the government increased the import duty on footwear from 25% to 35% and on footwear components from 15% to 20%. This action is anticipated to help domestic producers, along with recent government announcements on promoting "Made-in India" footwear.
Opportunities and challenges of Footwear Industry

With a per capita consumption of just 1.7 pairs annually compared to a global average of 3 pairs and developed countries' average of 6-7 pairs, the Indian footwear market is underdeveloped.

The Indian footwear market is well positioned to experience double digit growth over the coming few years thanks to rising disposable incomes and the emergence of fashion-conscious and aspirational consumers. Being a labour-intensive industry, footwear also offers a special "social" opportunity with the potential to create jobs for more than 20 lakh people over the next few years.

The availability of cheap skilled labour and an abundance of raw materials gives Indian footwear manufacturers a distinct competitive advantage over their international counterparts, allowing them to access the sizable domestic market.

The industry is well-positioned to even target international markets and turn India into an export hub for footwear if given the right market access and incentives.

Top footwear industry trends for 2022 in India

In 2022, the Indian footwear industry will benefit from the following trends.

- **Let the toes shine:** It's possible that outdoor movement is restricted as Omicron cases increase and a potential third wave of covid emerges. There will be a rise in the popularity of open-toed or cosy shoes like sandals and pyjamas.

- **Let us lead an active lifestyle:** In order to maintain a healthy lifestyle in the absence of gyms and sports events, people have started running and jogging. Athletic shoe sales on the e-commerce site Flipkart have increased by up to 1.5 times since the beginning of the recession, and from July to August, sales have increased by 20%.

- **Push of Make in India:** Under the "Make in India" initiative, the government is putting an emphasis on homegrown manufacturing in an effort to make the Indian economy self-sufficient. The government of India has announced a $364 million incentive package for the leather and footwear industry because the country's footwear and leather industries have always been export-oriented.

- **Going Omnichannel:** For reduced operational complexity and simple customer service, footwear brands are choosing omnichannel sales and bringing synchronization across all sales channels. Bata has launched Bata Chat Shop on WhatsApp, which covers 600 of its stores across India. Customers can chat with their local stores to place orders, a change
from the 6-7 percent that digital channels previously made up of its sales. In order to improve its omnichannel presence, it had launched "Bata-on-Wheels," a mobile shoe store.

- **Automation:** A pair of shoes requires a lot of manual labour to make, particularly the sewing and construction of the upper, which takes at least 18 months from planning to completion. The government might once more impose requirements that companies only operate at 50% capacity as the third wave approaches. Businesses can save on labour costs and better balance supply and demand by implementing automation in their production processes.

**Major Markets of Footwear Industry of India**

The USA had a share of 14.6 percent in 2016–17, followed by the UK (14.4 percent), Germany (12.2%), France (6.4 percent), Italy (4.8 percent), Poland (4.4 percent), UAE (3.7 percent), Spain (3.3 percent), Belgium (3.2 percent), and the Netherlands (2.5 percent). 80.53 percent of India's total footwear exports are made up of these ten countries collectively. The United States and European nations receive nearly 90% of the footwear that India exports. The market will continue to drive the expansion of Indian footwear in India. Major markets for Indian footwear include the United States and Europe.

**Company Profile**

**THE AQUALITE FOOTWEAR PRIVATE LIMITED**

Founded on July 9, 2014, the non-governmental company Aqualite Footwear Private Limited was established. It is a "company limited by shares" that is private and unlisted. Authorized capital for the company is Rs 1.0 lakhs, and its paid-up capital is Rs 1.0 lakhs, or 100 percent of authorized capital. The most recent Annual General Meeting (AGM) of Aqualite Footwear Private Limited took place on September 25, 2017. According to the Ministry of Corporate Affairs, the company's most recent financial update was on March 31, 2017. (MCA). Since the past 8 years, Aqualite Footwear Private Limited has primarily been engaged in the manufacturing (leather & products thereof) business. Davinder Kumar, Anil Kumar Gupta, and Avichal Gupta are the current board members & directors. In 1992, Aqualite began operations in India in Mangdpuri with 5 directors and gross sales of 72 lakhs. At the time, the company had a unique vision of producing high-quality shoes that were easily accessible to all Indians and offering them to the general public at affordable prices. The footwear brand Aqualite is well-liked in India because it is both fashionable and modern in terms of concept, style, material comfort, aesthetics, and overall presentation. The company is committed to creating and releasing new footwear options with ease and toughness. Aqualite is currently moving forward
with realizing its dream. 100 showrooms will be located in major cities, and the organization intends to expand their system to 1000 merchants. The company can produce about 80 million pairs of shoes, slippers, and sandals per year and has a workforce that is incredibly talented and skilled.

**Research Report Analysis**

In this report she analyzed the videos of interview conducted by company in which she concluded the analysis of brand awareness of the company. The report states what consumer wants and what competitors are providing which is hindering them from buying their products. In this both males and females participated. She concluded that males and females have different perception regarding the shoe brands. Like males prefer Sparx and Adidas, whereas female prefer Bata, Relaxo and Paragon shoe brands. And each respondents stated what they liked about these brands; these are as follow:

- According to Respondents Adidas, Bata and Nike are expensive.
- Paragon is durable and suitable in rainy season.
- Sparx and Campus is budget friendly shoes.

She also concluded the following in the report:

- The respondent got familiar with Aqualite through advertisement and salesperson.
- The 37.5% respondent prefer to buy footwear online due to more choices and they can compare the prices, rest prefer offline due to less chances of frauds.
- Female respondents own more pair of shoes than male respondents, they purchase footwear after every 6 months or twice every year, but male purchases footwear after they are bored of their footwear or after every 6 months or when their footwear’s sole starts wearing out.
- Both, male as well as female, respondents agree that footwear does depict and say a lot about one’s personality and respondents take into consideration various factors such as design, brand, cleanliness of shoes.
- In case of shoes, respondents are willing to comprise price only.
- In case of shoes, the respondents are not brand loyal, and they will shift from one brand to another brand if they are offered a great deal (except male respondent of Chennai, they
are highly loyal toward Sparx).

- Since many respondents prefer young, active, fit, and sporty actors and believe that Pankaj Tripathi is unfit due to his age and maturity level, despite the fact that he is quite well-known for his role in web series, many people believe that he is unfit for the position of Aqualite brand ambassador.

- Comfort, Price, Durability, soft sole, and light weight are some of the similar attributes that both, males, and females, look for while making a purchase decision.

- Chennai respondents favour south Indian actors over north Indian actors. Also, consumers favour actors who are young and in good physical shape. Some of the actors that respondents would like to see serve as the brand ambassadors for Aqualite include Tiger Shroff, Akshay Kumar, Hritik Roshan, Alia Bhatt, and Deepika Padukone.

- Respondents don’t do market research and the decision is made without any prior research when it comes to shoes.

These are the result of the Market Research.

Bibliography


