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apex [pic] CHAPTER ONE Introduction Part 1. Background of report To expand the practical knowledge by implementing theoretical knowledge through the internship program that would make a student to become a competitive with the outside world. That program not only increases the knowledge but also give the idea about organizational activities before entering into an organization. STATE University OF BANGLADESH is one of the reputed private university in Bangladesh, has designed the curriculum of BBA course such way that international graduates will be produced.

After competing 120 credits, one student need to go for further 4 credit internship programs in a commercial organization. From this internship program students get the opportunity to learn facing the real business world. My faculty supervisor Kazi Atif Anwar, approved the topic and authorized me to prepare this report as part of the fulfillment of internship requirement. The report thus was titled as “ Analysis of Consumer satisfaction of Apex Adelchi Footwear Ltd”

1. 2. Rationale of the study The business world is getting dynamic and competitive day by day.

It is hard for an organization to run & even survive in a fast paced, growing and uncertain world if it cannot keep tracks with the go of business dynamism. Business plays and links important roles in developing the economy of a country. So, as a business graduate, I think I need to be attached with any organization to get a handy & versatile experience about the business world before starting our career. Internship is the arrangement, which makes a bridge between our academic knowledge and practical world to have an acquaintance with the real business world as well as to gear me up to lead the future competitive business.

I have worked in the Marketing division of Apex Adelchi Footwear Limited, head office, Gulshan-1, Dhaka. In this report, I will try to make an overall consumer analysis of AAFL.

1. 3 Objectives of the report:

General Objective: ? The primary objective of this report is to explore of consumer analysis of Apex Adelchi Footwear Ltd. Secondary Objective: ? To show an overview of the company(vision, mission, value, product offerings, associates companies) ? To present an overview of Department of Gallerie Apex. ? To present an overview of footwear industry, economic condition of Bangladesh & worldwide.

1. 4 Methodology:

While conducting the report, sources were explored for primary information and data. But hardly any updated data could be found. In the absence of updated information or data dependence on secondary has been inevitable. However, wherever possibly primary data has been used. Data were also collected by interviewing the responsible officers and from some documents & statements printed by the Apex and the website of AAFL. There have been used some statistical tools (Microsoft Office Excel table) and graphical representation (Microsoft Office Excel chart) to find out different types of analytical results and interpretations.

4. 1 Primary Data Collection: Primary data ? Practical desk work. ? Face to face conversation with the officers and clients. ? Face to face conversation with the consumer ? Data collection of own supervision.

1. 4. 2 Secondary Data Collection: Secondary Data ? Annual report of AAFL. ? Official files and folders. ? Working papers. ? Selected books. ? Published and unpublished documents. ? Website.

1. 5 Limitations of the Study: As I did my internship program in Apex Adelchi Footwear

Limited & I worked in the Marketing Department so my report is fully based on the consumer satisfaction analysis of the company.

But to prepare this report I faced little difficulties through I have also got some limitation which are: ? The first limitation is that I failed to sketch the complete picture of the Apex activities at the period of my internship programmed. So I tried my best to focus on what I have done and also tried to make it consistent with other part of the report. ? The second limitation is the lack of intellectual thought and analytical ability to make in a perfect one. I have to offset with quality due to time constraint, which apparently seems to be the most severe limitation. Sufficient records & publications as well as up to date information are not readily available. ? Another limitation of this report is that the company's policy of not to disclose some data & information for obvious reason, which could be much more useful.

1. 6 Scope of the Study:

The report commences with the analysis of the footwear industry, company in focus, presenting the mission & vision, the values & product, description of 8 associates companies, Market related issues are discussed in detail along with their results and possibilities.

In this report consumer analysis has been discussed detailed as a result the management can take decisions regarding modifying their plans for give more facility for the consumer. [pic]

CHAPTER TWO Company Analysis

2. 1. Historical Background Apex Adelchi Footwear Limited (AAFL) is a leading export-oriented leather footwear manufacturer in Bangladesh. It is the largest exporter of leather footwear from Bangladesh. Currently holding the second position, the company is also one of the fastest growing footwear companies in the local market.

Despite the effects of global economic turmoil and scarcity of raw hide due to natural disasters, the company has performed well in the last couple of years. Bangladesh to major shoe retailers in Western Europe, North America and Japan. AAFL was incorporated on January 04, 1990. In the same year it went into commercial production with an installed capacity of 1000 pairs per day and 350 employees. Today the company is producing 15000 pairs of shoes per day, employing over 7, 500 people in two factories. Apex Adelchi has quickly established itself as one of the most recognizable brands in the footwear market of Bangladesh.

The exports by Apex Adelchi accounts for 45% of the total footwear exports from Bangladesh. With 6% of market share in local market, they are behind only to Bata Shoe, which holds 22% of market share. Because of their superior quality compared to that of Bata, Apex Adelchi's products have given the local market a very good alternative to Bata. Although the company remains a predominantly export-oriented company, they have also taken the local market very seriously, which may prove to be decisive in the long run. AAFL Company has exported more than 3. million pairs of shoes to Europe, Japan and USA per annum. Their earning was more than 4, 000 million euros from export. They have concentrated mainly on the export market. These export market comprises them more than 90% of their sales. They also have a growing local market for their products. Their local products were sold through a chain of retail shoe outlets in Bangladesh by the name of Gallerie Apex. Gallerie Apex has recently launched genuine Disney branded footwear through its stores to cater to the kids segment.

AAFL is committed to productivity and quality growth to attain its objective of being a leading footwear manufacturer of Asia through its mission of “Honest Growth”.
 2. 2 Company Profile: → Name of the Company: Apex Adelchi Footwear Limited. → Date of Commencement of Business as Apex Footwear Limited: January 4 1990. → Name Change to Apex Adelchi Footwear Limited: December 27, 2006. → Type of Company: Public Limited Company
 BOARD OF DIRECTORS Syed Manzur Elahi : Chairman Syed Nasim Manzur : Managing Director Munize Manzur Khasru : Director

Syed Gias Hussain : Director Niaz Ahmed Choudhury: Director Adelchi Sergio : Director Samson H. Chowdhury : Independent Director D. MANAGEMENT TEAM Syed Nasim Manzur : Managing Director Syed Gias Hussain : Deputy Managing Director & CFO Abdul Momen Bhuiyan: Executive Director A. A. Mosaddeque : Executive Director Dilip Kajuri : Financial Controller S. M. Shahjahan : Company Secretary Pradip Kanti Saha : General Manager Atiqul Islam : General Manager (Leather) Syed Md. Mustaque : General Manager (Factory)

Md. Mominul Ahsan : Head of Human Resources
 2. 3 Associates Companies: ? Apex Tannery Limited. ? Adelchi Footwear Bangladesh Limited. ? Apex Pharma Limited. ? Grey Advertising Bangladesh Limited. ? Quantum Marketing Research BD Limited. ? Mutual Trust Bank limited. ? Pioneer Insurance Company Limited. ? Gallerie Apex [pic] | 2. 3. 1: Apex Tannery Limited A leading manufacturer and exporter of finished and crust leather from Bangladesh to major products manufacturers in China, Japan and Italy. (apexadelchi. om, 2010)The company has annual export revenues of USD 37 million in 2006-2007, comprising almost 15% of the total export earnings

from leather of Bangladesh. (apexadelchi. com, 2010)ATL pioneered the export of value added crust and finished leather from Bangladesh and accessed capital markets for growth. (apexadelchi. com, 2010)ATL introduced the first convertible debenture in Bangladesh and has been publicly traded since 1986. (apexadelchi. com, 2010)ATL currently employs 955 persons, is professionally managed and is in full compliance Report under Section 2CC of the Securities & Exchange Commission Notification Order.

ATL is also the first tannery in Bangladesh. (apexadelchi. com, 2010) [pic] 2. 3. 1 Adelchi Footwear Bangladesh Limited. It is a leading manufacturer and exporter of leather footwear from Bangladesh to major shoe retailers in Western Europe, North America and Japan. (apexadelchi. com, 2010)The company has revenues of 444 crore taka in 2007. (apexadelchi. com, 2010)AAFL pioneered the export of value added finished products export in the leather sector of Bangladesh and is also involved in the local footwear retail business with the second largest shoe retail network in the country. apexadelchi. com, 2010)AAFL has equity, technical and marketing participation from La Nuova Adelchi one of the largest footwear manufacturers of Italy. (apexadelchi. com, 2010)Public listed and traded since 1993, AAFL is professionally managed, currently employs more than 6800 persons and is in full compliance with Corporate Governance Compliance Report under Section 2CC of the Securities Exchange Commission Notification Order. (apexadelchi. com, 2010) [pic]2. 3. 3: Apex Pharma Limited

One of the fastest growing, ISO 9001-2000 certified new generation pharmaceutical manufacturing and distribution companies in Bangladesh. (apexadelchi. com, 2010) APL started its operation in 2002, currently employs 1300 persons and markets 126 dosage forms from its Saver plant. (apexadelchi. com, 2010) The company's growth in 2006 was 65% against industry growth of 6% according to IMS. (apexadelchi. com, 2010) The company is in the process of setting up a new state-of-art manufacturing plant which completed in 2009. (apexadelchi. com, 2010) pic]2. 3. 4: Grey Advertising Bangladesh Limited. The first joint venture international full service advertising agency to set up in Bangladesh, GABL is today the largest stand alone agency in Bangladesh with billings of USD 6 million in 2006. (apexadelchi. com, 2010) GABL is a market leader with a dynamic team of young and talented professionals and has won an unprecedented 4 years in a row (2003-2007) the Agency of the year Award, at the Srijan Samman Awards for all Bengali advertising work done in India and Bangladesh. (apexadelchi. om, 2010) In addition work done for its local as well as multinational corporate has won innumerable local and international Awards and accolades. GABL is a member of the Grey Group owned by WPP. (apexadelchi. com, 2010) [pic] 2. 3. 5: Quantum Market Research BD Limited. Quantum Market Research Bangladesh Limited (QMRBL), a joint venture between Quantum Market Research Private Ltd of India and Apex Enterprises Ltd a Bangladeshi company, is the leading specialized qualitative market research agency in Bangladesh which provides research services to multinational and local manufacturers and service providers in and outside Bangladesh. apexadelchi. com, 2010) Its strong strategic link with its parent company Quantum Market Research Private Ltd, India (Operating in the <https://assignbuster.com/strategic-audit-report-of-apple/>

South Asian and Asia-Pacific Region) has also facilitated effective and continuous knowledge transfer at a sub-continent, regional and global level. (apexadelchi. com, 2010) Besides market research, QMRBL also provides effective service in qualitative social & development research to a number of local organizations and development partners. (apexadelchi. om, 2010) Since its inception in June 2004, QMRBL has conducted 284 studies in the areas of consumer psyche, brand development, communication, human resources development, social and organizational development and production practices. (apexadelchi. com, 2010) QMRBL employs 14 expert researchers and 5 supporting staff as permanent employees along with 75 field staff who work on a contract-basis. (apexadelchi. com, 2010) [pic] 2. 3. 6: Mutual Trust Bank Limited A Third Generation (License) Commercial Bank sponsored by Square, ACI and Apex which is the largest and most reputed businesses in Bangladesh. apexadelchi. com, 2010) MTBL today enjoys some of the highest credit ratings in the industry. (apexadelchi. com, 2010) Publicly listed, traded and professionally managed, MTBL is a market leader amongst financial institutions of Bangladesh and now this bank is very much renowned. (apexadelchi. com, 2010) This bank plays the most important role in the economy by collecting money from the individuals and lends them to others. (apexadelchi. com, 2010) Now bank's offer the widest range of financial services and perform lot of financial functions.

It has many branches all over the country. (apexadelchi. com, 2010) [pic] 2. 3. 7: Pioneer Insurance Company Limited. PICL is a general insurance company offering a wide range of non-life insurance products to retail and corporate customers in Bangladesh. (apexadelchi. com, 2010) This company

is sponsored by Square, ACI and Apex which is the largest and most reputed businesses in Bangladesh. (apexadelchi. com, 2010)PICL has established itself as one of the most respected players in the industry. apexadelchi. com, 2010)Publicly listed, traded and professionally managed, PICL enjoys 90th percentile rankings in a very crowded space of over 40 companies. (apexadelchi. com, 2010) [pic] 2. 3. 8 Gallerie Apex: Gallerie Apex is the local manufacturing and retail wing of Apex Adelchi Footwear Limited (AAFL). While AAFL has predominantly earned both critical and commercial fame through export of high quality leather footwear in the international arena, Gallerie Apex has sought to adeptly make use of that xpertise to provide high quality, fashionable footwear to the Bangladeshi consumers. With over 140 own retail outlets and 150 authorized resellers, Gallerie Apex ensures nationwide coverage of its diverse range of footwear for its consumers. Through its eight in-house brands, namely Venturini, Apex Men's, Sprint, Lotto, Moochie, Nino Rossi, Sandra Rosa, Revive and Twinkler, Gallerie Apex carries a huge selection of shoes and sandals, ensuring that each of our valued customer finds the footwear that is just right for them. Product category MEN | WOMEN | CHILDREN | OTHERS | | Casual shoe | Boot | Shoe | Shocks | | Dress shoe | Long boot | Sandel | Shoe care product | | Sendel | | School shoe | Hand purse | | Converse | | | Beg | | | | Belt | [pic] 2. 4 Mission & vision VISION " Honest Growth" MISSION To ensure sustainable growth To be a vendor of choice for our customers To create value for our shareholders To be proactively compliant with global best practices & standards To be a responsible corporate citizen 2. 5 Values: (Respectfor people - Demonstrate respect by developing our people and helping them to achieve high performance standards. - Treat all people with dignity. (Integrity - Honesty -

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Walk the talk. Sense of Urgency - Strive for speed and simplicity in everything we do. (Empowerment - Encourage and reward self-confidence and initiative - Require accountability

2. 6 Future: Apex Adelchi Footwear Limited has regained their focus on productivity and they have been forced to reassess their business model. (Apex annual report, 2009) They have made efficiency a byword, starting from wastage of materials to improving line wise productivity and this focus will remain. (Apex annual report, 2009) They have sought out and developed new and better sources of raw materials; they have identified new markets and segments where they have huge potential for growth. Apex annual report, 2009) They have also actively begun the process of reducing their financial expenses by exploring new innovative funding options. (Apex annual report, 2009) On the domestic front they are reinforcing their retail format with new formats in the wholesale space. (Apex annual report, 2009) They have launched several very large format stores which are generating good returns and also begun a phased renovation of older stores. (Apex annual report, 2009) They will continue to refresh and renew their product range to ensure that they deliver on their promise to maximize customer delight and choice. (Apex annual report, 2009) As the global markets emerge slowly, from recession they are ready to take full advantage of the new opportunities that emerge. Apex annual report, 2009) The power situation in Bangladesh has already reached crisis proportions and Apex Adelchi Footwear Limited averaged more than 7 hours of load shedding per day in March 2010. (Apex annual report, 2009) Adelchi Footwear Limited is equipped with sufficient diesel standby generators but they are not designed to run for such long hours at a stretch and the wear and tear and operating costs are very high. (Apex annual report, 2009) This

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is a serious threat to their ability to meet their production targets and operate their plant optimally and profitably. (Apex annual report, 2009) They must now actively explore immediate power solutions like switching to alternative energy sources such as HSFO based captive power generation. (Apex annual report, 2009) The global shift towards green sourcing is a reality and it has already started in the footwear industry. (Apex annual report, 2009) Today their entire supply chain must be environmental sustainable and obviously the present tannery industry in Hazaribagh is unable to meet these standards. (Apex annual report, 2009) They must start to plan for an alternative production source of environmentally friendly finished leather from raw hides that can meet global standards. (Apex annual report, 2009) The global footwear market is forecasted to reach USD 272.5 billion by 2013 and Europe is the single largest market accounting for 42.3 percent of global value. (Apex annual report, 2009) Bangladesh enjoys preferential access to this market, has a competitive and young labor force and is blessed with a domestic raw material advantage in terms of locally available hides and skins. (Apex annual report, 2009) Apex Adelchi Footwear Limited must now turn its focus on maximizing these strengths and ensuring that they are prepared to meet the new challenges of power supply, developing capability and offering shorter lead times to market. (Apex annual report, 2009) Apex is a forerunner in this industry in Bangladesh but they must now redouble their pace to maintain their leadership position and achieve their goal of global standards of excellence. (Apex annual report, 2009)

2.7 Product:

Since the beginning of the retailing business, in 1990, AAFL received a remarkable response from the local market which motivated the company to

expand over the years. Today, the company offers the local consumers of Bangladesh a much wider range of products than before. Most of the products that are offered in the local market by AAFL are relatively different from the ones that are exported, especially in terms of design and material. The reason behind this is the different climate, culture and the demand of the consumers of local and foreign markets. For example, AAFL exports products like ladies boots which are not available in the local market because the boots do not complement with neither the clothes that most of the ladies wear nor the culture of the country.

So, AAFL offers ladies open sandal to meet the demand of the local market which, on the other hand is not exported as it would not satisfy the taste of foreign consumers. Thus, the product development unit of AAFL is continuously working to develop products based on the needs and wants of the local consumers. In the local market AAFL is mainly known for men's footwear and sandals but recently the company has extended the product range with ladies and kids products. The table above clearly shows that the emphasis is more on the of men's products than the ladies and children products. However, recently AAFL launched genuine Disney branded footwear through the retail stores to furnish to the kids segment.

Disney provided the license to AAFL to launch footwear for children designed with for instance the Disney characters like Pooh bear, Mickey Mouse, etc. According to men's shoes, there are three products brand like Venturing, Apex and Sprint are common and ladies sandals; Sandra Rosa, Nino Rossi and Apex are common. Men's shoes size starts from 39-44 and sandal size starts from 35-41. There have different row to display particular brand

product like shoes, sandals, socks, kid's sandals etc. Price of men's shoes starts from 1250Tk-5500Tk, sandals 400Tk-1950Tk, ladies sandals 380Tk-2250Tk, comfort socks 150Tk-250Tk. Price of leather Goods is 600Tk. Components of Manufacturing Shoes: There are some components required for making a pair of shoes.

These components assemble with each other step by step. The manufacturing procedure depends on some components which need to make a pair of shoes. UPPER: Upper is the main part of shoes. This upper made by leather, synthetic, fabric, rubber. In upper side different components or parts of leather are combined by stitch this stitch is various types like lock stitch, chain stitch, jhik jhak stitch, heavy stitch and moccasin. LINING: This is the inside part of upper, it can be also leather, synthetic, fabrics (depends on shoe design). SOCK: Sock is to comfort the inner part of shoes. It can be synthetic, foam. IN-SOLE: This in-sole placed at upper side of sole.

It can be leather board, cellulose board, fiber board, Ethyl Vinyl Acetate (EVA). SOLE: It stands the lower part of shoes to adjust upper body. It can be rubber, leather board and wood, PU (Poly Urethane), Thermo Plastic Rubber (TPR) and Poly Vinyl Chloride (PVC). HILL: Hill is to balance the body of shoes and it can be rubber, wood. ADHESIVE: This is a gum which can use with sole to fit the upper side of shoes. There are different types of adhesives like: 2. 8 SWOT Analysis of Apex Adelchi Footwear Limited: Strengths: AAFL has advanced machines and skilled manpower which make it possible to produce high quality footwear. As a SBU of Apex group, it also has good financial backup.

As a partner company of Adelchi, Apex gets product designs from them which make it possible for them to follow Italian fashion trend. They have renowned brand image in the footwear market. Weakness: AAFL? s product price is comparatively high. On the other hand, their ladies and kids footwear brands are not that much strong. Furthermore, they have to depend on foreign suppliers for raw materials and design support. Opportunities: The quality of the leather available in Bangladesh is really very good. Furthermore, here labor cost is low which makes it possible to produce the products more cheaply. On the other hand, young generation is now more fashion oriented and brand conscious.

Threats: Consumers are now more prices sensitive day by day. Furthermore, most of the raw materials are not locally available. Beside this, leather price is increasing day by day due to high demand. Production is also hampering due to electricity crisis

CHAPTER THREE Departments of Gallerie Apex

3. 1 Operating functions of Gallerie Apex: Operating functions of Gallerie Apex (GAPX) is more effective according to the vision of this company. Whole process of GAPX operates a functional team on the demand of whole marketing process. These departments are shown as below: ? Human Resource Division. ? Product Development. ? Marketing Department. ? Sales Department. MIS Department. ? Merchandising Department. ? Supply Chain Department. ? Accounts Section.

3. 2 Human Resource Division: This division always monitors the facilities of employees and to check problems. There are some activities that HR department also do for the employees of Gallerie Apex like: (Human Resource Planning (Recruitment and selection (Compensation and Benefit (Accommodation (Healthand safety (Employee

and worker relation (Training and development (Motivation(Maintenance
Every manager and employees of every company wants a healthy and safe workenvironment. This environment is one of the more challenging areas for HR department.

This department of Gallerie Apex provides maximum safety and healthy environment under their activities. 3. 3 Product Development and Market Consultant: This product development team starts a new merchandising wing of Gallerie Apex. This section called Design Studio. This is the new innovation of product development, creates new design of shoes for new generation and analyzes the market in a short time. In design studio the swing machine is for the upper stretching of leather & scaling machine makes the leather thin. Leather quality is very good & it imports from Pakistan, Italy & Apex own tannery. (Through this studio the research can done very frequently & positive way.

Behind this activity design studio operates some other works for Gallerie Apex like: (Design & Technical Support (To standardize the component of product (Try to decrease the price of product (Market Trend Analysis (Find out the competitors (Short Time research (To collect the best quality shoe component (To check the quality of finished goods (Delivering 3. 4 Sales Department: Always keeps monitoring the sale condition of all galleries. Assistant General Manager (AGM)-Sales and Manager-Sales always monitor the new suitable market place which can be profitable business for Gallerie Apex. Under this sales department there have strong monitoring team called ASE (Area Sales Executive).

They are working at zonal basis like Dhaka North, Dhaka Central, Dhaka South, Chittagong, Sylhet, Rajshahi and Khulna.

3. 5 Management and Information: It is a set of interrelated components that collect, process, store and distribute information to support decision making. A computer information system based on 6 components such as, (Hardware (Software (Data/ Information (Procedure (Communication (People. There have some role of MIS which is necessary for all business and this department of Gallerie Apex also works in this point; (Improved communication system (Data management and faster decision making (Online data access (Systematic management and information. MIS department of Gallerie Apex is much established according to their job work.

This department collects sale report on entire galleries and input the database which should be daily, weekly and monthly basis. This department input the data of daily sale information like, (Actual sale amount (Number of sold pair goods. (Sold pair of shoes.

3. 6 Marketing Department: According to marketing concept, this department of Gallerie Apex holds the key to achieve its organizational goal consists of the company being more effective than other competitors in skill, delivering and communicating superior customer value to its chosen target market. Marketing department evaluate the present footwear market condition.) Marketing team also research how Apex brand can be established through utilize 4Ps concept in the market. Gallerie Apex has a reputation in market place, so marketing department should take some initial steps for the modification or more development of this present image. There are some works that marketing department always do; 1. Training and Development- Training for store manager, for sales man,

for Area Sales Executive (ASE). 2. Merchandise Analysis- Marketing department analyzes the merchandise procedure. Marketing department also checks the market demand of some selected articles, monitors the sale review, checks the best sale of product, which article should be more running. 3. Merchandise Action- Is there any problem come to mind about in store merchandising, then marketing department takes initiative of that step. 4.

Market Research- Marketing Department also works about the research of footwear market. If there any scopes that can be applied for the development of product and market, this department also investigate that. Brand Development, a brand is an art of corner store of marketing It is a name, term, sign and symbol or combination of them intended to identify the goods or services of one seller and to differentiate them from those of competitors. Marketing department also works to enlarge this brand. Corporate Branding, This marketing department of Gallerie Apex also works about corporate branding policy. Here some activities that has plan of this department is like; (Vehicle Branding (Hording sign Social Events (Corporate Branding umbrella (Shoe related fashion show (Advertising In order for publicity of any particular sales promotion or any new seasonal offer, marketing department of Gallerie Apex uses some advertising media. (Abrour) These are as follows, (TVC (RDC (Press Ad 3. 7 Functions & Responsibilities of supply chain: Supply chain department distributes product in whole galleries all over the country. After issuing the purchase order & manufacturing of product, supply chain work begins. First product goes to

Central Distribution Centre (CDC) with bills, delivery Chelan & VAT paper. Product comes from factory, source and import.

At CDC they check the products quality, box, article no, with Quality Control report and after that official formalities they receive product. The invoice will be 2-copies at the time of receiving goods from Shafipur Shoe Limited (factory). (1copy will go on Supply Chain Department (1copy will go on Merchandising Department At the time of supply from CDC to galleries, they make 3 copies of invoice. (1 copy for Supply Chain Department (1 copy for Management Information System Department (1 copy for Gallerie At the period of outsource suppliers, they also provide 4 copies of supply invoice. This copy goes to four particular sections like; (Merchandising department Supply chain department (Accounts department and (CDC record At the time of Bill submission, they attach supply invoice (Chelan). Supply Chain Department has some responsibilities also. They have to consider what kind of product will go which galleries. It depends on volume of sale, customer category & position of market & sales Sometimes they have to check the sale condition of galleries and also stock of shoes. According to distribution of goods they apply transport facilities or rent car or curia service. In fact CDC has own car but it can use only for Dhaka North zone, Dhaka central zone and Dhaka South Zone. 3. 8 Merchandising Procurement Procedure:

According to this procedure, there are two basic sources of production can provide the finished products; (Shafipur Shoe Limited (own factory) (Supply sources The Shafipur Shoe Limited is the main factory of Gallerie Apex. It produces goods according to given requirement. The components like upper, insole and outsole has collected from Shiva Footwear Ltd. Design studio of

Gallerie Apex produces only sandals with limited quantity. Gallerie Apex has some supply sources which make goods. These sources make goods according to given design or requirements of Gallerie Apex. Basically these supply sources make deed between Gallerie Apex and their factories that, sole & other component they will provide and they make complete shoes.

In the term of payment bill, they adjust their cost with total amount. Some names of supply sources are given below: • Hanif Shoes • Century Shoes • Popy Shoes • Moochie Shoes • Coaster Footwear • Herald Shoes • Classic Footwear • Ryan Shoe • Crown Leather • Keya Sandal • Home Land • Nashanan Trade • FN Enterprise • Prestige Bengal • King Ston • Bright Shine • Mayhem • Comfort Socks

3. 9 In-Process Quality Control: The quality control process of Gallerie Apex is very much effective. To check the quality of finished goods it has a specification sheet to know the total information about finished product. This sheet has the serial number, color, material of goods & price.

At 5th level of Gallerie Apex, Quality Control room is worked by the Quality Control officer of Design studio. The system is to check the 20% of product in a lot.

3. 10 Producer & practice of product pricing: At the time of selecting price of product it should be careful that, gross margin must be minimum 40 %.) Buying price will always be fixed. In terms of adding VAT, amount will be 15%. To analyze the total cost sheet some necessary work has to be done. These are: Article no: Color Cost of materials Value Added Tax (VAT) Total cost (unit based) Retail price Profit margin (TK) • Profit margin (%) • Quantity order • Total cost • Total VAT (amount) • Total cost value (amount) • Total retail value Total margin (TK) After calculating VAT on retail price of product,

total cost (unit based) can add. Profit margin is based on amount of retail price. Cost of material, information comes from own factory Shafipur Shoe Limited. There are two types of cost should be considered; own cost & supply cost. According to supply cost there can be made another cost sheet include all cost of supply source. In order to make a price of product all department head discuss about design, durability, looks of product, customer's choice & finally they fixed the price of product. Executive director is the head of this team.

3. 11 Basic Ideas on Store Display of Gallerie Apex:

Gallerie Apex always plays a different style to attract the potential customer. Visual Merchandising is very important part in store to attract the customer. Store Display gives an idea about the product feature such as variety, quality and size, color, design and trends. This display reminds the customers about their need and they attract to buy this product. It is an act of putting things for view or on view. I visited some galleries to take this display idea and I found some rules of display. This display can be dividing into 2 types. They are: (Interior Display (Exterior Display Before a customer enters the store, the store must send a message that, store must be well decorated, clean and full of lighting.

The display products are being neat & clean. There is some display rules that I have noticed from galleries is that; (Have to show the outside of shoes (Angle at 0degree & 90 degrees (same style) (Group shoes consistently with a space between groups (Display shoes should keep in small size like 38/40. (The display light should be top on display article According to Branding, there are generally 5 brands are common on Gallerie Apex. [pic] [pic] [pic] [pic] There are some rules about Brand Differentiation: (Each

Brand should be displayed separately (Never should mix Venturini with Apex (Never should mix Nino Rossi with Sandra Rosa Always keep the different Brand in a selected place According to ladies footwear, always have to display the flats on the bottom shelf & high heels on the top shelf. It will be better not display the Sandra Rosa with Nino Rossi. According to new arrival, new article should display on the right side after entrance with new arrival tag. In that part ladies and men's article can display separately. A. Brand for men footwear; some common brand of Gallerie Apex. (Venturini- Exclusive dress shoes targeted for upper middle segment. (Apex- Leather footwear is for middle/ upper middle segment. (Sprint- Sporty casual targeted for middle/upper middle segment. B.

Brand for women footwear; Gallerie Apex has also some ladies brand. (Nino Rossi- Evening wears for middle/upper middle segment. (Moochie- Designer collects for middle/upper segment. (Sandra Rosa- Colorful for middle/ upper middle segment. C. Brand for kids; Gallerie Apex has also some kids items, (Apex- Under this brand some kid's article is common. (Disney-This is the ongoing brand. (Twinkler - This brand is totally new for Gallerie Apex which is going. CHAPTER FOUR Industry Analysis 4. 1 Bangladesh Footwear Industry analysis: Export promotion bureau statistics show that footwear exports had 20 percent market rises during 2009July- 10 March fiscal year. (reportlinker. com, 2010) The country fetched 144. 69 million dollar from export of the item in nine months a sharp rise from 131. 52 million dollar in the July -March period. (reportlinker. com, 2010) Nowadays many countries like China and India are failing to produce high quality but low-cost leather items due to the WTO anti dumping rules. (reportlinker. com, 2010) So

orders from Germany, Italy, France, Japan and Canada are shifting to the local manufactures. (reportlinker. com, 2010) Crushed leather is the main raw material for locally produced. (reportlinker. com, 2010) Earlier China, India and Vietnam are the largest shoe exporters in the world. (reportlinker. om, 2010) The demand for fashionable and high end leather shoes has decline in international markets because of the recession. (reportlinker. com, 2010) But it has also given rise to an opportunity for the county to produce shoes that are ordinary but essential. (reportlinker. com, 2010) The county started exporting leather footwear in 1994 on small scale to neighboring countries including India and Nepal. (reportlinker. com, 2010) The footwear business grew in recent years. (reportlinker. com, 2010) Currently the total market size of Bangladesh made leather footwear stands at tk1700 corer of which about 45 percent is exported. (reportlinker. om, 2010) The country exports around six million pairs of leather footwear a year. (reportlinker. com, 2010) Apex Adelchi Footwear Limited is the country's leading footwear exporter claiming more than half of the total exports. (reportlinker. com, August 2010)The company earned taka 450 core last year. (reportlinker. com, 2010) Bangladesh mainly exports men's footwear, lady's sandals and sports shoes to European nations China, Canada, Saudi Arabia, Iraq, Jordan, India and Nepal. (reportlinker. com, 2010) Mr. Syed Nasim Manzur, managing director of Apex Adelchi Footwear Ltd, said " the recession has taken a toll on the demand for luxury fashion accessories. Apex annual report, 2009) The additional fall out of the global financial crisis on AAFL has been the adverse impact on the Euro & as the majority of our revenues are in Euros, the continued slide of the Euro and the reflection in the Taka versus Euro conversion rate has severely affected our taka revenues as seen above.

<https://assignbuster.com/strategic-audit-report-of-apple/>

(Apex annual report, 2009) The Bangladesh Taka has remained unchanged against the US\$ in 2009 where the currencies of our competitor nations such as the Indian Rupee & Pakistan Rupee have been devalued repeatedly in 2009 in order to boost their export competitiveness. (Apex annual report, 2009) Despite many pleas from exporters in Bangladesh, the government of Bangladesh has not adjusted the Taka against the USD. Apex annual report, 2009 Apex Adelchi Footwear Limited started its business in December 27, 2006 in Bangladesh. AAFL has equity, technical and marketing participation from La Nuova Adelchi one of the largest footwear manufacturers of Italy. Since then there was demand for the products in the local markets. But the problem was the local market was too small to support their required profitability. On the other hand, they found a worldwide growth opportunity in the developed countries. It inspired them to set up their system in Western Europe, North America and Japan. Later on they also move towards the developing nations. They started focusing the country needs.

Therefore, gradually they were becoming one of the second market leaders. They had total 280545 sq. ft factory area. The producing capacity of 15, 000 pairs complete shoes per day. They came up with a wide range of products for different markets. They had large number of employees and 70% of their workers are female. Ultimately, the small market in the home country and the huge growth opportunity was the crucial force to move towards the international market. Hence, these are the IHRM variable for them which can be regarded as the structural factor. 4. 2 Production Facilities ; Cutting Department Covered Area 25, 000 sft. Cutting Machines 104 no. s Cutting Capacity 15, 000 Prs/day

Cutting Manpower 494+16 Persons | Sewing Department Covered Area 78,000 sft. Sewing Line 16 lines x 2 shift Sewing Capacity 15,000 Prs/day Sewing Manpower 2550 +60 Persons | Lasting Department Covered Area 46,000 sft. Lasting Line 8 lines x 2 shift Lasting Capacity 15,000 Prs/day Lasting Manpower 1100+25Persons [pic] Component Department Covered Area 27,760 sft. Outsole workstation 42 nos Production Capacity 12,000 Prs/day Outsole Manpower 250+3 Persons Insole Prod. Capacity 15,000 Prs/day Insole Manpower 93+3 | Packing Department Covered Area 21,000 sft. Manpower 37+7 Persons

4. 3. Summary of factory area

Factory Area	SL	Section/Building	Area in SFT.
01	Cutting	25000	
02	Sewing	78000	
03	Lasting	46000	
04	Component	27000	
05	Packing	21000	
06	Store	32000	
07	Leather Store	15000	
	Sub-Total	244000	
08	Office	14300	
09	Staff Centre	8000	
10	Worker Canteen	8500	
11	Engineering workshop & Sub-station	5745	
	Sub-Total	36545	
	Total	280545	

CHAPTER FIVE Job Description

5. 1 Nature of the job: That My internship commenced on the date of my joining which was on February 01, 2011. My posting was at their Register Office, House # 6, Road # 137, Dhaka-1212. I have worked in the Marketing division of Apex Adelchi Footwear Limited. During my internship period, I had been giving my work report to Yashna chowdhury (Brand Manager of Marketing) everyday I did.

5. 2 Specific responsibilities of the job: During my internship period, my responsibility was to record the daily survey data another responsibility was to what the customer wants.

I had to record it in the survey sheet

5. 3 Different aspects of job performance: During my internship period, my responsibility was to record

the daily survey data another responsibility was to what the customer wants. I had to record it in the survey sheet. I worked this type of activities in marketing department because at the beginning in entry level position every officer does this type of activities. At first senior manager of marketing department checks the level/ability of every officer by giving this type of activities. When they perform well, they get another responsibility.

5. 4 Observations: At the period of my internship in Gallerie Apex, I visited some galleries.

Gallerie Farmgate is one of them. It denotes the whole activities that have to be done in each store of the Gallerie Apex. These are about; (Product Knowledge (Sales Conduct (POS (Point of Sale) (Process of sales communication (Procedure of Goods receiving/Dispatch (Cash Memo (Sales Report (Daily) (Sales Report (Weekly) (Sales Report (monthly) (Accounting (Store Billing (After Sales Service (Visual Merchandising Farmgate Gulshan is „ A? category shop of Gallerie Apex. Total space is 1800sft and 6 employees are working there. Customer response is very much positive. This gallerie has verities collection of shoes for men and ladies.

According to Men's shoes, there are three products brand like Venturini, Apex and Sprint are common and Ladies sandals; Sandra Rosa, Nino Rossi and Apex are common. Men's shoes size starts from 39-44 and sandal size starts from 35-41. There have different row to display particular brand product like shoes, sandals, socks, kid's sandals etc. Price of Men's shoes starts from 1250Tk-5500Tk, sandals 400Tk-1950Tk, and Ladies sandals 380Tk-2250Tk, Comfort socks 150Tk-250Tk. Price of Leather Goods is 600Tk. Point of Sale (POS) is some information? s about selling goods that have to

fill by manager at selling period. These are; 1. Article code 7. Quantity 2. Name 8. Balance 3. Color 9. Unit price 4.

Size 10. Discount% 5. Pair 11. Total Discount amount 6. Price I observed the sales communication between customer and sales person. How a sales person help a customer for purchasing a pair of shoes. A sales person gives information very politely about selected products feature, leather quality, durability and components of manufacturing. CHAPTER SIX CONSUMER ANALYSIS 6. 1 Customer satisfaction The Customers are in the mainstream of sales oriented services. The success of such companies largely depends on the satisfaction of the customers . The buyers are happy if the product and/or the services meet their expectations.

If their requirements do not meet the expectations the buyers become discontented, they are delighted when the performance fulfils their requirements Customers' past buying experiences, the opinion of friends, associates, marketer, competitor information and promises lead to the expectations. Marketer must be careful to set the right level of expectations. If they set expectations too low, they may satisfy those who buy but fail to attract enough buyers. In contrast, if they raise expectations too high, buyers are likely to be disappointed. Dissatisfaction can arise either from a decrease in product and service quality or from an increase in customer expectations. In either case, it presents an opportunity for companies that can deliver superior customer value and satisfaction To? ay most successful companies have taken the strategy of are raising expectations and delivering performance to match. Such companies track their customers' expectations, perceived company performance, and customer satisfaction.

Highly satisfied customers produce several benefits for the company. Satisfied customers are fewer price sensitive, remain customers for a longer period and talk favorably to others about the company and its products and services. Although the customer centered firm seeks to deliver high customer satisfaction relative to its competitors, it does not attempt to maximize customer satisfaction. A company can always increase customer satisfaction by lowering its price and increasing its services, but it may result in lower profits.

Thus, the purpose of marketing is to generate customer value profitably. Now, we have a very good idea regarding the importance of customer satisfaction. So, it is also important for the company to know about the satisfaction level of the customers. When any problem is identified, it becomes easier to solve the problem. The next part of this paper has focused on the "Customer Satisfaction Factors of Gallerie Apex". It is done through a research survey to find out the customer satisfaction level of Gallerie Apex. Customer Satisfaction Factors of Gallerie Apex: Gallerie Apex is the local manufacturing and retail wing of Apex Adelchi Footwear Limited (AAFL).

While AAFL has predominantly earned both critical and commercial fame through export of high quality leather footwear in the international arena, Gallerie Apex has sought to adeptly make use of that expertise to provide high quality, fashionable footwear to the Bangladeshi consumers. 6.2 Survey Findings: In order to measure the satisfaction of the customers a series of questions were asked to the customers with the help of a questionnaire, the data from these questions are tabulated below. For clear understanding, the overall satisfaction has been divided into satisfaction with the product and

Shoes purchased respondents in last three month ||||||||||||||||||||
 |||||| From Apex |||||||||||||||||||| others ||||||||||||||||||||
 |||||| 52% |||||||||| 48% |||||||||||||||||||||||||||||||| [pic] ||||||||
 |||||||||||| In this graph show that 52% customer purchased shoe from
 apex at last three month. o apex has better position |||||||||| Than other. |
 |||||||| Q3 Price vs. Quality of APEX Fair | Expensive | Don't know || 38% |
 58% | 3% | [pic] In this table show that 58% customer say that price of
 galarie apex is expensive shoe they can look after their price Q 4. Price vs.
 quality of other store | Fair | Expensive | Low | Don't know || 51% | 39% | 6%
 | 4% | [pic] There are 51% consumer say ocher store price are fair than apex.
 Q5 Purchase shoes over the internet | Yes | No | 29% | 71% | [pic] 71%
 Consumer are not interested to porches product from internet. they say that
 this types of product they like to by from shop. 6. 2. 3 SECTION C Q 1. Other
 items willing to purchase beside shoe | Shocks | Wallet | Hand purse | Beg |
 Belt | Shoe care | Other | Nothing else || 39% | 3% | 6% | 11% | 11% | 9% |
 11% | 16% | [pic] There are 39% consumer like purchase shocks beside shoe.
 some other like to buy shoe care, hand purse, belt & other, Q2. What apex
 does best Price | Fashion | Quality | Customer service | Range of shoe || 36%
 | 13% | 35%