

Bata marketing analysis assignment

[Art & Culture](#)



Bata was honored with Most Admired Brand of the year 2006-07 in Footwear category. They have been rated as one of the Top 10 super brands in India and awarded Super Brands Award on April 12 2007. Bata has entered into the retail segment and is currently has 1250 stores all over India. 2. Initial Positioning and Subsequent Repositioning Bata has positioned itself as a one stop family store for all footwear and related products. It has traditionally positioned itself as providing product lines catering to the middle class segment of the society; it has also tried targeting the high class customers.

Bata had become a need brand . In terms of the needs, Bata was in a way successful in positioning itself as a brand having stores with products to meet the needs of almost all members of the family, since it had product ranges for children, men, women etc. Till the 1980s, Bata enjoyed an almost monopolistic position in the organized footwear market. Its simple, yet iconic, brown leather sandals and blue- and-white rubber slippers were instantly recognizable and also are still recognized. Bata was the choice for everyone in the family.

Whether it was shoes for the monsoon, school shoes, formal wear or even comfort wear for the elderly, the brand had something for every member in the Indian household. There was a period in the 1980s in India when anyone mentioned shoes or footwear, there would be a single name Bata. It was one of the most popular names after Tata. The brand Bata was household name then. It ruled market as leader till recent years when various national and international brands came up. The Bata shoe lovers were so addicted with Bata for them thinking shoes other than Bata was an unpatriotic act.

People wore Bat proudly (Said by Mr.. Ammonia Sings). It has also come out with new set of brands like hush puppies, Marie Claire brand offering the latest patent, metallic and ethnic styles in footwear. The recently introduced ladies hand bags have also met with a very good response from the youth.

EXAMPLES: Dry. School: Dry. School's which is positioned well as medicated footwear with a trendy look. These are prescribed by doctors for people having problems in the nerves, diabetics and related diseases.

This product was initially brought on prescription but now people are buying it out of their own interest and hence have good growth opportunity. Bat has designed this product in various models giving a better advantage over the local physiotherapy made standard designs. Sandal, Fatality and Sunshine labels has continued to allure millions of customers with trendy and lightweight all-weather footwear as these footwear are very light . WHY REPOSITIONING?? Bat was considered as manufacturing oriented company who concentrate on producing footwear and sell them in market at anyhow.

Bat wanted to change this image of production oriented company to affordable, market driven, fashion conscious, lifestyle brand that is why Bat wanted to reposition itself. Bat is trying to move out of the image of an age old seller of their manufactured goods. They are now concentrating on “ products that the customer wants rather than rodents that they produce”. Bat India is in a complete process to change from its earlier image. Bat Was considered as manufacturing oriented company who concentrated on producing footwear and sell them in market at anyhow.

It wanted to change its image from a manufacturing company to a marketing company. Bat wanted to change this image of production oriented company to affordable, market driven, fashion conscious, lifestyle brand. They are focusing on a better brand recall by opening bigger stores in malls etc. It has revamped its stores to look more contemporary, shedding its age old image. The company has decided to be more visible in shopping malls, open up to the franchisee model and also create the shop-in-shop experience in a multi-branded store.

A step towards rejuvenating the Bat brand, the company is repositioning itself as a market driven, fashion conscious lifestyle brand with an emphasis on service and production. The company recently introduced international styles and trends for women, men and kids, which have gone a long way in providing a trendy and contemporary image to the company. Revamping its marketing operations, Bat India as introduced the concepts Flagship, City, Family and Bazaar stores that cater to different segments of the market.

Further, to capture the retail boom prevailing in the country, the company has decided to move its headquarters to Surgeon this year. They are also intending to make the shopping experience better to their customers by employing skilled salesperson & creating a better ambiance. Few Examples are: Hush puppies This unique invention would not only change the kind of shoes we wear, it would also herald the beginning of today's relaxed style. * Bounce technology for shock absorption and energy return in every step. 100% relax Hush Puppies collection of innovative, authentic casual footwear, mixed textures of soft casual leathers and rich Hush Puppies worry-free suede. NORTH STAR: North Star is synonymous with street creed. Stylish, <https://assignbuster.com/bata-marketing-analysis-assignment/>

trendy comfortable and durable, the range is ideally suited to the urban environment. The youth market is attracted to the brands retro styles, including designs from the late 1960s as well as contemporary interpretations, making it a highly sought after brand name. It's a casual yet fashionable street-style shoes that caters to the young at heart.

MARIE CLAIRE: Marie Claire, a fashion lifestyle brand of shoes with a touch of elegance that caters to the young cosmopolitan women. Bata Brands is the trademark owner of Marie Claire for shoes worldwide. Marie Claire stands for Contemporary and modern styling, adaptive to an active lifestyle yet elegant and feminine. Subtle fashion trend details and quality products with a clean finish, it is a brand that brings out every woman's confidence ; individual style. 3. Advertising, Sales Promotion and Segmentation Strategy Followed By Bata above the Line Sales Promotion-

TAG-LINE: Bata tastiness meant for individual products are the key components of advertising. These tag-lines are modified according to demographic profile of consumers. These appear on hoardings at every crucial ; congested part of the cities in which Bata retail stores are operating. Everybody understands and connects easily with these simple one-liners like ' Shoes for all' , ' The world moves on your feet', ' Outdoor is yours', ' Get comfortable today,' One world , one Bata'. **PRINT ADS:** Bata advertises its products just before launch of any new scheme.

This helps in setting up a platform for the new products brand in the minds of customers. The ads are displayed on a full page in the leading newspapers which again is based on the preference of the people. They also attach

pamphlets of their ads along with the newspaper. TV-ADS- Television is one of the best platforms to advertise one's product. Bat being a family brand, the ads are shown during the prime time slot so the entire family can see it together. ROAD SIDE ADVERTISING: Bat bill-boards are displayed on prime locations in various cities as a brand building exercise. CELEBRITY

ENDORSER- Bat's sale doubled as soon as they used Rain Musketeer as their brand endorser. SPECIALIZED SHOES: Bat has also launched a new specialized division -?? Bat Industrials -?? to offer specialized footwear to various sectors – defense, automobiles, metals, petroleum, construction and agriculture. “ Bat Industrials is the world leader in high performance safety shoes and has experience of this market segment and access to world class technology, and knowledge on safety footwear. NEW STORES: To maintain its leadership position and growth, the company is expanding and adding 200 new stores in next 2 years.

These stores will operate in a four-tiered retail format under a new retail model – Up-market Flagship Stores, Smart and Trendy City Stores, Super Stores and Traditional Family Stores. This will help the company service better in places where currently it does not have presence. RETAIL SHOPS: These are the places where majority of the purchasing decisions are made. Bat stores are now spacious with over 3, 000 sq. Ft. Of retail space; some are even larger than 10, 000 sq. Ft. BELOW THE LINE SALES PROMOTION: Below the line sales promotions are short-term incentives, largely aimed at consumers.

The different types of strategies adopted by Bat in this respect are discussed below-

1. PRICE PROMOTION: Price promotion refers to 'price discounting'. It is done by two ways, namely DISCOUNTS: A discount on the normal selling price of the product. For example Bat a family footwear brand with showrooms all over the city, is offering discounts ranging up to 30% on shoes, sandals, chapels, ladies footwear, kid's footwear and men's footwear. This offer is available at all Bat footwear showrooms in Hyderabad.

STOCK CLEARANCE SALE: Bat often has 'stock clearance sale' which helps in boosting up the sales figure.

2. GIFT WITH PURCHASE: Bat introduces Gift Vouchers – Giving vouchers are a first of a kind initiative in the footwear retail industry, Bat India introduced it for the time, "Bat Gift Vouchers". These gift vouchers can be used in place of cash and are available in various denominations to provide the convenience and choice to purchase a wide range of footwear. , Bat Gift Vouchers are targeted at three major segments – employee incentives ; rewards, business gifting and customer promotions.

They are also very ideal for customer promotions – loyalty reward points redemption, sales promotion ; contests, etc. . '99' MAGIC FORMULA: " Bat has managed to keep its pricing competitive and attractive for its customers. It has products for every foot and every social class to suit every member of the family. Bat is a value for money footwear brand " says Villagers.

4.

EXCHANGE POLICY: In case if a customer is not satisfied with the product he can exchange it within 7 days provided the product is unused, clean and in their original state of packing.

MARKET SEGMENTATION: INDIA A (14%, includes high disposable income group) INDIA B (50%, includes people middle class and middle class group) INDIA C (36%, lower income class group) DEMOGRAPHIC SEGMENTATION: Findings: The target market for Bat is all the class of the society I. E. Lower, middle and the upper. Though, Bat is minimizing itself in selling footwear to lower segment, as Chinese products have taken over the market completely. The in-house brands make it possible for Bat to cater to its upper and middle class segment.

Bat cater to the needs of male, female and children in equal proportion. The school shoes which Bat sells are most prominent and sell the most. All Bat stores reflect the new ideology like selling premium brands like hush puppies and Marie Claire etc. As for owe, ladies' shoes is the main revenue earner, contributing 30% to the company's revenue, followed by men's shoes, children's shoes, school shoes and sports shoes. The stores offer fresh collections and are visually stimulating. Thus we can say presently their target customer base is the entire market segment.

GEOGRAPHIC SEGMENTATION: Findings: Bat products are made keeping in mind people ; their choices from different parts of India as it has positioned itself as a truly Indian footwear brand which caters the needs of all Indians all across the country. Bat is present across the country through more than 1200 stores. It has successfully placed itself as an Indian product. Stores are well available throughout the country. It sells footwear according to the season as well. They have specialized shoes for monsoon, summer, winter etc. Bat stores are spread throughout the country.

This means Bat is a product for all Indian. CRYPTOGRAPHIC SEGMENTATION:

1. Bat's target group includes all the three sections of the society . They like the brand because its aptly priced and has got a variety of products under its name. 2. Bat offers quality products at reasonable rate which makes it a clear favorite among the mass. . Shoes for all seasons, age groups and gender. GLOBAL EXISTENCE OF BAT: Bat is one of the world's leading footwear retailers and manufacturers with operations across 5 continents managed by 3 regional meaningful business units (Mbps).

The MBA approach provides quality resources and support in key areas to the companies operating in similar markets such as product development, sourcing or marketing support. Each MBA is entrepreneurial in nature, and can quickly adapt to changes in the market place and seize potential growth opportunities. Bat's strength lies in its worldwide presence. While local companies are self-governing, each one benefits from its link to the international organization for back-office systems, product innovations and sourcing.

IN AFRICA: In many forums discussing the continent of Africa, we can hear the sensible claim that Africa is still a continent where a number of adult people die well before they have ever worn their first pair of new or any shoes and yet for the large number of African children who attend primary school, the one name that is synonymous with and most recognizable brand is Bat. There's no doubt that this is one of the most ubiquitous companies in the main cities of the African continent. Ian Austin Urination – anytime) reports on the passing on of Thomas Bat, the founder's son who was the Chief Executive has passed on.

<https://assignbuster.com/bata-marketing-analysis-assignment/>

The story states that the corporation that makes nearly 300 million pairs of shoes annually was indeed run by this “shoemaker for the world”. As most firms find out in Africa, the continent is a difficult terrain for business but Thomas Bat’s statement declaring that the expansion into Africa was motivated by the desire to sell shoes is clearer than many states. All I am certain of is that he found reasonable turns for his efforts selling shoes to a continent with an uncomfortably large number of the world’s unshod. BAT Masterpieces!!! 4.

Analysis and generic competition to the brand: ANALYSIS: Bat is the largest shoe company in India in terms of sales and revenues. It commands around 35 percent of market share in India. Company’s 98 percent revenue comes from domestic operation. It owns about 1250 stores spread across India. The company which demonstrated the highest degree of early commitment to the Indian market was obviously Bat, The shoe major invested in a fairly elaborate distribution network with company owned retail shops in even small towns. Bat also took the bold step of targeting the mass markets instead of just milking the premium segments.

It targeted middle class Indians with value-for-money products. Indeed, many Indians do not know that Bat is an NC. In targeting up-market segments, however, Bat began to deviate from this strategy in the late 1980s. We can also see that the positioning of the brand was very well done in minds of all the segments of the country. The segmentation, target customers were very well focused. The sale of Bat was increasing and it was doing well. But the problem with Bat was that it did not redesign its product. It went on with the similar product range.

<https://assignbuster.com/bata-marketing-analysis-assignment/>

Taking the advantage of this many competitors entered the market and wiped off a larger market share of Bat. And the market share of Bat had come down from 50 percent to 10 percent. Then Bat realized to change its strategy and aligned towards addressing a larger pie, introducing newer product lines and new brands. Bat was also focusing on ‘ quality sales’ with stress on consumer satisfaction as it found that quantity sales could increase the turnover, but quantity without quality would only stabilize the consumer confidence that had taken ages to build.

Bat does very less promotional activities. Although Bat has done a lot to revamp the brand, these efforts are not well communicated. In a bigger level, people’s perception for Bat will always remain the same. Their promotion is restricted to seasonal offers in the form of “ Sale”, but the advertisement part is missing. There are rare ads of Bat seen by the customer both in print and media. This result in very less returns compared to its huge revamp exercise. PRODUCT LINE Bat has an enlarged product range.

They have mainly 9 types of product range which includes children, men, ladies, sandal, canvas, sunshine, evaluate, sports and accessories. Under these product lines there are many sub products which has been portrayed above. ANALYSIS USING 4 AS IN THE MARKET: PRODUCT: Bat sells all the range of footwear from shoes, canvas, belly, leather shoes, sandals, school shoes, floppies etc. PRICE: The price is considered as the most dominant “ P” in the product mix. The pricing of Bat has been very nominal and user friendly for the customer which Bat targeted.

As Bat has product for all segment of the market. They came up with the strategy called " 95 paisa price tag" It was a treated to begin sales talk with buyers curious about price like RSI 299. 95. The reason behind it was it fell short of an amount that might have looked like a high price. There is a sale going on Bat almost throughout the year if not almost (few products are always on sale). PLACE: Place and location is the important and prominent in any retail store. Bat has provided as a place where you can find all kinds of footwear at just one stop.

In all metro cities Bat is located in all the prime areas of the city and also exists in almost all the cities of India. People look for Bat as a reliable place for heir footwear requirements. PROMOTION: Bat does not promote much by advertising. Bat mainly promotes by providing " sale" in their existing product lines . It also promotes itself by keeping international/premium brands like hush puppies , Marie Claire etc.. BRANDS OF BAT: COMPETITION: Bat has a 13. 7 percent market share. It also has to face tough competition from many organized and unrealized sectors.

Bat has overcome all the competitors and well sustained with a good market share . It has to watch the other manufacturers and make a counter move to match the competitors move. Leading competitors are Alaskan Shoes, Liberty Shoes, Action Shoes, Woodland, Paragon and Relax in organized sectors. UNREALIZED SECTORS: it has to face a major competition from Chinese footwear market which is imported from china . Because Chinese footwear entered Indian market , Bat has to change its policy and also had to face major financial loss. Which also led to fall of Bat's market share to 10%. which was a major setback for Bat India. Bat then stopped concentrating on <https://assignbuster.com/bata-marketing-analysis-assignment/>

lower segment (in which Chinese had an edge: low price) which led Bat to concentrate on other segments like on premium brands also. Bat faces the most competition from the ladies footwear division and that too from the local unrealized shoe manufacturers and Chinese shoe makers. 5. Strategies Adopted over time by the Brand to tackle Competition or Prime Market expansion Bat above the others – If analyzed for the value that Bat was providing to its customers their value proposition may be categorized as follows. Reasonable quality at low or reasonable price. * Footwear for the entire family. * Footwear catering to various functional needs e. G. Sports, casual footwear, formal- semi formal. * Conveniently accessible outlets in various parts of the country. Prior to entry of local players and the Chinese imports, some sort of social visibility could also be associated with Bat, as it was one of the two major brands in the country then. Bat has a sizeable brand advantage and a presence across price points, but faces competition from imports and the unrealized sector.

COMPETITIVE ADVANTAGE ABOVE THE OTHER BRANDS: MANUFACTURING

Bat is dwelling on its international presence which is its competitive edge and importing its best practices from abroad to be able to handle the manufacturing requirements for slightly trendier lines with lesser volumes. It is also utilizing its seminal expertise e. G. In Malaysia for rubber based shoes and in China for artificial leather shoes. CUSTOMER The customer value proposition is substantial as Bat offers value for money along with the trust which its customers have because of the established Bat brand.

In terms of access, functionality and selection options it always fulfils its promises of being a family outlet where each member of the family can buy <https://assignbuster.com/bata-marketing-analysis-assignment/>

something. The service standards is strictly monitored and hence an experience fit will be provided to the customers and these customers for this will be willing to pay a bit of premium cause of Bat's brand and hence the competition undercutting Bat on price would no longer be that big a threat.

INTERNAL PROCESS As far as the internal aspects of the firm are concerned Bat is restoring its operations management processes, customer management processes, innovation processes and regulatory and social processes. Modifications in the Operations management processes will allow Bat to have low cost to an extent, through economies of scale attained through specialist regions worldwide supplying the products, as import duties would no longer be a barrier, and other stable high illume products being manufactured locally at the Bat plants.

LEARNING AND GROWTH In order to attain its goals as per the new strategies Bat is consistently putting in quite a lot of effort into training its human resource, especially those at the outlets to provide consistent quality service to its customers so that customers can associate the same experience with which ever outlet they visit of Bat. A culture of empowerment is fostered and younger energetic managers are being appointed given the responsibilities so that they may fill in any leadership void, if created. However overall longer leadership stints for top executives e. G.

Coos would be needed to allow them to take the company towards its goals by implementing the strategy. With these changes in place, Bat would be in a better position to cope with the various challenges posed to it, by its competitors. 6. Distribution Strategy followed by the Brand Bat India MD

Marcelo Villagers says, “ In today’s challenging market, our strategy of opening large format stores has been successful and we would continue to invest in expanding our retail business. Along with this, we have also focused upon providing our customers with a new trendy collection and better shoe designs.

Our value pricing, coupled with improved customer service, has helped us to grow. ” Bat has its retail footprints in major metro and other big cities, revamping key stores, more store space in superior retail outlets and closing enviable stores. At present there are 1200 stores in 400 cities in India, all are company owned and reaching out rural markets through dealer network. The company has a three-pronged strategy; setting up 60 large-format stores every year (minimum area of 3, 000 sq Ft), closing down the enviable ones and increasing its Ochs on institutional business.

FOCUS ON PRODUCT DESIGN: creating contemporary look for the product which can be found in almost every retail store and in every occasion, introducing new offerings for men, ladies, sports personnel and children. Initiation of regular customer feedback process, customer research, training of staff, multi pronged sourcing strategy to reach faster, procure faster and more economically, Consolidation of manufacturing operations, restructuring of wholesale division into four independent distribution channels: urban and institutional, safety, ranging segment for more impact and better sales.

The stores operate in a four-tier retail format under a new model market flagship stores, smart and trendy city stores, super stores and traditional family stores. This helps the company service its customers better in places

where currently it does not have presence. “ The large- format stores are mostly franchise-run. The new-design store interiors itself cost the company around ₹ 2 crore per store,” Bata chairman P M Sinai says. These new stores have helped Bata to bring its contemporary and trendy range of footwear sold in an international style outlet to customers even in small towns.

The company is also depending on institutional business heavily. “ We will have shoes tailor made for hospitals, military forces, factory workers, and airlines. We will also introduce a new range of sports shoes in India this year which will be comparable to the best sportswear brands available here,” Sinai says. The company has already set up a dedicated team headed by a retired defense man to secure contracts. The total market size for footwear used by the defense personnel is about 12 million pairs a year.