

Generic Business Strategy with Special Focus on Marketing Strategy: A Case of BATA Corporation

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Abstract

From soles to souls, shoes contribute a great deal to our human experience. Whether a pair of bouncy new sneakers, or a pair of bright red pumps, shoes can make anyone smile and can elevate any outfit to the next level. India being a country of artisans has always been looked upon for its traditional craft of footwear making. Some of the traditional footwear created by village craftsmen include leather chappals in Kohlapur, embroidered Juttis in Jodhpur, Indo-Tibetan felt boots in Sikkim and vegetable fibre shoes in Ladakh. The case study is based on BATA the shoe brand, the history of the shoe company, the progress it has shown in the Indian market for 87 years, the products that they sell, strategies used, market share that they are holding and along with that the special features that they are sticking with which makes them stand out of the box. With variation in the product line and excellent execution of those products which never fails to catch an eye of their customers, BATA has always been the most reliable brand since ages also the firsthand preference of every Indian, kids favorite and the products which has never burned a hole in our pocket, but with success comes more competitors in the market to which BATA wasn't capable enough to push aside and keep holding the place of excellence for a longer period of time. With the above backdrop the case study highlights the problems that BATA faced due to everchanging market conditions and framed it's marketing strategy over years and digital marketing strategies since the year 2015 to get in the market game again.

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I. Introduction

A rapidly changing economic environment characterised by globalisation deregulation of market changing customer and investor demand has become a real challenge in today's organisation resulting in time and does pressure on organisations to generate equally fast response in order to survive sustain and grow today's organisations are trying hard to trade of between different stakeholders especially internal stakeholders on the one hand and external stakeholders at the other.

A Business Strategy is a documented plan on how an organisation is setting out to achieve their goal. The strategy is an integrated comprehensive plan of action to reach objectives it covers all major aspect of organisation starting from marketing to operations to finance to HR and IT. It needs how to deal with multiple stakeholders such as competitors' customers and examine long-term growth and sustainability of the organisation. Strategy is important because it gives business an idea of how they are positioning in comparison to the competitors what is that inherent capabilities to sustain them in the competition. Strategies also look into future risk and help develop ways in which they can overcome these obstacles strategy can identify trends and opportunities it can examine broader changes in the market surcharge political social economical technological changes also can map customer changing preferences and thus accordingly develop this to suit to the context

Effective Business Strategy focuses on target audience. Businesses who can identify appropriate target audience and meet their needs better than their competitors, can find a clear competitive advantage. Competitive advantage means being better than other available alternatives. Having a strong winning strategy for the company should be the backbone of business plan strategies for each kind of company in different sectors very greatly but there are some fundamental genetic principles that all businesses can learn from.

Shoes are a must need in our day-to-day life. India being a diverse nation has its diversity when it comes to traditional footwear starting from Leather Shoes in Kolhapur, embroidered Jutties in Jodhpur, Indo-Tibetan felt boots in Sikkim and vegetable fibre shoes in Ladakh. The traditional footwear industries have clearly taken over technology and has been beneficial to both shoemakers and shoe users. India is the second largest global producer after China, producing around 16 billion pairs global footwear. India stands third after China and USA in Footwear consuming country. Nearly 15,000 or above units are engaged in manufacturing of

footwear in India. The estimated turnover of the engaged units is nearly Rs 50,000 Crore with the inclusion of Rs 30,000 crore for domestic market and Rs 18,000 crore for exports.

HISTORY OF BATA

Bata Corporation a family-owned business is the world's largest shoemaker by volume, and it has its retail outlets in 5,300 shops in more than 70 countries and manufacturing/production facility in 18 countries. To discuss about its versatility this was apparently the first big company to systematically utilise aircraft for business purpose. BATA as a shoe brand/ shoe company has been in the Indian market for 87 years, the products that they sell, strategies used, market share that they are holding and along with that the special features that they are sticking with which makes them stand out of the box. With variation in the product line and excellent execution of those products which never fails to catch an eye of their customers, BATA has always been the most reliable brand since ages and also the firsthand preference of every Indian. It is the product which has never burned a hole in our pocket, but with success comes more competitors in the market to which BATA wasn't capable enough to push aside and keep holding the place of excellence for a longer period.

BATA is the oldest brands in the shoe industry originated from Lausanne, Switzerland founded in 1894. In 1914 company had a significant number of orders due to military orders during World War-1 from that point of time BATA had grown tremendously in world market. Bata being one of the most popular shoe brands has always made its customer happy for the quality of the shoes that it provides. The products that BATA deals with are general category of casual shoes, formal shoes, sandal, kid's shoes, men and women collection, sports shoes etc. Indian customers have always been price sensitive issue and 'BATA' has maintained strategy of minimum prices according to Indian customer requirement. BATA have more other brand under control. The sub brands of BATA are Hush puppies, spark, Sandak, North Start, Comfit, Mocassino.

EVOLUTION

BATA's sturdiness and affordability has always made BATA chose small ways for its brand campaigns, which helped them to make big moves in the market, it had never used large campaigns to make its presence in the market. The low-cost rubber slippers launched in 1950 got renamed in the market as "Hawai Chappal. In mid 80's when partial liberalisation lifted restrictions on the footwear industries, the small and local companies came to market which gave a tough competition to BATA on basis of their lower prices. In 1988 when BATA was all set to start its fifth factory in Bangalore it faced huge problems as the only support it was getting was from the labours and the rude and unhelpful retail staff didn't come to any help to BATA.

Struggling with labour problems BATA took a leap in 90's and came with a new brand as HUSH PUPPIES and started its corporate campaign. It was high time for BATA to offer something more aspirational by way of premium and well-designed shoes as its sturdy, value-for-money shoes had come to be known for its dated designs. In 2001's third quarter BATA India faced a net loss of 4.45 crore against the profit of 0.38 crores which was seen within the previous financial year.

The time changed from 2004 when the former CEO of Pepsi Cola International South Asia PM Sinha built a new management as the chairman and the CEO of BATA Chile, along with Marcelo Villagran as the MD they firstly handled the problem of labour irregularities. After facing losses till 2004 new path of success bloomed in the year 2005, December 31 when BATA made a net profit of Rs 12.49 Crore. BATA finally outsourced production in line with its specifications. This time, BATA's stores were a key branding cue with improved product mix, remodelled interiors in line with a worldwide format. BATA shut loss-making stores and stocked high margin products.

Vision

To make great shoes accessible to everyone.

Mission

To help people seem and feel good continuously that specializes in product quality, innovation , and value.

SWOT ANALYSIS



OPPURTUNITIES

Footwear being a necessary item and is also considered as a fashion statement, the demand for BATA shoes will increase and this would be accepted as an opportunity. BATA has a strong demand in the nation and the rural market in the nation are emerging in a big way and this can be used as an opportunity by BATA to expand its market which will help it to structure the bottom line.

THREATS

BATA is facing a lot of competition from all worldwide from other leading footwear brand for increase in market share is being difficult. The footwear industry also faces cloning or duplicity of the brand names which not only decreases the sales, but also affects the brand name.

PESTEL ANALYSIS

POLITICAL

Department of Industrial Policy and Promotion (DIPP) after technological upgradation provides financial assistance of 30% of the cost of plant and machinery for SSI and 20% of cost of plant and machinery for other non-small-scale units.

BATA faced the following Political Issues

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|--|
| • Rules and legislation for tannery wastes. |
| • Government balance. |
| • Fewer sports happenings apart from cricket to get the customers. |
| • Merging of Adidas and Reebok |
| • Market pressure on sales. |

ECONOMIC

The rise in the income of people and the spending, along with the competitive edge that BATA has in the market as it remained the leader in the footwear industry with a retail value of 8% in year 2015.

BATA faced the following Economic Issues -

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|--|
| • Seasonal Issues: athletics is more prompted in the summertime. |
| • Increasing buyer electric power makes the customers look at top quality BATA products. |
| • Lack of concentrating on the women and kid sections. |
| • Huge consumer market. |

SOCIAL

Consumer attitudes and opinions are changing favourably towards branded shoes. They prefer buying a comparatively expensive shoe, instead of the one which is has less reasonable price with less durability.

BATA faced the following Social Issues:

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| • Change in the approach to life of the people (buyer). |
| • Increasing fashion styles. |
| • Advertising, promotion, and press. |
| • Change in buyer tendencies and footwear market. |

TECHNOLOGICAL

BATA's rival companies are using digital media for his or her product advertising and sponsoring at major events organised in India. Many footwear companies are that concentrate on product's innovations enhancing comfort, agility and sturdiness posing a threat on BATA's market share.

BATA faced the following Technological Issues:

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|--|
| • Increase in fighting technology development. |
| • Up-ward switch in invention and developing maturity. |

COMPETITIVE ANALYSIS OF BATA

The existing brands along with the arrival of local and international brands in the Indian market has raised the bar of competition in the footwear industry market. But Bata has done quite well in holding around 35% of the Market Share in India and that has been possible due to the brand value and reputation it has been able to earn in minds of the Consumers. The major competitors like Puma, Nike, Reebok, Adidas, Woodlands, Liberty, and Action serves as a real-time substitute for BATA Products to the consumers with changing trends and lifestyle.

PORTER'S 5 Forces Model

THREAT OF SUBSTITUTE PRODUCTS

- Bata has a threat of substitutes because it has fewer variations of products which are aiding its major competitors like Apex, Khadim's, Woodland, etc. in forming a strong base in the market.

THREAT OF NEW ENTRANTS

▪ There is low threat of new entrants because Bata has a big capital-intensive infrastructure which is not easy for new competitors. Again, functioning on economies of scale, latest machinery and with up-to-date R&D keeps it updated with each passing year.

INDUSTRY RIVALRY

▪ Industry rivalry is high for Bata because there are several small and equal competitors like APEX, Puma, Nike in the market. In today's competitive environment consumer brand loyalty is decreasing and henceforth they are switching where they get a new and better variety.

BARGAINING POWER OF SUPPLIERS

▪ Bata has tremendous control over its suppliers because it relies on more than one supplier for the raw material. Therefore, suppliers have low bargaining power in this industry.

BARGAINING POWER OF BUYER

• BATA has a huge Customer base in TIER I, II, III Cities, and henceforth it distributes the products accordingly in its own owned outlets with a fixed price ending with digit 9 and moreover the products for who has the dealership or franchise, Bata has a fixed margin on the products. Therefore, it can be concluded that buyers have low bargaining power.

• To become the customer's destination of choice by offering a personal shopping experience to create long standing customer relationship.

• To attract and retain the best people by showing great leadership, a passion for high standards, respect for diversity and a commitment to create exceptional opportunities for professional growth.

• To remain the most respected footwear company by being socially responsible and ethical in everything that it does and give a credit to every community in which it operates.

MARKETING STRATEGY

Marketing Strategy is a process of choosing target market, create a strong positioning with differentiated product features and functions which ultimately enable to create a robust and sustainable value proposition to customers? Simply it is the marketing logic through which business organizations achieve its merely objective, increase revenue and market share. Sales and achieve sustainable competitive advantage. A well-defined and designed marketing strategy enables to focus on marketing activities which create strategic advantage for the company. With the above backdrop the present research aims at describing the winning market strategy of emerging shoe-maker BATA. In terms of product strategy product, pricing, Place & Promotions. To be successful in Indian FMCG Market the firm must concentrate on product customization in the matured product category.

MARKETING STRATEGIES OF BATA

BATA being one of the most popular shoe brands has a wide variety of footwear for all age groups. The main products in its marketing blend are general order of casual shoes, formal shoes, sandals, Kid's shoes, women collection, sports shoes etc. Indian guests have price sensitive issue to which BATA has always taken care of and has maintained a strategy of minimal prices according to Indian guest's demand. The product line of BATA gets upgraded with time and new fashion.

Product Strategy

Product decisions are the first decisions you need to take before making any marketing plan. (Bhasin, 2017) must also create the right product mix. It may be wise to expand your current product mix by diversifying and increasing the depth of your product line. All in all, marketers must ask themselves the question "what can I do to offer a better product than my competitor. The product strategy and mix in BATA Marketing Strategy can be explained as follows: The product line of BATA gets upgraded with time and fashion. The marketing mix are generally of casual shoes, formal shoes, sandals, kids' shoes, sports shoes collection etc. BATA keeping in mind about the Indian Market and its customers it has specially given attention to quality and price. Indian customers have price sensitive issues and BATA has maintained the strategy to minimum prices according to the Indian customer's needs.

Pricing Strategy

Marketers must link the price of the product, but they also must consider supply costs, seasonal discounts, and prices used by competitors. n.d.) Price includes the Pricing Strategy of the company for its products. How much customer should pay for a product? Pricing strategy not only related to the profit margins but also helps in finding target customers. BATA follows mass Marketing Price Strategy to maintain its low prices for all its brand products. The company goes for production of mass products which leads to lower operating costs resulting in less product costs. In India BATA has managed to maintain the lower prices, to lure

the customers BATA has kept the prices minimal for example if the price is Rs 10 then it has been kept Rs 9.90 because BATA follows psychological segmentation to attract more customers towards its pricing. Hence BATA India is considered for quality brand along with its affordable price. The main competition of BATA in India is red chief, Woodland, Nike, Puma and Reebok.

Placing Strategy

Placement or distribution is a very important part of product mix definition. You must position and distribute the product in a place that is accessible to potential buyers. Marketing Mix. Availability of the product at the right place, at the right time and in the placement decisions (Marketing Mix 2009). Marketers must link the price to the real and perceived value of the product, but they also must consider supply costs, seasonal discounts, and prices used by competitors. (Four Ps, Price includes the Pricing Strategy of the company for its own much customer should pay for a product. Pricing strategy not only related to the profit margins but also helps in finding target customers.

Bata has placed its products in such a way that it can be afforded by all the people in the society. It has held a strong position in the Indian market as brand which provides quality product in an affordable price to the people. Over the years Bata has established a very strong Distribution network by carrying out research on the foreign market for the needs, culture, and responsiveness in the market. This made Bata position themselves very strongly. Bata is a brand which focuses more on Tier 2 & 3 cities and small towns and thus they have the tag of being the tier 2 brand in footwear as because they have positioned themselves so strongly in those areas. As Bata is present in each small towns and villages this helps in their promotion too.

PROMOTION STRATEGY

Discounts and offer are some benefits which every brand offers to their customer. Bata has targeted major of the segments according to its product costing range, they provide heavy discounts during festive seasons for attracting more customers. During the non-seasonal time they primarily focus on print media such as Ads in Newspapers and magazines and as the situation demands now everything is going digital, so to cope with the trend they are also majorly focusing on social media marketing. Digital marketing is a main part of advertising campaign of Bata. It helps to reach out to an end number of users within a short span of time.

DIGITAL STRATEGY INSIGHTS 2015 – 2021

The transformational story of BATA become possible not only due to its expansion strategy but also for its involvement in Digital World.

The journey towards the digital world started in the year 2015 with the mindset of launching its first e-commerce mobile application which was developed under the concept of "click and pick" model or a "click and reserve" model that offered customers to choose a product online through the app and pick it up later from the store at their convenient time. The level of ease and comfort to a customer's shopping journey not only aided Bata in generating online sales but also boosted its offline sales because the customers who came to pick their chosen product from the store ended up buying other things also.

The demonetization year 2016-17 provoked Bata to strengthen its digital presence and interface of the app for providing the best experiences to its customers. Despite having its own E-commerce application still it partnered with Flipkart, Amazon, Jabong, etc. to sell its offerings online. Over time the e-commerce division launched the Bata blog which acted as a style inspiration for the young audience, ensured frequent online customer surveys and customer feedback for improved services. Overall, the expansion of its digital multichannel business through continuous efforts including placement of online kiosks in major retail stores, tie-up with payment banks, and also increasing the presence of its product offerings through partners' websites allowed Bata to enhance its brand awareness and customer database online.

The role of Campaigns and endorsement in Digital Transformations is Immense. The journey from reliable school shoes to surprisingly Bata could be expressed and reached to the minds of the online potential customers only through its various PPC(Pay-Per-Click) campaigns with various objectives like #Findyourpower, #surprisinglybata, #letswalktogether, many more. In the same year 2018-19, Collaboration with Kirti Sanon and Sushant Singh Rajput and later with Smriti Mandhana and Manushi Chhillar for the endorsement of the Campaigns have helped Bata to rejoice Success in terms of getting more online Customers, Followers, and bewilderment around its rebranding efforts. This continuous contemporary initiative over the Internet has allowed it to grasp the uniformity of achieving over 8-9% of its sales.

In early 2019-20, when the Pandemic followed by a nationwide lockdown started to panic every business, Bata took this as an opportunity to ensure continued service to its customer by keeping the spirit of resilience and gumption alive. It undertook various key measures amidst the epidemic to strengthen its E-commerce division including the introduction of 5000+ styles on bata.in, Expansion of online presence on various marketplaces, Advancement of home delivery services to cover more than 19,000 pin codes across the

nation, and most importantly introduction of 'Bata shoe size finder' service online helped the remote shopping for customer's easy and uncomplicated.

In early 2021 With the Pandemic progressing with various variants at regular intervals, it has introduced out a Bata chat shop on WhatsApp that covers over 600 stores across India, where the customers can chat with the nearest stores to order products and get them delivered at their doorsteps. This strategy aided the brand in serving the customers better and regaining momentum after the lockdown ended.

Strategy during Pandemic

The products of BATA target a big range of consumers. and it provides good quality products with the reasonable price. In fact, the price-quality relationship is superb for the BATA Products. The Challengers for BATA India are Puma, Nike, Reebok, Adidas, Woodlands, Liberty, and Action. The appearance of original and transnational brands in the Indian context has created an extremely competitive terrain for this footwear brand. The company has adopted 'Survive, Revive, Revitalise and Thrive' strategy and is constantly monitoring the store level performance, driving sales through online channels, tight inventory control, expansion to small towns and cost optimisation across all functions for recovering from pandemic effect on Business.

Through astute planning and cohesive collaboration, the company saved "more than Rs 100 crore on account of rent negotiations, vendor cost negotiations and consolidating office spaces. Bata also started Project Thrive' which was aimed to reduce dependency on imports and shifted to local sourcing. Owing to COVID-19 infections surging in bigger metros and prolonged lockdowns, customers started looking for trusted brands, and that prompted Bata to expand the retail network through franchise channel. It opened a total of 64 franchise stores in smaller towns and cities, taking the total to 220 franchise stores. "The company also scaled up its presence via distribution channel, with Bata products now available in over 800 towns across 25,000 multi-brand outlets, also opened 18 new company-owned stores. "Bata India is strategically positioned to harness the present challenges, given the strength of its brand, innovation capabilities, retail foothold and growing online presence in footwear and accessories category.

II. Conclusion

The case precisely conceptualised strategy, strategic management in general and highlighted Marketing Strategy of Bata with a specific focus on Digital Marketing Strategy of Bata since the year 2015. It also portrays how the company plays a vital role in Indian customers from past many decades even with a highly competitive market scenario one of the best of Marketing Strategy moderate Digital Marketing Strategy continuous improvement and innovation has led a sustainable growth of Bata. Bata stands for quality product and its philosophy evolve around quality and durability. Since several years it has created that impact in Indian average people especially amongst middle aged and senior citizens which helps it in sustaining a reasonable amount of market share amongst far is competition.

III. Recommendation

Due to change in market demands BATA must change its strategies, and deal with many more challenges to seek the position that they had earlier in the market, this research work shows the problems that BATA went under the market changes that they had to take up and all other factors that made BATA get in the market game again. The 3 basic factors to focus for Bata is to

1. To become more technology oriented
2. To expand more aggressively for sustained revenue growth
3. To plan for new range of footwear with trendy styles to attract new customers especially youth and retain the existing ones

LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

The study is based on secondary data and limited self only to Bata Ltd. The future study related to this can be undertaken where comparative study can be done and strategies of other show makers both national and global can be studied through primary method of data collection where benchmarking of best of the strategies adopted by different players in this so entire footwear market can be discussed and analysed .

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