

Clustering Customer Basing On Attitude towards Organised Retail Footwear

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Abstract

Since years retailing industry in India has seen quantum growth and the organized retailing has overshadowed the unorganized retailing which is contributing significantly to the growth of Indian retail sector. Today the footwear industry manufactures a wide range of footwear ranging from leather, rubber and other synthetic materials, and styles ranging from casual, formal, work, and athletic shoes. The study focused on the market size and the turnover of the footwear market in Bhubaneswar. The research identifies the opportunities and scope for new organized Retail Company to enter to the Bhubaneswar market and also specifies the behavior of the consumer towards the organized retail footwear.

Keywords: Organised Footwear, Retail Sector, footwear industry

1.0 INTRODUCTION:

The footwear segment is the pride of India's leather industry, and ranks second in the world, next to China. The Footwear Market In India is substantially brand driven and the branded footwear market constitutes more than 42% of the total market size. Since years leather footwear and its production has increased by more than 50 percent and also the consumption in rural market increased in the same pace. Indian footwear market is projected to reach USD 320 billion. Global footwear market was USD 246 billion in 2017. Bata, Future group, Nike, Puma are the main players in the organized retail foot wear market. Day by day there is an increasing demand from

the customers towards more innovative footwear and due to this there is an emergence of global or regional brands .India is globally the second largest footwear producer and contributes 9% of the global annual production .Rapid urbanization, variable incomes and wide spread of media had led to the change the fashion need of the consumers. People in India are demanding more and more designs and variations in footwear. Besides these, many international brands like- Woodland, Adidas, Reebok, Nike, Lotto etc. are competing with each other by covering all the urban areas targeting their customers since last decade. These companies have made a tremendous achievement in the sports segment in

India. Footwear industry have made great contribution to the Indian economy and as well as its place in the global market. Indian footwear industry is labor intensive and its contribution to employment has a leading role in its place. Customers prefer to shop retail outlets because of price, discount, wide range of products and convenience. Price and availability of the products is positively association with customers whereas poor quality of products is negatively associated with customers [1]. Price, fit, comfort, variety, design factors affect the consumer's purchase intention towards footwear. Lightweight material is also the factor considered by the customers [2]. Baby boomers pay more attention towards factors such as quality and comfort generations are appealed towards aesthetic appeal [3]. Flagship stores are promoting new experience of the brand for the customers and also satisfies customers who enjoy entertainment with shopping [4]. Study focused on the increasing influence of private level brands in organized retail industry. Highly potential and dynamic business environment in India influence to go for private level brands and still it is in embryonic stage in India [5]. Branded footwear in India is around 50% of the market which is mostly dominated by the Men's footwear. Focused on India's service sector shaping the future of Indian retail Industry and also emphasized on the distinct characteristics of services i.e. intangibility, variability, ownership, quality and measurement [6]. In Indian context self congruity, retailer awareness, perceived quality are the factors affecting and have an significant impact on consumer attitude towards retailers. Attitude positively influence purchase intention [7]. Utilitarian and hedonic motives play a dominant role in shopping in organized retail outlets study conducted in different city of Indian and examined on the specific age group [8].

2.0 RESEARCH OBJECTIVES

1. To determine the market size and annual turn over of the footwear industry .
2. To explore most potential places for opening a new organized retail shop.
3. To determine the consumer attitude towards retail footwear.
4. To present insightful implications of footwear industries as an organized retailing.

3.0 FOOTWEAR INDUSTRY IN ODISHA

Odisha is endowed with vast natural and human resources which can be used for further industrial development .Therefore a lots of industries are enduring to establish their empire on Orissa soil. Among these the footwear industry is booming a lot in last 2 years in organized retailing of 9% of the total retail sector in orissa.

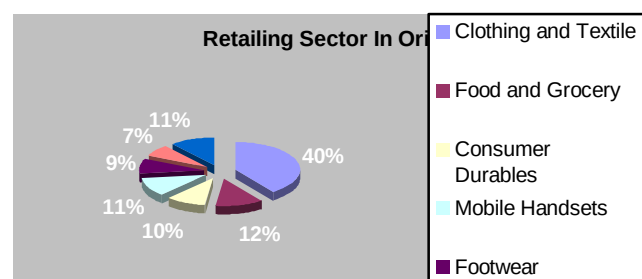


Fig-1 Retaining sector in Odisha

Leading footwear companies like Reebok, Adidas, Nike, Woodland, Lotto, have opened their exclusive shops in big cities namely Bhubaneswar, Cuttack, Rourkela, Berhampur etc, setting a new trend to the footwear industry in Odisha. So many new entrants are targeting these cities and the customers for entering into these competitive markets.

4.0 RESEARCH METHODOLOGY

The current research is an exploratory research work basing upon the primary data collected from retail outlets as well as consumers in Bhubaneswar using a specifically designed

questionnaire. The analysis was based on Chi-square test for independent attributes & frequency test in order to analyse the customer behavior.

5.0 DATA ANALYSIS:

To gain an idea about the spatial distribution of footwear market in Bhubaneswar, we consider 4 mutually exclusive zones and collect the data regarding monthly turnover from different shops for each zone that lead to the following net worthy result. The total Footwear retail market in Bhubaneswar was divided into 4 main zones on the basis of their location as:

- I. South zone: the area from Bapujinagar to Vanivihar.
- II. West zone: Khandagiri to CRP.
- III. North zone : CRP to Rasulgarh, and
- IV. East zone: Samantarapur to Rasulgarh area.

The total turn over of the footwear market from the four zones comes around 2.72 crores per month from which South Zone has a maximum contribution of 81% & east zone has a minimum contribution of 4% to the total turnover of retail footwear.

Table-1 Zonal Distribution of footwear Shops (Organised sector)

Zone	Number of Shops	Percentage of Selling			Total Turn Over Per Month in Lakhs
		Gents	Ladies	Kids	
South	10	60%	36%	4%	220
East	01	60%	35%	5%	11
North	02	67.5%	30%	2.5%	26.5
West	08	48.7%	46.3%	5%	13.6

5.1 HYPOTHESIS TESTING

In order to study various attributes relating to retail footwear industries in Bhubaneswar markets we frame various null hypothesis as under

H₀: Gender and No. of foot wear using are independent

H₁: The two attributes are dependent

Table-2 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.089(a)	9	.017
Likelihood Ratio	20.183	9	.017
Linear-by-Linear Association	1.531	1	.216
N of Valid Cases	100		

The dependency relationship between the two attributes Occupation and No. of footwear using as from the Chi-Square table is observed as chi-square value 20.089(Pearson's chi-square value) with 1.7 % (0.017) significant values. So, the null hypothesis is rejected though it is <5%.

H₀: Occupation and kind of foot wears using are independent.

H₁: The two attributes are dependent.

The dependency relationship between the two attributes Occupation and kind of footwear using as from the Chi-Square table is observed as chi-square value 13.035 (Pearson's chi-square value) with 4.2 % (0.042) significant values. So, the null hypothesis is rejected though it is <5%. So the two attributes Occupation and kind of footwear using both are dependent to each other as from the sample experiment. From the frequency table it was found that most of the employees are using Branded items where it is least in case of others. And students are using both branded and non branded items whichever is suitable for them.

H₀: The two attributes Occupation and Factor of preference in buying of footwear are independent.

H₁: The two attributes are dependent.

Table-3 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson	18.759	6	.005

Chi-Square	(a)		
Likelihood Ratio	20.384	6	.002
Linear-by-Linear Association	.426	1	.514
N of Valid Cases	100		

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value is 18.759 (Pearson's chi-square value) with 5% (0.005) significant values. So, the null hypothesis is rejected. So the two attributes Occupation and Factor of preference both are dependent to each other as from the sample experiment. From the frequency table and chart it found that most of the employees are using Branded items where it is least in case of others. And student are using both branded and non branded items whichever is suitable for them where the housewives are more emphasizing more on the Price.

H₀: The two attributes Occupation and Range for the Footwear are independent.

H₁: The two attributes are dependent

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value is 20.321 (Pearson's chi-square value) with 1.6% (0.016) significant values which is <5%. Therefore the null hypothesis is rejected. So the two attributes Occupation and Range for the Footwear both are dependent to each other as from the sample experiment. From the frequency table and chart it found that most of the employee and students are using footwear items with a range of 250-500 and 500-1000 which is 75% of the total sample size. Where the housewives are using the foot wears mostly with in the range 100-250 and the rest others are using

with range 250-500. So, the range for the footwear vary from person to person with occupation.

H₀: The two attributes Occupation and Preference of Kinds of shop are independent to each other.

H₁: The two attributes are dependent

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 15.055 (Pearson's chi-square value) with 8.9% (0.089) significant values. Therefore the null hypothesis is accepted though it is >5% of the significant value. So the two attributes Occupation and Preference of kind of shop (Branded exclusive, Branded inclusive, unbranded, Any shop) both are independent to each other as from the sample experiment. The nature of selection of footwear shops vary from person to person.

H₀: The two attributes Occupation and Relationship of infrastructure with shop are independent to each other.

H₁: The two attributes are dependent

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 25.175 with 1.4% (0.014) significant values. Therefore the null hypothesis is rejected.

So the two attributes Occupation and Relationship infrastructure with stock both are dependent to each other as from the sample experiment. As from the table it is found that most of the student and employees are a good infrastructure should have good variety of stock.

H₀: The two attributes Occupation and Preference the exclusive shops of are independent to each other.

H₁: The two attributes are dependent

Chi-Square Tests

RATING ATTRIBUTES	CHI - SQUARE VALUE (Pearson's)
Preference of the exclusive shops	7.429 (0.964)*

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*Figures written within brackets represent statistically significant values

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 7.429 with 9.6% (0.964) significant values. Therefore the null hypothesis is accepted.

So the two attributes Occupation and Preference of exclusive shop both are independent to each other as from the sample experiment.

H₀: The two attributes Occupation and Retailer's role in purchasing are independent to each other.

H₁: The two attributes are dependent

RATING ATTRIBUTES	CHI-SQUARE VALUE
Retailer's role in purchasing	1.943 (0.746)*

*Figures written within brackets represent statistically significant values

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 7.429 with 7.46% (0.746) significant values. Therefore the null hypothesis is accepted. So the two attributes Occupation and Retailer's role in purchasing both are independent to each other as from the sample experiment.

H₀: The two attributes Occupation and Preference of new shop are independent to each other.

H₁: The two attributes are dependent

RATING ATTRIBUTES	CHI -SQUARE VALUE
Preference of new shop	10.582 (0.835)*

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 10.582 with 83.5% (0.835) significant values. Therefore the null hypothesis is accepted. So the two attributes Occupation and Preference of new shop both are independent to each other as from the sample experiment.

H₀: The two attributes Age and Relativity of infrastructure with stock are independent to each other.

H₁: The two attributes are dependent

RATING ATTRIBUTES	CHI -SQUARE VALUE
Reliability of Infrastructure with stock	22.545 (0.032)*

*Figures written within brackets represent statistically significant values

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 22.545 with 3.2 % (0.032) significant values. Therefore the null hypothesis is rejected.

So the two attributes Age and Relativity of infrastructure with stock both are dependent to each other.

H₀: The two attributes Age and Preference of type of shop are independent to each other.

H₁: The two attributes are dependent

RATING ATTRIBUTES	CHI -SQUARE VALUE
Preference of the type of shop	11.712 (0.764)

*Figures written within brackets represent statistically significant values

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 11.712 with 76.4% (0.764) significant values. Therefore the null hypothesis is accepted. So the two attributes Age and Preference of type of shop both is dependent to each other.

H₀: The two attributes Age and Retailer's role in purchasing are independent to each other.

H₁: The two attributes are dependent

RATING ATTRIBUTES	CHI -SQUARE VALUE
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Retailer's role in purchasing	2.415 (0.660)
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*Figures written within brackets represent statistically significant values

The dependency relationship between the two attributes as from the Chi-Square table is observed as chi-square value 2.415 with 66% (0.660) significant values. Therefore the null hypothesis is accepted.

So the two attributes Age and Retailer's role in purchasing both are independent to each other.

6.0 FINDINGS

From the observed data, it was found that most of consumers (47%) are using a specific brand for its high quality that means the customers are most emphasizing on quality of the brand and 42% of the observed consumers are interested in medium quality with medium priced foot wears. So, there is least no. of customers (10%) who are using a particular brand for its less price, so there is a preference towards the footwear items of high quality with medium price and it is found that the 68% of total consumers prefer the brands by their self judgment and 9% consumers are affecting by the media like Electronic and print media on using a particular brand. So, the advertisements through Medias affect up to some extent to the consumer behavior. The samples from different age groups are observed, of which the most of the observed sample are from the age between 20-30. of students and employees 60% of the total respondents prefer long lasting foot wears and 28% are using Trendy shoes and remaining prefer both. So far as consumers buying behavior 56% of the total respondents are replacing their old foot wears after a damage in old one, 25% in 6 months and 10% buying new foot wears in special occasions. So, most of the respondents are frequent in buying new foot wears in every 6 months. Considering the consumers preference for

replacements, 61% of the total respondents don't preferred specific season for replacement of old footwear where 34% are preferred a replacement in rainy season. And very least 5% preferring summer season. Keeping in view the relation of infrastructure with shop it can be seen that 47% of the respondents are agreed that a good infrastructure must have good variety of stock, where 25% are not agreed and some of the respondents are agreed that the infrastructure and stock both are interrelated.

6.0 SUGGESTION:-

It is most preferable to open a shop in south zone because of high turn over rate and most busy shopping place.

The footwear items should be of high Quality and of reasonable price, though most of the people prefer this type of footwear's as found from the sample analysis.

The most preferable price range for footwear's should be Rs.250 to 500 for gents and for the ladies it should be 100 to 300.

There should be variety of items of price range between 90 to 1800.

Though most of the people are preferring new foot wears in special occasion's like-festivals, marriages and in rainy seasons. So, there should be special promotional offers during this period.

The portion of total shoes in the shop should be GENTS-50%, LADIES-40%, and KIDS-10%.

7.0 CONCLUSION:-

From this market analysis it can be concluded that there are lots of options for the consumers to select their items from the selected shops and the people are regularly shifting different brands and different outlets according to their preference. The Retail market is growing rapidly and it is the perfect time to enter into the market and to acquire the market share as quick as possible for new retail who try to enter to the Bhubaneswar market. Though the foot wears industry is an unpredictable business but, it will be better to open a shop in selected region and the

quality should be better as compared to competitors with in the preferable price ranges and providing good services and promotional offers to attract the customers. Though there are lots of challenges to be faced as some big competitors have established their business by acquiring the market shares.

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