

# FDDI NEWSLETTER

Be Ambitious.  
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Institution of National Importance (INI)  
under FDDI Act, 2017

A Weekly Newsletter  
साप्ताहिक समाचारपत्रिका

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29<sup>th</sup> March 2019

Issue No. 721

## Delegation from University of Northampton, United Kingdom visits FDDI, Noida

On 27<sup>th</sup> March 2019, a high level delegation consisting of three members from the University of Northampton (UoN), United Kingdom (UK) visited the Footwear Design & Development Institute (FDDI), Noida.

The delegation consisted of Ms. Deborah Mattock (Director of HR, Marketing & International Relations), Mr. Matthew Haines (Head of International & E.U. Marketing & Recruitment) and Mr. Puneet Malhotra, Head South Asia.



Discussion in progress

The delegation met Mr. Arun Kumar Sinha, IAS, Managing Director (MD), FDDI and Mr. Vikas Verma, IRSME, Executive Director (ED), FDDI and had a long discussion.

The objective of the visit of the delegation was to discuss the execution side of articulation agreement including recruitment potential, support required and commission as per the Memorandum of Understanding (MoU) signed between the two institutions on 7<sup>th</sup> February 2018 for mutual cooperation and support in the area of education, research, students and faculty exchange etc.

Sharing the details, Mr. Arun Kumar Sinha, IAS, MD, FDDI said, "The study tour for a batch of students from various campuses of FDDI has been finalized in the month of September 2019. The timelines and the modalities of other activities have also been discussed in detail and finalized."

The delegation discussed the modalities, the timeline and further engagements & cooperation to take-up the activities further, as agreed under the cooperation.

Appreciating the activities as taken up by FDDI under INI status for the development and growth of the footwear and allied sector, Ms. Deborah said, "The collaboration of UoN which is into similar domain, being an University with prestigious Ashoka A status, with FDDI, is going to be very purposeful and desired even for the other potential countries."

Post-INI, FDDI has been continuously evolving by pursuing and inculcating several innovative ways of teaching, learning and experience sharing by industry-academia collaboration.

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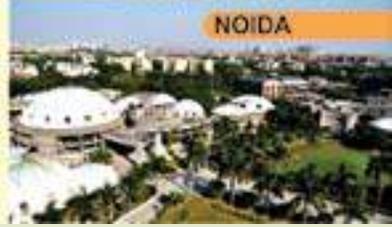
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## Bata banks on customization to survive competition

Bata India's major image makeover from being a school-shoe brand to one catering to the millennials, has pitted itself against almost every footwear maker in the market, embracing stiff competition. The company, however, is banking on its ability to customise products for Indian needs, a quality that, it thinks, will set itself apart.

"A lot of companies are trying to bring in their global range without necessary customisation, which is a big positive for us. We have India-based collection and design team and manufacturing across four factories, which we can leverage," said Mr. Sandeep Kataria, Bata India's Country Manager.

Bata India has roped in young celebrities Kirti Sanon, Sushant Singh Rajput and Indian women cricket team's opener Smriti Mandhana to connect with the young and women.

While the company did offer premium brands such as Hush Puppies, most of its products used to compete with that offered by peers such as Khadim or Liberty Shoes. However, the company has upgraded certain products such as the Red collection for women, and improved the technology used for its sports shoes offering Power.

"These companies have upgraded to include sub-brands, and they continue to set relevant benchmarks and be competitors in terms of the range," said Mr. Kataria, adding that Bata India is now looking at the whole range.



"A lot of companies are trying to bring in their global range without necessary customisation, which is a big positive for us. We have India-based collection and design team and manufacturing across four factories, which we can leverage"

- Mr. Sandeep Kataria,  
Country Manager, Bata India

The Indian market has seen a continuous influx of new footwear brands, with Kan D:FY specialising in sportswear and Cara Mia offering handbags and footwear for women among the latest. India is the second-largest shoe market in the world behind China.

While prices of Hush Puppies competes with high-end brands, Bubblegummers (the kidswear) has a different niche and the Red collection (women's range) competes with the likes of Aldo.

However, Mr. Kataria believes that Bata India's offerings are suited more for the

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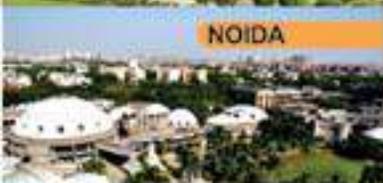
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India market. “For Hush Puppies, if you look globally, you will not find 80% of products that we sell in India available abroad because in India we sell a lot of chappals and sandals,” he added.

The company believes in bringing in new designs continuously, and be in line with the trends globally. It needs to make sure that products are customised according to the Indian climate, as well.

The company’s efforts have reflected in its share prices, which have gained 48% last year compared to 10.7% gained by the benchmark Sensex.

Bata India posted a 51.35% year-on-year increase in its net profit at Rs.103.18 Crore for the quarter ended December 2018, driven by higher revenues.

Net sales grew 15.53% y-o-y to Rs.778.69 crore, as against Rs. 674 Crore in the corresponding quarter last fiscal year. The company’s Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margins rose 464bps in Q3FY19 to 22.77%, compared to 18.13% in Q3FY18.

Mr. Kataria believes that there is room for all shoemakers as India is the second-largest footwear market in the world. “I think everybody needs to be clear about their target customers. It is not an easy market with first-world cost and third-world prices,” said Mr. Kataria.

Nevertheless, the company remains a family-driven manufacturer. “Yes, we are more focused on contemporary designs than we were in the past, but we are also focusing on customer experience. We are

a ‘mass premium’ and we will continue to play in that range,” said Mr. Kataria.

While shoes in the Rs.1,500 and above category now contribute 30% to Bata India’s revenue, the mass products (below Rs. 500) contributes 20%.

(Source: Financial Express)

## Future eyes 8 stores of 7-eleven in phase one



Apart from fresh food, 7-Eleven stores in Mumbai would also have snacks and confectionary

The world’s largest convenience store chain 7-Eleven will have eight outlets in the first phase of launch in India, said Future Group Chief Executive Officer, Mr. Kishore Biyani.

According to Mr. Biyani, all outlets of 7-Eleven in the first phase would be set up in Mumbai, with the group looking at two retail formats of the chain. The first store is expected to be launched shortly. Last month, 7-Eleven had signed a franchise agreement with Future Retail subsidiary SHME Food Brands. The latter had acquired 100 per cent equity share capital of SHME, a trading and

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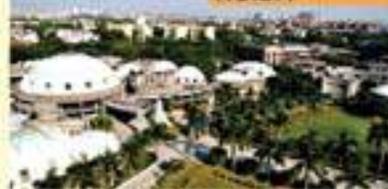
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distribution company, making the firm its subsidiary.

“We are working on two pilots in terms of store size,” he said. “Our attention for now will be on Mumbai. We are working out the locations where they should be set up,” he said.

Persons in the know said Future Group was looking at stores with a size of 1,200 sq. ft. and 2,000 sq. ft. for the convenience store. On the radar were malls, corporate parks, hospitals and colleges, where footfalls were high. Some of the existing locations of SHME Food Brands would also be converted into 7-Eleven stores.

Apart from fresh food, 7-Eleven stores in Mumbai would also have snacks and confectionary and would stock some of the food brands of Future Consumer, the fast-moving consumer goods arm of the group.

7-Eleven had said last month that it would support Future Retail in implementing and localising its business model in the country.

As part of the first phase, internationally popular products and recipes developed for local tastes would be available in stores in India, Ken Wakabayashi, Senior Vice-President and Head of International at 7-Eleven, had said.

The convenience store chain, which is headquartered in the US, but has Japanese ownership, is expected to go head-to-head with local names such as DMart and Reliance Smart at one end and competitors such as 24Seven and In & Out at the other end.

While 24Seven is promoted by Modi Enterprises, In & Out is owned and operated by BPCL. Worldwide, convenience stores typically stock a range of products, including alcohol and cigarettes.

Many of them are attached to petrol pumps and stations to help consumers stock up on both fuel and essentials at the same time.

Abneesh Roy, Senior Vice-President, Research (Institutional Equities), Edelweiss, said the franchise deal with 7-Eleven would give Future Retail an additional revenue basket. “Products of Future Consumer will also have a wider and larger touch point, which will benefit the group,” he said.

Roy also said the small-retail environment in India, including kiranas and corner shops could get modernised with the entry of 7-Eleven, which has over 67,000 stores worldwide. India is the 18th market for 7-Eleven, which has bulk of its stores in North America.

(Source: Business Standard)

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