

Report On
Integrated Channel strategies of
Apex Footwear Limited

By

Ifrit Waseka
ID: 16304149

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

BRAC Business School
BRAC University
September 11, 2019

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Ifrit Waseka
16304149

Student Full Name
Student ID

Supervisor's Full Name & Signature:

Afsana Akhtar
Assistant Professor, BRAC Business School
BRAC University

Supervisor Full Name
Designation, Department
Institution

Letter of Transmittal

Afsana Akhtar
Assistant Professor
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Internship report submission on, “Integrated Channel Strategies of Apex Footwear Limited”

Dear Madam,

With due respect, I would like to inform you that I have prepared my internship report on “Integrated Channel Strategies of Apex Footwear Limited”

I have given my best effort to follow your instructions and looking forward to your feedback. The report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible. I have collected both primary and secondary data to give an insight on the operation of Apex Footwear.

Thank you for giving me the opportunity to work on this topic. The report might contain some unintentional mistakes, but I hope that you would consider that.

Sincerely yours,

Ifrit Waseka
ID: 16304149
BRAC Business School
BRAC University
Date: September 11, 2019

Acknowledgement

Firstly, I would like to thank Almighty for bestowing me with the opportunity to complete this report.

I would like to convey my heartiest gratitude to my internship supervisor Afsana Akhtar for her continuous support & guidance. By following her instructions, I was able to write this report.

Lastly, I would like to thank the entire marketing team of Apex Footwear who provided me all necessary information to complete this paper and helped me to build a relation between theoretical knowledge & corporate environment.

Executive Summary

The industry of footwear in Bangladesh started from the colonial period. Currently Bangladesh exports footwear products to more than fifty countries including EU, China, Japan, Korea, Canada and North America. Bangladesh is in the eight rank for the largest footwear manufacturer in the world. Apex began its business with leather business in 1990. Currently apex holds the place for the largest shoemaker in the subcontinent with share of 15% leather footwear export in Bangladesh from \$1.1 billion leather export. This paper serves the purpose of analyzing various channel strategies that Apex Footwear holds. Three key channels of Apex are- Retail outlets, E-commerce website & Franchise store. According to primary research, retail division of the Apex generates most of the sale. Moreover, retail business of Apex is now at the maturity stage which therefore requires new strategies to remain in the market. The report exhibits the involvement of different departments in store development process. On the other hand, e-commerce website of Apex is still in the introduction stage. In addition, franchise stores are established mostly for rural people which offer branded products at a reasonable price. The report interprets a survey result conducted on retail customers. Analysis of the survey contains customer's experience at Apex's retail outlets. Lastly, the report provides some recommendations based on customer's suggestion.

Keywords: Footwear; Retail; Channel; E-commerce; Customer; Outlet.

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List of Acronyms

CRM	Customer Relationship Management
USSR	Union of Soviet Socialist Republics
WRAP	Worldwide Responsible Accredited Production
MCCI	Metropolitan Chamber of Commerce & Industry
BSCI	Business Social Compliance Initiative
UN	United Nations
UNICEF	United Nations International Children's Emergency Fund
LWG	Leather Working Group
POSM	Point of Sales Material
COO	Chief Operating Officer

Chapter 1:

Introduction

1.1: Origin of the Study

This internship report is prepared to achieve the requirement of the BBA program at BRAC University. To accomplish the BBA program, students of BRAC Business School are required to partake in 3 months internship program which allows them to work in an organization and gain some practical knowledge. The internship program allows the students to implement their theoretical knowledge practically and learn organizational etiquette.

To complete my internship program I have worked in Apex Footwear Ltd. as an e-commerce & CRM intern under the marketing department. As my work was on the marketing department, it enabled me to learn how different channels of the organization such as retail, wholesale and online works in an integrated manner, branding & advertisement strategies, planning & execution and many more. Therefore, I determined to prepare the report on different functions & strategies of these channels.

1.2: Background of the story

The Footwear Industry of Bangladesh originated in colonial era. In the late 1980s, the industry was revamped. Barely any mass producer was spotted during the British period in East Bengal. At that time, the footwear industry existed with limited production capacity. Footwear used to be imported from Calcutta usually. However, followed by the partition, the import of footwear shifted from Calcutta to West Pakistan. Bata Shoe Company was the foremost to manufacture shoes on a extensive volume in East Bengal. Bata started its journey at Tongi in 1962 by establishing its manufacturing plant. At the time of 1967, another organization named Eastern Progressive Shoe Industries (EPSI) formed its production plant which exported footwear to Czechoslovakia, USSR and England.

Currently, Bangladesh is exporting footwear products to more than 50 countries that includes EU, Japan, China, North America, Korea and Canada. EU is considered as the largest market for the Bangladesh Footwear industry. Currently, Bangladesh is ranked as the eighth largest footwear manufacturer in the world. According to Footwear industry insiders, more than 30 exporters have organized their own local brands and conducting their operations across the country with their own showrooms. Footwear brands like Bay, Hamco, Jennys, Fortuna, Crescent, Vibrant, Leatherex, STEP, Walkar, Orion, Falcon, Zeils, and Sampan have emerged in the market with their own showrooms. Moreover, clothing brands like Ecstasy, Sailor, Occult, and Freeland are also producing footwear in the local market.

The state generates \$1 billion from the payment from cowhide items and footwear. The earnings from footwear export can be boosted by utilizing the correct workforce with a proper set of skills (Sadab, 2018). According to Ruhul Amin Mollah, Chief Executive Officer (CEO) of Orion Footwear Limited footwear industry acts as a crucial factor in work creation. Sadab, 2018 states that the economic cost of power in the nation, compared to its neighbors, adds benefit to the footwear business. According to specialists, every year, the footwear companies

of Bangladesh sell around 40 crore set of shoes. They also state that the footwear industry has the potential to grow as the clothing industry as well. Due to the low work cost, Bangladesh is assumed to be a tempting zone for the cowhide area. According to M Abu Taher, previous executive of Bangladesh Finished Leather, Leather Goods and Footwear Exporters Affiliation, a number of 155 tannery plots are being allocated in order to use 100% limit and to raise the income up to \$5 billion. Industry insiders state that Bangladeshi business experts should target both top-up markets and developing markets. Top up markets like the China, Japan & USA, along with developing markets like Mexico can assist in flourishing the nation's footwear industry. According to Ruhul Amin Mollah, Chief Executive Officer (CEO) of Orion Footwear Limited China is the market pioneer as it exports \$54 billion worth footwear every year. He also states that the 2nd position is taken by Vietnam while Italy holds the third. Around 40% of the worldwide demand of footwear is filled by China and around 12% by Vietnam.

1.3: Objectives of the study

The primary objective of this report is to study the strategies of the various channel in a footwear company. The paper aims at acquiring some insights on the operations of different channels in a footwear company.

Secondary objective:

1. To get an idea on the Footwear industry
2. To compare the strategies of different companies in Bangladesh
3. To analyze the channel strategy

1.4: Scope of the study:

At present, around 397 million sets of shoes are being sold every year and the percentage is also increasing consistently. Experts also suggest that the Footwear industry has the potential

to flourish as the clothing business. Currently, the existing Footwear companies are using different channels to expand their business. I have intended to analyze the different channel strategies of footwear companies in this report. Future researchers can utilize the findings from this research to attain an overall idea on different channel strategies. Also, it gives an idea of the branding requirements of multiple channels. As the report gives an idea about the overall scenario of the Footwear industry, it will also help those who are thinking about starting their business in this industry.

1.5: Methodology:

The report is prepared by collecting primary & secondary information. Primary data are collected through interviewing the employees of Apex Footwear Ltd. Secondary information is taken from sources such as newspaper, articles, websites, journal and annual reports of the company. The report includes a few primary data as the employees are reluctant to share primary data. The report concentrates on analyzing strategies of different channels.

1.6: Limitations:

As the report is based on Primary sources, only a few information was available as the employees had their limitations in sharing the primary data. Available information was insufficient as I was looking for more detailed information to operate my research. Moreover, information acquired through secondary sources were inadequate. The presence of primary data in the report would make it more significant. Another problem was the time constraint as such reports require an in-depth analysis.

Chapter 2: Organizational Overview

2.1: Background of the Organization

Apex began its journey two decades ago with the leather business in 1990. In 1993 Apex was enlisted in the Dhaka stock exchange. In 2006 Apex started its strategic alliance with an Italian company and named it as Apex Adelchi Footwear Limited. After getting the inspiration from the leather business, apex started its operation in the shoemaking business. Currently, Apex is the largest shoemaker in the subcontinent holding a 15% share of leather footwear export in Bangladesh from \$1.1 billion leather export. As shoemaking is a highly labor-intensive job, Apex has employed 5500 workers where most of them are women. Apex follows the international trend to craft stylish leather shoes. In house designers of Apex are constantly offering contemporary designer shoes to customers.

Over time Apex has acquired many international awards. For six consecutive years (2010-2015) Apex has achieved Macy's 5 Star Award for the consistent support & outstanding service. Apex is the first leather footwear company in Bangladesh who won the WRAP Gold certification in 2012. Apart from these achievements, Apex has also won The Dun & Bradstreet Rating Agency, MCCI Centenary Award & National export Trophy awards. Tannery of Apex Footwear Ltd at Chandra, Kaliakoir, Gazipur is the only Bangladeshi company having certified by the Leather Working Group (LWG). Additionally, the LWG audit has labeled the tannery unit of Apex Footwear Ltd as “Gold”. This certification refers to the rewarding environmental practices adapted by Apex Footwear Ltd.

Table 2. 1: Key Achievements

1990	Incorporation of the company
1992	National Export Trophy-Silver
1993	Listing with Dhaka Stock Exchange
1994	National Export Trophy-Gold
1995	Listing with Chittagong Stock Exchange
1996	National Export Trophy-Gold
1997	National Export Trophy-Gold
1998	National Export Trophy-Gold
1999	National Export Trophy-Gold
2007	Production Capacity reached 10,000 Pairs per Day
2008	Production Capacity reached 15,000 Pairs per Day
2009	Awarded Compliance Certificate by BSCI
2010	HSBC Export Excellence award Macy's 5 star vendor award Member of UN Global impact
2011	Macy's 5 star vendor award
2012	Divisional Award for highest VAT payer WRAP Gold Certification , Macy's 5 star vendor award
2013	New Corporate Logo Macy's 5 star vendor award
2014	Divisional Award for highest VAT payer MCCI Award Macy's 5 star vendor award
2015	National award for highest VAT payer COMMWARD 2015-Gold Supplier Ethical Data Exchange (SEDX) Membership certification Macy's 5 star vendor award
2016	National award for highest VAT payer COMMWARD 2016-Silver WRAP Gold Certification
2017	Tannery Unit rated as "Gold" against LWG audit

2018	WRAP Gold Certification Partnership with UNICEF for “Better Business for Children”
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2.2: Company Vision

The vision statement of Apex Footwear Limited:

“Honest Growth”

2.3: Company Mission

Apex Footwear Limited encompasses several missions to ensure sustainable growth and customer satisfaction. Mission statements of Apex Footwear Limited:

- To ensure sustainable growth
- To be a vendor of choice for our customer
- To create value for our shareholders
- To be proactively compliant with
- Global best practices & standards
- To be a responsible corporate citizen

2.4: Values

The core values of Apex focuses on three key areas which are integrity, empowerment & courage.

Values of Apex:

- Honesty
- Walk the talk sense of urgency
- Strive for speed and simplicity in everything we do

2.5: Brands by Apex



Figure 2. 1: Brand logos

Apex:

Apex offers a range of shoes and sandals composed of leather whole ensuring comfort. Various materials like nubuck, suede and artificial leather are used to craft the shoes of this range.

Venturini:

Venturini brand consists of a luxurious collection of casual shoes. This brand is dedicated to men who enjoy success.

Maverick:

Maverick is a casual footwear brand that is designed for relaxed & adventurous spirits. The design focuses on innovation & comfort.

Sprint:

Sprint represents a youthful lifestyle brand that is designed for youngsters.

Nino Rossi:

Nino Rossi is a feminine brand that represents grace & style. It is available in various colors and styles.

Moochie:

Moochie is a premium brand offered for females. It represents elegance and designed to attract attention.

Sandra Rosa:

Sandra Rosa is designed to attract young women who have a unique sense of fashion. It is crafted to display a youthful lifestyle.

School Smart:

School Smart offers a wide range of children's shoes which are composed of materials that blend comfort & Durability.

Twinkler:

Twinkler is designed for active, fun-loving kids of the new age. It offers a wide range of fashionable, comfortable & durable footwear for children.

Chapter 3: Literature Review

Traditional retailers are realizing the urge of creating new supply chain and operations models to cope up with online businesses (Hubner & Kuhn, 2015). Due to the increased sales in the online platform and the emergence of retailers into e-commerce, online market share is increasing (Genth, 2013). Hubner & Kuhn (2015), state that the need for efficiency in operation is compelling brick & mortar retailers to revamp their warehouse & distribution center. Multiple channels in an organization require to develop structure & process that creates synergy in the organizations. According to Evans (2006), multi-channel strategy accelerates a retailer's success. He also states that operating in multiple channels gives a company a competitive advantage by acquiring a broad customer base. Levy and Weitz (2004), argue that due to the capture of cross-shoppers, multi-channel operators earn more revenues than single-channel operators. For instance, consumers may explore a product through an online channel to save their time and finally purchase it from a physical store or vice versa. The multi-channel strategy allows retailers to acquire border customer range (Payne and Frow, 2004) by creating an interactive customer base via serving information, products, and customer support (Freed, 2005; Shop Org., 2001). Schramm-Klein and Morschett (2005), state that the aim of designing a multi-channel strategy is to meet all the needs of customers that no single channel can fulfill. Fanelli et al. (2006) states that multi-channel shoppers visit physical stores 30% more than single-channel shoppers. Many types of research prove that through utilizing various channels, multi-channel shoppers spend & purchase more than single-channel customers (Dholakia et al., 2005; Rangaswamy and van Bruggen, 2005; Shankar and Winer, 2005). Customer trust is one of the major elements that motivates customers to adopt a multi-channel strategy. While being less confident about online shopping, customers prefer a known retailer's website (Chaudhuri and Holbrook, 2001). The emergence of a new channel enhances customer loyalty by reducing customer's search cost, rising revenue and serving better (Homburg et al. 2014; Wallace et al.

2004). As each product is unique in terms of complexity, purchase frequency, and tangibility (Konu et al. 2008), it's wise to sell some products only at a specific channel considering the target market and customer demand (Inman et al. 2004). Technologies allow marketers to innovate new opportunities for them through targeting potential customers (Verhoef et al. 2015). Peter and Olsen, 2010 state that footwear many retail stores utilize vouchers & membership cards as a promotional tool. Moreover, according to Kwok and Uncles, (2005) shoe retailers must possess the ability to comprehend customer's purchasing behavior according to different cultures. Alvarez and Casielles, (2005), argue that at the time of festive seasons, footwear retail stores decorate its surroundings with different promotional tools, music, decor and so on.

Chapter 4: Internship Experience:

I worked as an E-commerce & CRM intern at Apex Footwear Ltd for 3 months under the marketing Department. During my internship tenure, most of the tasks I accomplished were related to the e-commerce website. Apex relaunched its e-commerce website on 2nd May, 2019. Since then the e-commerce team has been trying to stay up-to-date on the website to capture its customer base.

My foremost responsibility was keeping the website up-to-date by uploading new arrivals every time. For the e-commerce website's products, a warehouse is maintained in Bashundhara city. Merchandising department deals with activities connected to product deployment. Therefore, my supervisor receives a list of products or new arrivals from the merchandising team first. The list is provided in excel format which consists of product information such as size, color, features and so on. After receiving the list, a photo shoot of the products is conducted by the e-commerce team. A freelancer photographer is hired and advised to perform

the photo shoot at Bashundhara city warehouse. Hence, my presence was required during the photoshoot at the spot in order to monitor the whole process. I used to match the product list with the existing product at the warehouse and report to my supervisor if anything was missing or any mismatch was detected. After receiving the pictures from the photographer, I used to upload the products on the website.

As apex has 260 retail stores, the E-commerce team decided to display all the store locations on their website with an image of each store. Therefore, I used to call the store managers from different areas to provide me with their store pictures so that we can exhibit the store locations on the website for customer's convenience.

Also, as the website has been launched recently, often some discrepancy is observed throughout the website. My supervisor used to instruct me to check the website from time to time in order to detect any kind of mismatch. After exploring the whole website, I used to report the findings to my supervisor.

Daraz is an enlisted retailer of Apex Footwear Ltd. Interns from the marketing department handle the query on the Daraz website regarding Apex's products. Hence, I was assigned to manage the queries of Daraz. Initially, I used to ask my supervisor's suggestion on how to respond to a certain problem as I had less idea on the queries. Gradually I learned the process and could reply to the queries on my own. The queries required me to explore different departments my supervisor was unaware of some of the answers. For example, some customers used to ask about the main material of a product. To gain knowledge of the product, I used to meet the dedicated personnel from the merchandising department. Apart from this, to respond to queries related to product availability, I had to contact Daraz to get back to that question.

During my internship period, I was assigned to visit some of the retail stores of Apex. My responsibility was to visit the stores as a customer and observe the behavior of sales representatives & store managers. Also, I had to check if the POSM such as floor sticker, signage, signage sticker, shelf talker, tabletop, billboard and so on. According to my visit, I used to report to my department head and prepare presentations exhibiting my findings.

Chapter 5: Multiple Channel Operation

5.1: Retail outlets

Currently, Apex has 260 retail stores around the country. Among those 81 stores are located in the capital city Dhaka. For the convenience of operation, Apex has categorized its retail stores in 15 areas such as Dhaka Central, Dhaka East, Dhaka West, Dhaka South, Dhaka North, Chittagong East, Chittagong West, Comilla, Barishal, Bogora, Khulna, Mymensingh, Narayanganj, Rangpur & Sylhet. An Area Manager is assigned for each area who oversees the operations. Also, a store manager is dedicated to each store who reports to the area manager directly. The training session for the Store Manager and Sales representative at the store is conducted by the HRM department of Apex. The training includes product knowledge, the buying & selling process, the role of a sales representative, communications style, store maintenance, stock maintenance process. The marketing department is designated to forward communication tools to the stores. Firstly, communications tools are dispatched from the headquarter by marketing executive to area managers. After receiving the communication tools, the area managers distribute those to the assigned stores. In order to ensure the quality of store ambiance, each month marketing executives & brand officer visit different areas and report the findings to the head of the marketing department. Each month the list of retail stores

is being updated as often the operation of some stores are being discontinued or some new stores are introduced.

The store size varies depending on the location & target group. Most spacious retail outlets of Apex are located at Bashundhara City & Jamuna Future Park as most of the customers visit these shopping malls more often. Moreover, a wide range of collection is available in both of these stores. Customers can find all the latest collection of Apex in these outlets. Retail outlets of Apex Footwear are known as Gallerie Apex. The merchandising department distributes the products in different outlets based on customer's demand & buying capacity of the specific area. The store development department determines the store size, color coordination of the store, lighting, shelves and the overall ambiance of the store. Each retail store is assigned with some monthly sales target, based on which the salesmen & the store manager are rewarded with incentives.

Store Development Process:

To introduce a new store in an area, firstly the area manager looks for a suitable space where the target customer is available. After finding the space, the area manager informs the Retail Manager with detailed information. Hence, after analyzing everything, the Retail Manager proposes the store opening idea to the COO. The COO then calls for a meeting with the heads of each department where he describes the store opening plan first and then asks for an action plan from each department. After analyzing the action plans of each department, the store opening process gets started.

On the other hand, there is another process for store opening which is initiated by the business development & real estate department. Firstly, business development analyzes the purchasing power & lifestyle of the target market in a specific area. For instance, they look for family

shops like furniture shops, sweet shops, crookeries shops, grocery shops in that specific area to understand customer's purchasing power. The real estate department looks for a suitable place where they can start the store operation. Firstly, they approach the landlord and makes a rent contract for 3 years. Therefore, after finalizing the contract business development department initiates the store development process with other departments.

5.2: E-Commerce Website

Apex4u.com:

The business website of Apex Footwear is known as apex4u.com. Apex4u started its journey three years ago. However, the former website was hardly compatible enough to compete with contemporary e-commerce competitors. The website was slow, less featured and out of date. Hence, Apex footwear relaunched its website on 2nd May, 2019. Upon receiving the product list from the merchandising department, the E-commerce team uploads all the available products on their website which are also available at the retail stores as well. The website consists of 7 product categories which are men, women, kids, clothing, online exclusives, international brands & sale. On multiple occasions, the website offers a discount for its customers. For example, there was a flat 15% discount on all available products of apex4u during Eid. Also, after the introduction of international brands such as police, Cross, Clarks on the website, there was a flat 20% discount going on the international brands.

Order process:

Through Apex4u, customers can place an order from any corner of the country. A courier company is assigned to deliver the products throughout the whole country. After the placement

of an order by the customer, the customer care representative receives the placement of order through the backend of the website. Hence, through a software, she checks the stock of that particular product. A warehouse for an E-commerce website is located at the Bashundhara city outlet. After confirming the stock, the customer care representative contacts the sales officer at Bashundhara city outlet and asks him to check the physical stock. Upon receiving the confirmation from the sales office, the customer care executive contacts the customer to reconfirm the order. Once the customer confirms the order, the sales officer then contacts the courier company to fetch the product from Bashundhara city. However, if the product is unavailable at Bashundhara city, customer care executive searches for the product in other nearby outlets through the software. After finding it in other stores, she informs the sales officer to contact the store manager of that particular store to check the physical stock. Consequently, the sales officer then informs the courier company to collect the product from that store. While ordering online, two delivery options are available for customers – Click & Pick and Cash on Delivery. Customers can also pay the bill online through debit/credit card, mobile banking & internet banking. Click & pick option allows customers to receive the product from any nearby Apex outlets without paying any delivery charge. Through informing the customer care, customers can return or exchange the product within 7 days of the purchase.

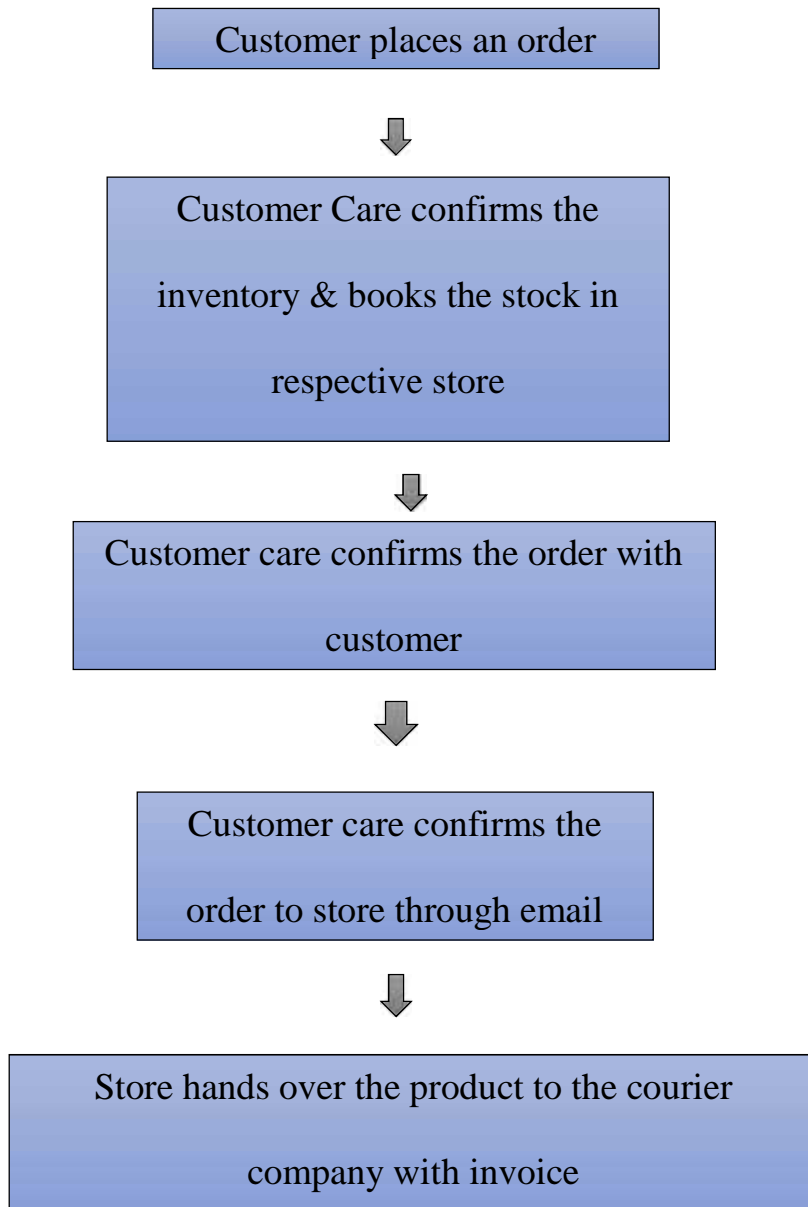


Figure 5. 1: Online order process

E-tailers:

Several e-tailers like Daraz, Othoba & Bagdoom are also a part of Apex Footwear’s e-commerce business. All the collection of Apex is sold through these platforms also. However, Operation of E-tailers is separate from the operation of Apex4u. Both the platforms are not connected and they operate separately.

5.3: Franchise stores

In some rural areas, Apex operates its business through Franchise stores due to the less purchasing power of the residents of that area. Thus, Apex serves selective brands & products in those stores. The target is to serve rural people with an economic brand at a lower price. To select the franchisee, firstly Apex conducts a background check. Apex needs to know how long the franchisee has been in retail business to get an idea on the franchisee's business experience. Also, Apex analyzes franchisee's financial capability such as his bank balance. The franchisee must have savings of 5-10 lakhs to get recognized as Apex's Franchisee. To initiate the contract, the franchisee has to deposit minimum 50k. Then he has to share store development ideas, branding ideas and market expansion ideas with the Apex team. The franchisee also needs to analyze the target market such as their purchasing power, crowding of that area and so on. After analyzing the franchisee's findings Apex decides whether to declare him as a franchisee or not. Communication tools like signage, door sticker, signage sticker and a computer is provided by Apex for the franchise store.

Apex operates in another type of channel which is known as Distributor's channel. The main difference between distributor's stores and franchise store is that Apex has no authority over distributors whereas Apex has control over franchisees. Both of these channels are categorized under wholesale business.

Table 5. 1: Yearly Sales Volume of Retail & Wholesale Business

Year	Retail	Wholesale
2019	680 Crore	210 Crore
2018	600 Crore	150 Crore
2017	550 Crore	120 Crore

The table exhibits that the most of the revenue is generated through retail operations. However, these are approximate values as company is forbidden to share the actual values with anyone.

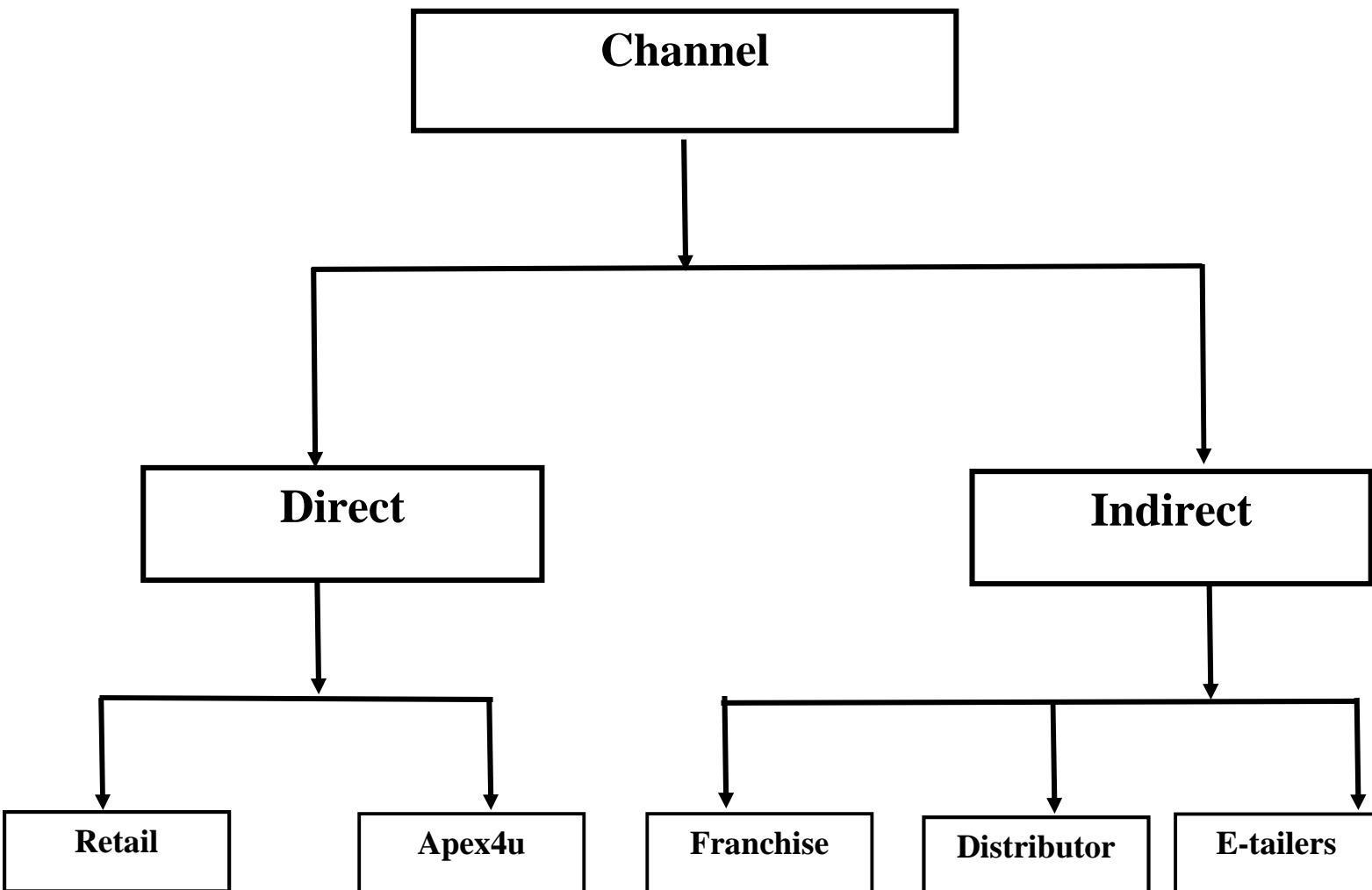


Figure 5. 2: Various operating Channels

Chapter 6: Comparison with Bata:

A comparison between Apex & Bata is shown below as Apex considers Bata as its key competitor.

In 1984, Czech businessman Tomas Bata established Bata Shoe Organization in the city of Zlin, which was known as Czechoslovakia. Currently Bata is operating in 70 countries while serving 1million customers each day. In 1962, Bata started its journey in Bangladesh.

According to secondary sources, the real estate department, business development department & store operation department of Bata function simultaneously to manage the store development process. While planning for opening a store, these three departments work together to evaluate the demography of a specific location. Also, they are responsible for monitoring the store activities and personnel of the stores. Individual region is assigned to different business development managers. Their responsibilities are followed by retail manager. They have to formulate a monthly action plan to ensure complete achievement in terms of turnover & profit, individual store profit target and the number of pairs sold. The business development department is responsible for detecting new locations for new outlets. They also negotiate with the landlords regarding rent, contract, and other issues. The real estate department monitors the overall store-related operations such as finding plausible locations, renting, making contracts with landlords and many more. All the landlords of Bata stores are connected with Bata Company through the real estate department.

On the other hand, all the functional department of Apex such as marketing, retail, HRM, merchandising, store development & business development work together while developing new store opening plan.

In Bangladesh, Bata operates through two types of retail stores – City stores & Family Stores. City stores offer a wide range of latest footwear & accessories for the people living in urban

areas. City stores are generally located at the center of cities which offer high-quality products with a higher price range. Family stores are consist of less expensive products that are designed for regular use. On the contrary, retail stores of Apex offer a wide range of products which include product & accessories of the different price range. At the same time, franchise stores are developed for rural people consist of a wide range of affordable products.

Chapter 7: Research on the Customers of Retail stores

7.1: Rationale of the study

The previous discussion reflects that Apex Footwear generates most of its revenue through retail outlets. Moreover, most of the customers prefer retail outlets to purchase footwear products as most of the collections are available there. Thus, I decided to research the retail customers to know about their experience & suggestions for retail outlets.

7.2: Objective of the study

The objective of the study is to get an idea of customer experience which might help the organization to upgrade its service.

7.3: Limitations of the study:

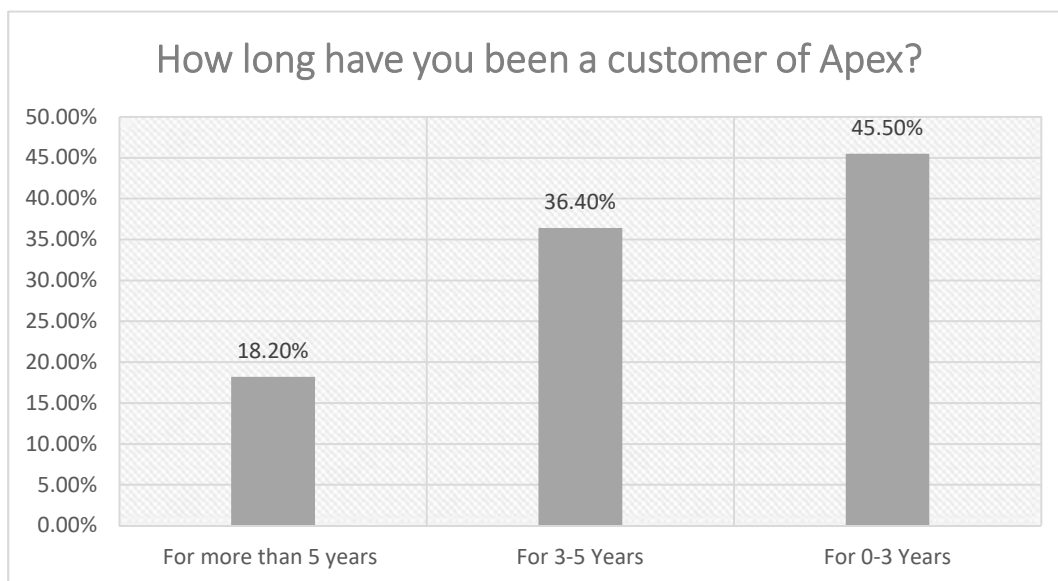
Firstly, I wanted to research store managers as they could give an insight on the retail store's operation. However, due to some confidential issues, I couldn't get any information from the store managers. Thus, I decided to survey customers who have been purchasing from Apex for a long time. Hence, Apex provided me with a list of 15 customers to perform the research. The sample size is still very less & it would be better for the research if I could get access to more customers.

7.4 Methodology:

Primary Data was collected from customers for this research. I collected the data over the phone as the questionnaire included all open-ended questions. I explained the questions to customers again & again to get accurate answers.

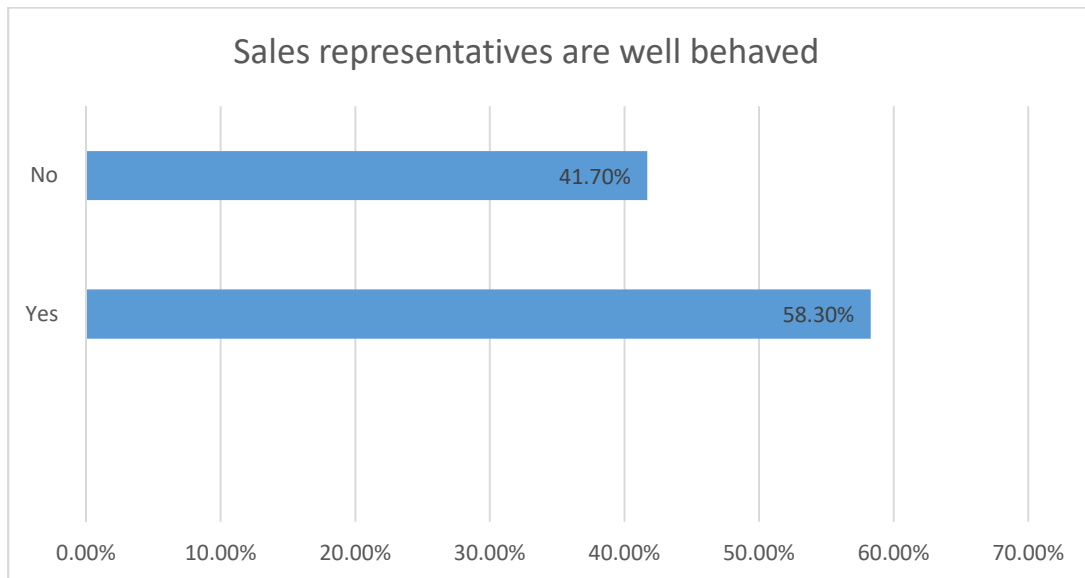
7.5: Analysis & Interpretation:

Question 1:



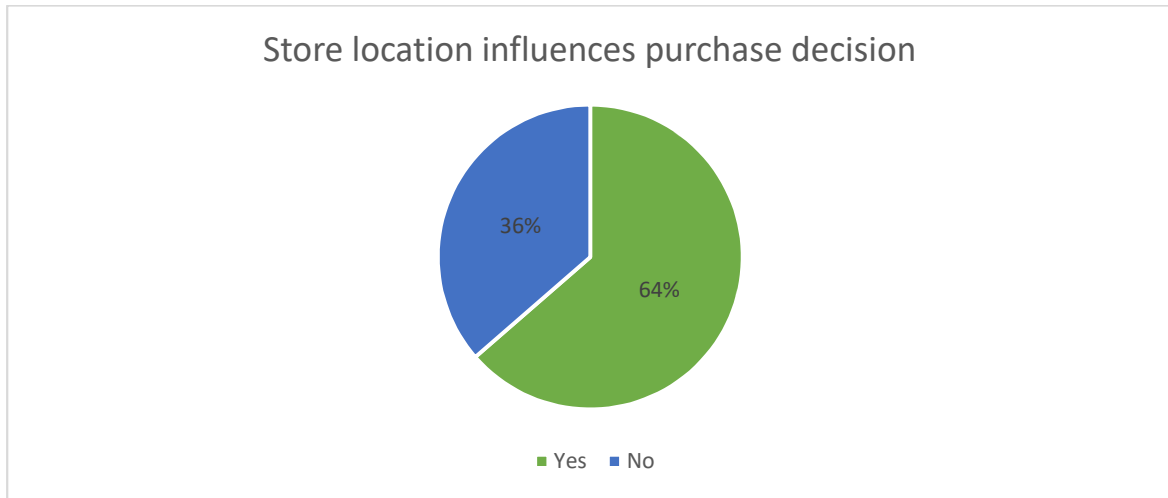
Most of the respondents have been with Apex for 0-3 years. The reason behind asking this question was to study customer's loyalty towards the brand.

Question 2:



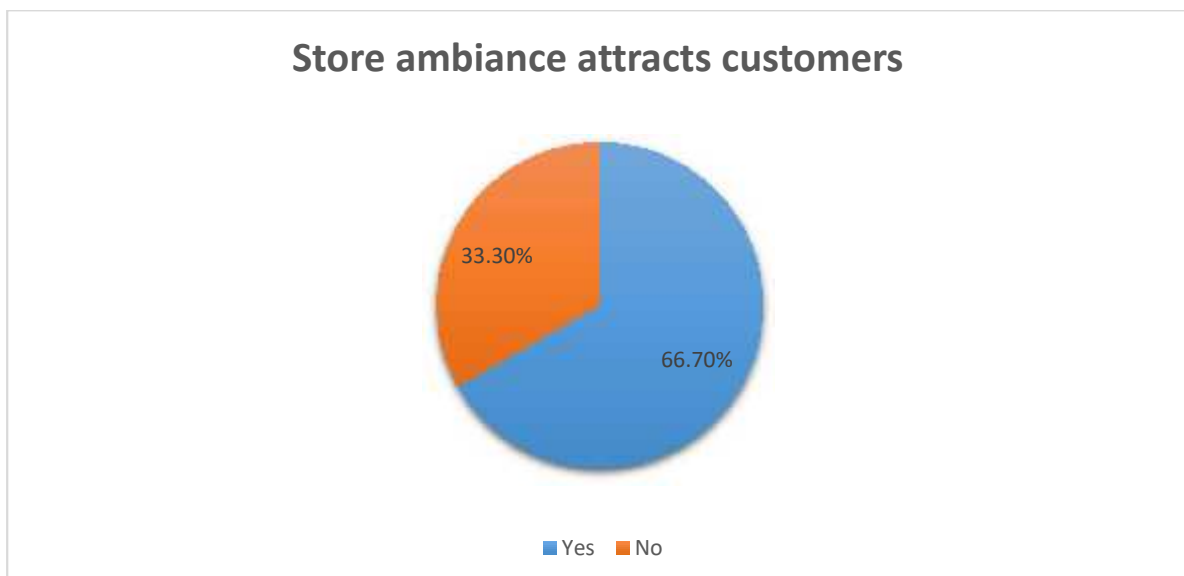
According to 58.30% of customers, the sales representatives are well behaved & well trained. They stated that the salesmen were helpful enough to find them their desired product & size. However, 41.70% of customers think that the salesmen were irresponsible towards their duty. Some of the customers mentioned about lack of humbleness among the salesmen. The salesmen were rude to the customers who left the store without purchasing anything. Also, the customers mentioned the salesman feel annoyed if they are asked for extra assistance.

Question 3:



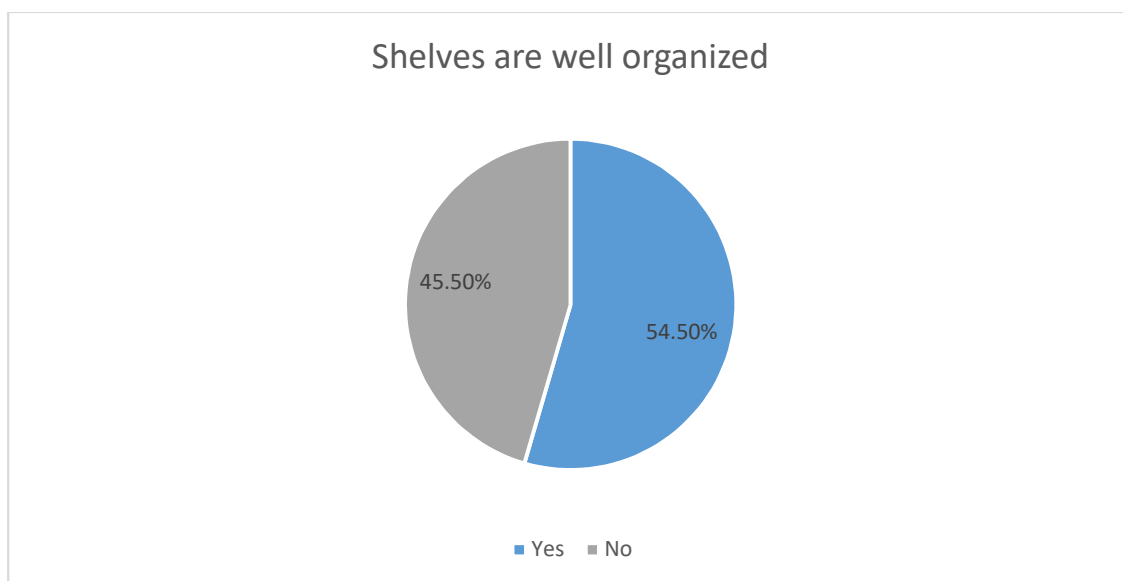
64% of customers stated that the location of the store influences their purchasing intention. As Bashundhara city & Jamuna Future Park outlets have a wide range of collections, most of the customers prefer purchasing from there. According to 36% of customers, while purchasing any footwear item for regular use, they prefer nearby apex stores and hardly care about the latest collection.

Question 4:



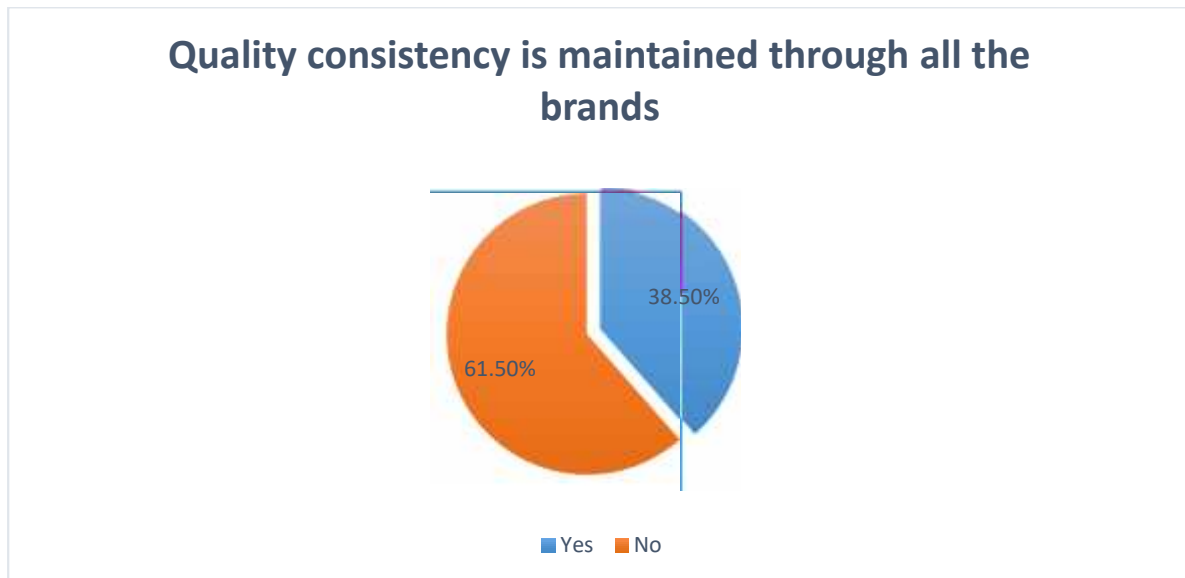
According to 66.7% of customers, the retail ambiance of Apex Footwear influences them to purchase from here. For example, one of the respondents stated that while visiting his nearest Apex showroom this Eid, he experienced a lack of lighting at the store which ultimately discouraged him to leave the store without making any purchase.

Question 5:



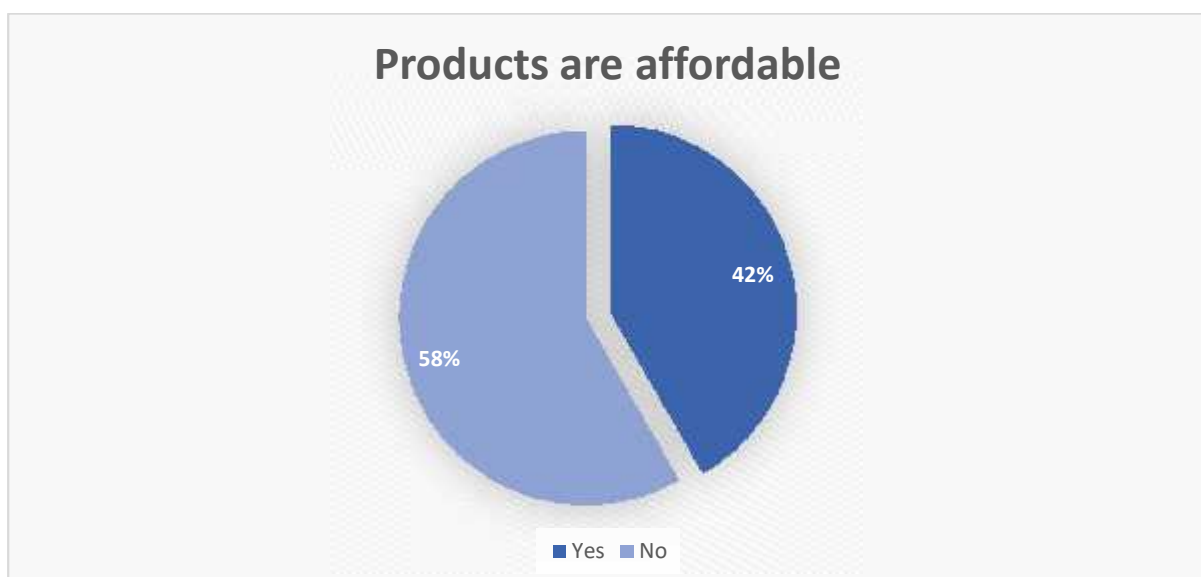
45.5% of customers stated that the shelves were well organized that helped them to find their desired products. The rest of the 45.5% of customers mentioned that the shelves were cluttered with products. Due to lack of space, customers found disarranged shelves at small stores.

Question 6:



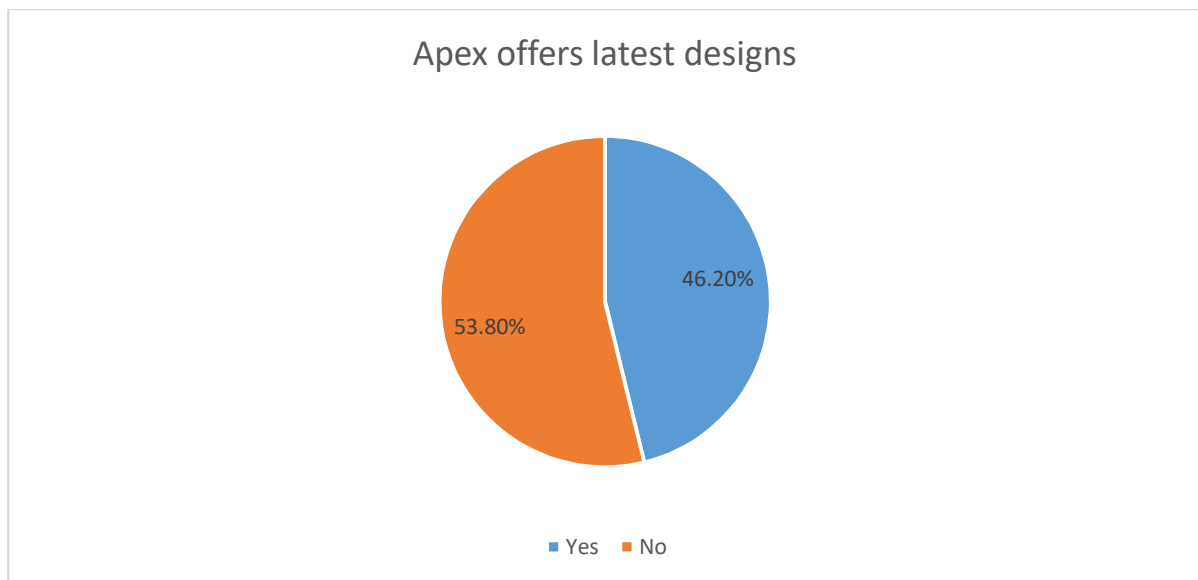
Only 38.5% of customers stated that Apex maintains the same quality throughout all of its brands. According to 61.5% of customers, they experienced both high & low-quality products. They stated that only the quality of expensive brands is up to the mark.

Question 7:



42% of customers think that the products are affordable according to quality. On the other hand, 58% of customers think that the products are expensive which are not affordable for middle-income people.

Question 8:



According to 46.2% of customers, Apex provides the latest designs. On the contrary, 53.8% of customers think that collections of Apex are old-fashioned compared to its competitors. They also state that, through online platforms, they can now purchase shoes from UK & USA based shops also. Hence, they would prefer those brands over Apex due to design variation.

Chapter 8: Conclusion

8.1: Findings

- Apex has three main operating channels- Retail, E-commerce & Franchise stores & Most of the sales are generated through Retail outlets. Thus, Apex has always been focusing on developing new retail outlets.
- E-commerce website is still in the introduction stage and a lot of time & branding tactics are required to reach the maturity stage.
- Retail department, Business development department & Product development department play the pivotal role in store development process.
- Store size & product distribution depend on the store location. After analyzing the demography, store size & product distribution are being determined.
- Apex has introduced franchise stores to operate in rural areas as they do not want to invest much in those areas. These franchise stores provide branded products at an affordable price.
- Some of the salesmen have behavioral issues that might create a negative impact on Apex's reputation.
- As the outlets of Bashundhara city & Jamuna Future Park have a wide range of collections, most of the customers prefer purchasing from there.
- Dull & gloomy store ambiance can refrain customers from visiting a store. Hence. Store ambiance is an important factor to attract customers.
- Products are disorganized in small stores due to lack of space.
- Customers experience deviation of quality in different brands. According to customers, only expensive products maintain quality.

8.2: Recommendations

- At present, customers are more educated than the previous time & their choice changes every now & then. Therefore, a monthly survey should be conducted on customers to know about their preferences.
- Periodic training session should be conducted on salesmen in order to improve their performance

- More promotional activities should be developed for the E-commerce website
- The current business environment is very dynamic. Every now & then new organizations are entering into the footwear business. Customers can also order from UK & USA based brands through online platforms. Hence, Apex should come up with new designs for their products.
- A monthly meeting with the store managers can be arranged where they will share the issues faced by them.

8.3: Conclusion

The research gives an overall idea of the activities of a footwear company. It shows the functions of different departments in store development process. The dynamic business environment requires every organization to operate through different channels. Previously, people used to prefer only retail stores for footwear purchase. However, the business environment & customer preference are changing now. Nowadays many people consider online platforms for shopping as it saves their time. Therefore, Apex should craft out of the box branding strategies for its E-commerce site in order to reach a larger customer segment.

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Appendix:



Figure: Dangler



Figure: Signage



Figure: Floor Sticker



Figure: Bashundhara City Outlet

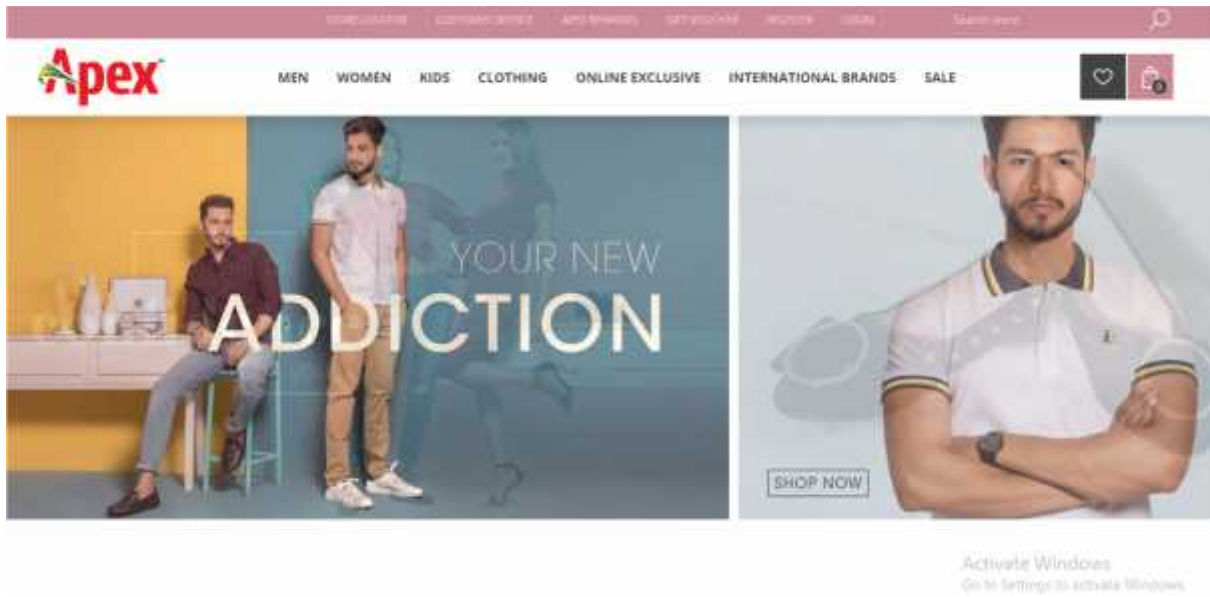


Figure: Frontend of apex4u



Figure: Inside view of a Franchise store