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## Adidas seeks to create the New

*The sports apparel and accessories major says better business lies in opening bigger and bolder stores*

Dave Thomas looks every inch the rugby player he is. Tall and burly, Thomas, 46, the Australian Managing Director of Adidas India, likes to wear his brand not just on his sleeve but on his whole self. In an Adidas Originals branded t-shirt and sports shoes, Thomas could well be on the way to a rugby match, though he's on a market visit to his stores in Chennai.



Dave Thomas, Managing Director, Adidas Group India.

At the spanking new Adidas outlet at the Express Avenue mall in Chennai, Thomas waves expansively around the store, all 7,100 sq ft of it, the largest so far in the country, explaining that this large format is the way its new stores are all going to look. "We are opening bigger stores and making them more experiential in a new format. We have a lot of small stores, but the ability to experience the brand is limited," he explains.

### Doing business differently

Apart from a large range of its products, the store has three zones: a small football pitch, a treadmill zone to try out the football and running shoes and a jersey zone to personalise T-shirts. To roll out more such stores, Adidas is consolidating its franchisees. There will be fewer and better franchisees. In the past, Adidas had

almost 500 franchises. That came down to 75 and now it will bring them down to 45. "In the past, the strategy of franchise partners was, smaller the store greater the chance of being profitable. But we have seen over the years that the bigger stores are the ones which make more money. Consumers are sick of stores with a limited range," he explains, adding, "We are confident of opening stores above 10,000 sq ft, provided there is a compelling business value." Devangshu Dutta, Founder of retail consultancy Third Eyesight, says a large store will serve Adidas' strategy well. "Consumers can experience the brand in its wholeness but it will also need better trained sales associates who can showcase the brand better. Consumers read a lot, there is more awareness of a product before they land up in a store so sales staff need to be prepared."

Powered by the resurgence in running and in football, Adidas India, along with brand Reebok, registered ₹1,400 crore in sales. Among the international footwear brands, which include Nike and Puma, Adidas and Reebok together claim a 45 per cent share. Adidas has been registering a 12-15 per cent growth in the approximately ₹3,500 crore-a-year market for premium sports footwear. "We've done a lot of the right things, the strength of the brand has worked, we have seen huge progress in all parts of the world; in Asia too, we had the same strategy, how do we create the New. We believe that resonates with the youth," Thomas elaborates.

Adidas today has 450 stores, Reebok 220. More stores will depend on rent and profitability of franchisees. Adidas has



Rohtak



Chennai



Ohhindwara



Fursatganj

Noida



got the government's go-ahead to set up its own stores and will open its first owned store at Ghaziabad, then a large one at Connaught Place in Delhi and an Originals store in the NCR region.

Thomas says the focus has been on a few basic things: focus on key cities, bringing a product to market much faster, and rolling out large stores to showcase the whole range. "When I joined, there was at least a 2-3-month lag between products launched globally and their launch in India. The consumers are very savvy they know when a product is launched in Washington or London, so why should it be different in Chennai? Now most products have a good hit rate as we're launching at the same time," asserts Thomas. He points to the success of the predominantly white Originals range. "The key influencers, like the Bollywood community or actors or singers using Originals, have helped it click. Originals is now 10 per cent of our business in India. It may be inspired by sport but they are more of lifestyle shoes." Stan Smith, its blockbuster Originals, was a tennis shoe, but is now a lifestyle statement.

**Running strong**

There is a tablet in the store for consumers to purchase online what they can't find in the store. "We are tying together the online and offline pieces and it's been fairly successful for us," he adds. While running and football are the biggest piece of action for Adidas, Thomas recognises that other sports such as badminton are taking off and, of course, that India is a cricket-mad country as well. The brand expects growth in other sports footwear too.

While recreational running is growing stronger in India the running shoe is getting

more important. The influx of specialist running shoe brands could crimp a multi-sport footwear brand such as Adidas. "Brooks, New Balance, Saucony and Asics are quite strong brands in this segment. Runners expect the right kind of fitment and suggestion to suit their running gait which is addressed better in running speciality retail outlets," says K Sriram, co-founder of Running Lab, a running speciality store, which stocks everything from apparel and nutrition to recovery products.

Ask Thomas if India has emerged as one of the top markets, and he grins broadly. "For years, India promised a lot and never delivered, but now that it is delivering, people are interested. We have seen progressive improvement in sales, brand and profits. We are in the top 20 markets; among emerging markets, we are starting to get bigger though we are still not among the more profitable markets," Thomas explains.

Dutta of Third Eyesight says the timing is right too. "There are more people involved in an active lifestyle which is linked also to rising incomes. Consumers are tending to buy shoes for specific activities."

Thomas says with the growing trend of people wearing athletic shoes at both at work and leisure, it's a happy place to be in. "I used to work in P&G and we used to have casual Fridays which means you could take your tie off! But now things have changed. Take the Ultra Boost, a premium shoe, the best running shoe we have ever made, it can be worn with a pair of jeans or to work. Not everyone will run a marathon, but they are buying it too. That leisure lifestyle trend is helping us a lot." Adidas is a brand that offers shoes for varied sports, will it even offer shoes for kabaddi? To that,



Thomas says, "Now, that's one sport I won't mind playing!" Given his rugby-size build, at 6.1" and 105 kg, he would fare well.

Source: Business Line

## Shoppers Stop eyes 25% more profits

Shoppers Stop is expecting sales to grow in the forthcoming festival season after an initial slowdown in sales in July owing to the goods and services tax (GST).

It expects sales to grow 12-14 per cent, which would take up the company's profits by 25 per cent for this financial year.

Managing director Govind Shrikhande said that sales fell in July on account of supply constraints, but recovery started from August. However, since there hasn't been any changes in the retail prices of garments, sales are likely to remain healthy in the forthcoming festival season, he said.

Shrikhande's projection is based on three grounds.

First, he expects same-store sales growth to hover around 9 per cent this year, against 6 per cent in the previous financial year. "Growth above 6 per cent beats inflation and, thus, it will be a key to register the projected growth rate," he said.

Second, the company has already closed three of its loss-making stores, taking an impairment of Rs 5 crore. It is also focusing on rationalisation by reviewing the bottom five per cent under-performing stores. This year, the firm also plans to open five more stores in Delhi, Mumbai and Guwahati, among other places.

Third, the company would focus on increasing its online presence through the

omni-channel route. While it would not bet big on discounting items in comparison to online fashion portals, it would rely on delivery speed, assortment of products and availability across locations.

Shrikhande, who also holds the portfolio of the firm's customer care associate, said that since Shoppers Stop has 80 stores in the country, which will touch 100 in the next three years, it would be in a better position to offer faster delivery compared to the online marketplaces. This, he said, would be the firm's key differentiator

Source: Business Standard

## Flipkart Global to enable sellers to export worldwide

### To leverage retail e-commerce export capabilities of eBay India

E-commerce marketplace Flipkart on Tuesday announced the rollout of 'Flipkart Global', a programme that will provide its 100,000-plus sellers with an opportunity to export their products to buyers across 190-plus countries.

The programme, which leverages the e-commerce export capability of eBay India, ties in with the 'Month of Partners', part of Flipkart's Big 10 celebrations dedicated to recognise and thank its partners and sellers for their support.

The programme will enable sellers from India to access over 171 million active customers of eBay in markets including the US, the UK, Germany, Canada and Australia.

As a part of the launch, all existing 25,000 retail export sellers on eBay India will migrate to Flipkart Global and start listing



their products through the platform. Over the next 20 days, Flipkart will undertake a nationwide seller outreach programme to educate sellers, onboard them and help them take advantage of the programme.

“India has immense export potential and there are many SMEs who have unique products but don’t know how to make them available to global buyers. With the launch of Flipkart Global, we’re removing traditional growth barriers and giving them a platform to reach out internationally and expand sales,” said Anil Goteti, Head of Marketplace at Flipkart and Head of eBay India.

The retail e-commerce export market for India is estimated to be around \$2 billion by 2020, according to an IIFT-FICCI study .

Flipkart Global will leverage the retail e-commerce export capabilities of the recently-merged eBay India business for sellers to list their inventory across 35-plus global eBay platforms. The firm will also provide necessary support in terms of shipping solutions, remittances, market trends and so on to its sellers.

Source: Business Line

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## Physical Laboratory Testing Services Provided by FDDI, NOIDA

S.No.	Test Description	Charges in ₹
<b>1. COMPLETE FOOTWEAR</b>		
1.1	Shoe water proofness	500
1.2	Shoe flexing at room temperature	
a.	Casual shoes	1200
b.	Sports/heavy duty shoes	1200
1.3	Shoe flexing at low temperature	2000
1.4	Heel attachment strength	600
1.5	Strap attachment	600
1.6	Strength of attachment of Bows & Trims	600
1.7	Whole shoe topline strength	600
1.8	SATRA sole adhesion test	600
1.9	16 point bondability test	1400
1.10	Calibration	1200
1.11	Leakage resistance	600
1.12	Slip resistance for safety	1400
1.13	Slip Resistance as per SATRA	4500
1.14	High Voltage	3000
1.15	Thong attachment	600
1.16	Top piece attachment	600
1.17	Heel impact	1500
1.18	Heel fatigue	1500
1.19	Peel Strength	600
1.20	Visual observation	1000
<b>2. LEATHER /SYNTHETICS/UPPER MATERIALS</b>		
2.1	Flexing resistance at room temperature	700
2.2	Flexing resistance at low temperature	2000
2.3	Tensile strength & extension at break	600
2.4	Seam strength/Stitch tear	600
2.5	Induced tear Strength	600
2.6	Tongue tear	600
2.7	Grain crack index	600
2.8	Burst Strength	600
2.9	Adhesion of coating (synthetics)	600
2.10	Dynamic water resistance	600
2.11	Break pipiness	100
2.12	Wrinkleometer test	100
2.13	Surface water absorption	200
2.14	Water vapour permeability	600
2.15	Water vapour coefficient	600
2.16	Adhesion of finish (Tape test)	100
2.17	Blocking test	600
2.18	Heat fastness of finish	250
2.19	Taber abrasion	600

FDDI ITC (NOIDA & CHENNAI) IS OFFERING FLAT 20 % DISCOUNT ON ALL TESTING TO ALL THE CUSTOMERS TILL THIS FINANCIAL YEAR 2017-18  
\* The said discount is not applicable on inter-lab testing & package fee

To be continued...