

Changing Phase of Industry from Generalization to Specification : A Study on Recent Innovation in the Field of Sports Shoe Segment

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Abstract

Today People are very much conscious about their health and fitness and becoming sports freak. With the increase in population in urban areas people are becoming more health conscious due to which they prefer to join various clubs or sports meets in order to keep them fit. This leads to increase in demand of sports goods & accessories and out of which footwear is consider as one of the important product which is required in all the physical and sports related activities. If we talk about Indian companies approximately 80 percent of Indian sports shoe market is in the hands of four big global players namely ADIDAS, REEBOK, NIKE and PUMA..

All four global footwear giants are keep on producing sports shoes by identifying the attributes of games as well as the personality of players, because gone are the days when companies manufacture sports shoes as per the requirement of sports, now company primarily focus on the physical requirement of players and then they are focusing on requirement of the sports. In short we can say now these companies or brands moving from generalization concept of production/manufacturing to specification of product and its utility for the sports personals.

Keywords : Generalization, Specification, Attributes Utility, Sports shoes.

Classification-JEL : L15, L 16, L 67

1. INTRODUCTION

The global footwear market is growing very rapidly over the past few decades and the credit goes to drastic rise in consumer disposable income, and inherent change in the consumer own perspective to give their precedence to style on the same footing as comfort. If we talk about average retail revolution and undergoing a fast-changing retail landscape, major shoe companies are witnessing the phenomenal growth in revenues over the years and the global footwear industry is very

unlikely to get slow down anytime soon with the global demand for footwear growing at an impressive rate.

Ask from any footwear designer he/she will tell you that innovation is as important in footwear segment as required in the apparel segment of an industry. Today appeal is more important for the customer and for which he/she may pay any amount. In case of sports shoe innovation does not mean appeal rather here innovation means how technology meets the need of sports person and requirement of

the game so that the efficiency and effectiveness of the player may increase. Innovation in the field of sports shoe segment not only results of new design strategies, branding and communication rather it create a unique bond with consumers (Sports personality), reflecting their lifestyles, purchasing power and social positions. Companies are no longer only fantasy brands; they have had to become utility product for better performance.

Example: Basketball shoes are specifically designed for the intensity and flow of the game. Sports scientists' points out that on average, basketball players switch direction every two seconds and run 105 short sprints every game. With constant running, jumping, starting and stopping, basketball shoes are designed to act as shock absorbers and which provide them strong ankle stability with the flexibility to allow players to move laterally. So usually a basketball shoe appears much bigger and bulkier than common running shoes. In National Basketball Association NBA there are 17 players who play in their own signature sneakers. However, there are more than 20 active players who have had their own basketball shoe. Celebrity Players such as John Wall, Jamal Crawford, Kevin Love and George Hill had their own signed basketball shoes.

Footwear Customization also an increasing phenomenon and becoming input for the new innovation in the upcoming technologies, strongly penetrating the arena of sports shoes world Today sports celebrities are asking the footwear giants, to made shoes for them according to their physical structure & abilities, suits to their playing style and the flow of the game to enhance the performance at national & international level platform.

The requirements of such things putting the sports shoes to the next level product for which companies are spending lots of money extensively in their research and development, testing's, innovations in technologies and raw

materials. These things improve the final output of sports persons at the significant level at international platform.

Example: Asian Games gold-medalist Swapna Barman received customized shoes for her 12-toed feet as the Sports Authority of India (SAI) has tied up with footwear company Adidas to ensure specially-designed gear for the heptathlete. After coming to know about Swapna's case, the Sports Minister immediately directed Adidas from Jakarta to get customized shoes for her. Adidas have agreed to make a customized shoe and provide the footwear in just 2 months." Born with six toes in both her feet, Swapna's plight came to light only after she became the first Indian athlete to win an Asiad gold in heptathlon with a career-best performance in the 18th edition of the Games in Jakarta in August, 2018.

2. LITERATURE REVIEW

(2017, July 19) Footwear Companies look at Breakthrough Innovations as New Revenue Stream Generators, Technavio blog/ consumers and retails/ general retail goods and services: retrieved from <https://www.technavio.com/blog/innovations-open-new-revenue-streams-footwear-companies>.

Fashion is also very considerable attribute fueling the rise in the footwear related trends, as customer prefers pairing their footwear with their regular outfits, changing consumer preferences for trendy footwear comes as an indispensable opportunity, it also engraves some serious challenges for companies in terms of innovations and meeting the customer's express requirements. So before the manufacture of a range of products to meet the demand, the vendors need insights pertaining to the new taste, trends and preferences of consumers.

With an aim to adapt with the changing trends, companies are game to making on die hard fast and some up-to-the-last-minute changes as well as sit atop long-term

innovations. In a race to master this, footwear manufacturers like Nike, Adidas Group, and PUMA are experiencing extreme fluctuations in their profit margins.

(2018, October 1) Top 10 Shoe Companies in the World 2018, Technavio blog/ consumers and retails/ general retail goods and services: retrieved from <https://www.technavio.com/blog/top-10-shoe-companies>.

Footwear product getting sales both from the online and offline channels. Technavio's market analysts have estimated that the footwear market will register revenue of close to \$353 billion by 2022, which is majorly due to sports products segment. With the introduction of innovative designs and advanced technical fabrication by world's leading shoe companies is triggering the growth of the global footwear market. Adidas, ASICS, Puma and Nike are best known footwear leaders and well known for their new and innovative offerings in footwear. As per the report, the non-athletic segment will account for the highest growth in the footwear market owing to evolving demands, growing consumer base of internet sales, and faster shipping services. Complete footwear market is likely to grow at a CAGR of more than 2 % by the year 2022.

Trend of Mass Customization in the Industry of Footwear and Apparel, Mass Customization. Retrieved from <https://www.mass-customization.com/mass-customization-info/mass-customization-in-the-industry-of-footwear-and-apparel/>

Mass customization is being practiced in various existing and upcoming industries; but it is mostly popular in the industry of clothing and footwear. Several businesses whomsoever belong to this industry have developed and upgraded online platforms to reach out to their customers. Even global players like Nike, Adidas and more have also joined the bandwagon in an effort to win more patrons.

With the rise of the Information technology, it has now become easier for the

businesses to connect to the public, whether to sell their various products or address consumers' concerns. In the 20th century, the online internet world opened their doors to a whole new kind of community and business, making customers feel like they are truly valued and make them feel special.

One more reason why mass customization became such a prevalent commodity in modern companies is because it allows a great deal of freedom to create and design. Now Customers have long been looking for solutions to their problems like overpriced goods or badly fitting apparel and therefore mass customization provides the perfect and instant solutions to these dilemmas, giving consumers a unique end product which is perfectly suitable for their specific needs, and in a cost-efficient way.

Normally, clothing and shoes sold in only retail stores come in standard sizes and because not everyone fits in these available sizes, there's a bigger percentage of consumers left looking for products that would fit them. So this is the biggest reason why mass customization has become such a big hit.

There are various types and variants of customization but we don't need to get into that anymore. The vital thing is that we recognize the value of this wonderful process. Having shoes, jeans, shirts that are custom-made to fit your body type and style preferences of the customers, makes them money spent well-worthy feel. And of course, the makes whole shopping experience more remarkable to the customers too.

(2018, October 1) Footwear Companies look at Breakthrough Innovations as New Revenue Stream Generators, Technavio blog/ consumers and retails/ general retail goods and services: retrieved from <https://www.technavio.com/blog/innovations-open-new-revenue-streams-footwear-companies>.

Nike: As a world's leading footwear brand Nike has always been at the leading edge

of innovation, technology development and cutting-edge marketing campaigns that help them surpass all the other brands in the world. Nike's latest 'Just do It' marketing campaign featuring 'Colin Kaepernick' has proved to be extremely fruitful for the company this year as it helped grow their online sales of footwear products across the world. Nike, the world's largest sports footwear brand is constantly reinventing itself for this digital era. The company is taking several steps toward its goal to become a retail tech company and some of these tactics are already working. Nike is also getting its flagship products right with shoes like Nike Air Max 270, Zoom X, React, and Vapor Max has landed with customers.

Adidas: Originated in Germany, now Adidas has become one of the top shoe companies and shoe brands in the world. The company normally produces more than 900 million sports and lifestyle products with independent manufacturing partners around the world. The company generated heavy sales of approximately \$25 billion in 2017. These staggering numbers alone are the testaments that Adidas is large and multifaceted company. More than 1000 stores across the world, the shoe brand Adidas has raised to extreme heights of success. Now Adidas has not only become the biggest symbol of sports fashion but also has presented a different image of street, pop-culture, music, sports and other fashion statements globally, creating their existence through its communication strategies.

New Balance: Unlike its rivals, the Boston-based New Balance shuns celebrity endorsement. The company claims to emphasize substance over style by highlighting their lesser-known athletes. Besides manufacturing men's and women's shoes for basketball, tennis, golf, hiking, running and cross training shoes, New Balance usually offers fitness apparel and shoes for kids and owns shoemaker Dunham. The company's products portfolio includes Aravon shoes for the comfort performance, Warrior hockey wear, PF Flyers footwear, and Brine, a

leader in field hockey, lacrosse, soccer, and volleyball shoes. The company is very striving to expand beyond the US stores and they have recently opened its first UK store on London's Oxford Street.

3. RESEARCH METHODOLOGY

For the purpose of research a scheduled questionnaire is framed and interview has been conducted by the researcher. The respondent selected for this study, are the sportspersons, sports shoe footwear retailers, and few sports shoe footwear manufacturers.

The study is descriptive as well as explorative in nature. The sample size is 50 in combination of all. The research also includes secondary data which has been collected through various books, journals, web portals, and newspapers.

4. OBJECTIVE OF THE RESEARCH PAPER

1. To study the transformation of sports shoe industry pertaining to mass customization to specification/customization.
2. To study how science and innovation in the sports shoe segment has increased the efficiency of sports personal in the field.
3. To study the different material innovations - taking sports shoes to the next level of international sports platform.

5. HYPOTHESIS UNDERTAKEN

Ho: Sports shoe industry is not moving towards customized sports shoe manufacturing.

H1: Sports shoe industry is moving towards customized sports shoe manufacturing.

Ho: With the advancement of the science & innovation due to technology sports shoe industry & players is not much benefited.

H1: With the advancement of the science & innovation due to technology sports shoe industry & players benefited too a great extent.

6. ANALYSIS OF DATA :

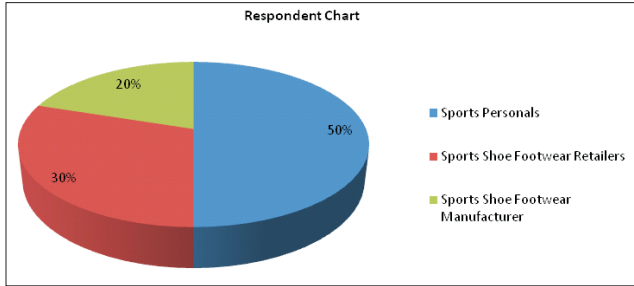


Figure 1: Percentage of respondent taken to collect information.

Table 1

Category of Respondents Taken by Researcher

Respondent	Number of Respondents	Percentage of respondents Undertaken
Sports Personals	25	50
Sports Shoe Footwear Retailers	15	30
Sports Shoe Footwear Manufacturer	10	20
Total	50	100

Table 2

Applied T-Test Test to Check the Validity of Objectives Undertaken

S. No.	X1	(X1 - X)	(X1 - X) ²
1	37	12	144
2	24	-1	01
3	29	-4	16
4	19	-6	36
5	20	-5	25
6	23	-2	4
	152		266

$$\text{Mean } \chi = \frac{\sum x_1}{n} = \frac{152}{6} = 25.3$$

$$a = \sqrt{\frac{\sum (X_1 - \text{Mean } \chi)^2}{n - 1}}$$

$$a = \sqrt{\frac{266}{6 - 1}}$$

$$a = \sqrt{\frac{266}{5}}$$

$$a = \sqrt{53.2}$$

$$a = 7.29$$

$$t = \frac{\text{Mean } X - \mu}{\sigma S / \sqrt{n}}$$

$$t = \frac{25 - 50}{7.29 / \sqrt{6}}$$

$$t = \frac{-25}{2.48}$$

$$t = -8.38$$

7. DATA INTERPRETATION

On the basis of data analysis and collected from various respondents, by applying T-test (As the sample size is small) researcher has examined that Ho (Null Hypothesis) is rejected and H1 (Alternative Hypothesis) is accepted as tested value is bigger than table value, hence alternate hypothesis is accepted in both the cases undertaken for the research.

Reference : Test Value = 8.38

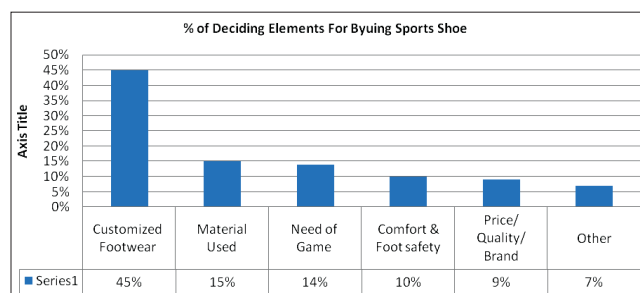
Table Value = 3.365

Result : With the advancement of science and innovation with the advancement of technology players as well as retailers and manufacturers are benefited and now players prefer to have customized assets (For all sports) rather non- specialized product which has boost the profit margins of retailers and manufacturers also.

Further researcher has observed that players want to wear customized footwear which would support them on ground both (technically and physically) and enhance their efficiency on ground.

The deciding elements for buying of supports shoes for a players are bifurcate mainly on following specifications (analyzed through personal interview and schedule questionnaires of players)- customized footwear as required by sports personal 45%, material used 15%, need of game 14%, comfort and foot safety 10%,

price/brand/quality 9%, other 7%. An element affects Buying decisions



8. LIMITATIONS OF RESEARCH

The collected data is placed into an order. Percentage of respondents answered similarly are calculated and placed in a table. Then this is interpreted. This involves drawing conclusions from the data which is gathered from primary & secondary sources. Interpretation has provided the real picture of the study and on the basis of which final conclusion has been drawn for overall population.

Because of limited time frame constraints working hours for most of the respondent's answers at times were vague enough to be ignored hence there may be a

chance of few grey areas which may analyze in future course of action for the researcher.

9. FINDINGS/ SUGGESTIONS

Now a day players prefer to wear shoes which are technological sound and are designed as per the standards and requisition of the game, moreover players are very much brand conscious also they very frequently shift on other brands if such brand manufactured some innovative footwear that would enhance the overall efficiency and effectiveness of player.

As per the research customized footwear is more preferred by the sports personals as compared to generalized sport shoe.

High innovative or techno based footwear not only improve the efficiency of player rather it protect and provide safety to players from various angles such as control excessive friction, support body arc, maintain overall balance of foot as well as support player foot anatomy hence innovative customized sports shoe footwear is more preferable by players and companies are also moving towards this direction as future lies in customized manufacturing rather mass or generalized production of any product.

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