

Case Study

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WEAR YOUR FUTURE

PARAGON FOOTWEAR'S INCREDIBLE JOURNEY INTO INDIAN FAMILIES

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INTRODUCTION

I TODAY when almost in all the Indian markets and industries, the foreign brands are thriving. Even in the Footwear industry, foreign brands such as Nike (America), Adidas (German), and Bata (Swiss) have maximum popularity and market share. While few India brands such as Paragon, Relaxo, and Liberty mark their strong presence, and high popularity in the foreign brands burgeoned Indian Footwear market. They are successful in creating a market for themselves and are also able to rule in their own segments. This made the authors inquisitive about delving deeper into the reasons behind the high popularity of those Indian Footwear brands with particular reference to the Paragon Footwear. Authors tried to go through the literature available freely online, analyze Paragon's history, study Company's marketing mix, and in result tried to derive few lessons which a business student can utilize for understanding the reasons behind Paragon's success and the story behind popularity and entry into the Indian households.

Indian Footwear Industry

After China, India is the second-largest global producer of Footwear accounting for 13% of global footwear production. India is the third-largest Footwear consuming country after China and the USA, with nearly 1.66 pairs per person, while average global consumption is 3.0 pairs (MSME India, 2020). The Indian Footwear market's revenue is projected to reach USD 7.92 billion in 2020, with the expectation to grow annually by 9.6% (CAGR 2020-2025). At the same time, the United States of America is expected to have around tenfold revenue of USD 86.13 billion in 2020, details of other countries with high revenues are given in table no. 1. With the advent of COVID 19, resentment of countries against China has increased, which may increase the export of Footwear from India, whereas, currently, 95% of India's products are consumed locally (Singh, 2020). The Government initiatives such as Aatma Nirbhar Bharat may also help in increasing the exports.

About the Firm Paragon Footwear

In the year 1975 with a creation limit of 1,500 sets every day, Paragon started its business in Indian market. Company was founded by three partners PV Abraham, KU Thomas, and KU Scaria in a small garage in Kerala, with the objective to provide good quality Footwear at the affordable price for the masses. In 1982, after picking up fame in Kerala's home province, Paragon started its spree to other Indian states. The organization explicitly accepts that its most prominent competitive advantage is its dedicated staff and distributors. Four hundred fifty wholesalers cater to retail business, and now exclusive

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Table No. 1: Global Comparison of the Revenue (Source: Statista, 2020).

| Rank | Country | Revenue (USD, Billion) |
|------|---------------|------------------------|
| 1 | United States | 86.13 |
| 2 | China | 66.10 |
| 3 | Brazil | 49.63 |
| 4 | Japan | 27.93 |
| 5 | Russia | 15.78 |
| 14 | India | 07.92 |

retail outlets across the country supply stocks to each side of the nation in the most reasonable time (www.paragonfootwear.com). Paragon needs almost no promotion in the Indian sub-continent as a brand as it sells well everywhere throughout the nation. Paragon likewise has an in-house footwear strategy team devoted to make new structures and models to stay aware of the market demands. While elastic Footwear keeps on being its driving item, the Paragon brand name brings its unique products in other footwear items. Company which started from a small garage now has more than 60 production units across India; exports to more than eight countries (Kuwait, Saudi Arabia, Qatar, Oman, Mauritius, Dubai, Italy and Bangladesh); and employees a loyal and satisfied staff of more than 10,000.

The Paragon Group of organizations is considered to be top rank in the organized rubber footwear sector. Considering millions of feet with the guarantee of durable Footwear, Paragon has developed to turn into one of the number one footwear brand in the nation. Today, Paragon's total in-house creation limit is four lakh sets every day. The all-out deals are approximated to fourteen crore sets every year. Paragon Group of Companies have best in the class ISO-9001 certified industrial facilities at- Kottayam, Kerala, Bangalore, Karnataka, Salem, Tamil Nadu, Hyderabad, and Telangana (www.youtube.com/watch?v=fCd9IUsvcb8&feature=youtu.be). Besides, it also has certification of ISO 14001 for its effective environmental management system.

Variety, Diversity, and Differentiation

Most important attribute for any company to obtain competitive advantage is creating differentiation in its products, approaches, models, and strategies. Paragon has more than twenty brands under its umbrella. Some of them are Solea, Paragon Max, Stimulus, Paralite, Fender, Escoute, Walkie, Vertex, Flat Lite, Princess, Sonar, and Meriva (www.paragonfootwear.com/). The firm which started with single typical white and blue stripe sleeper now comes out with three to four new designs every day. It comes out with almost every Footwear assortment ranging from safety shoes, casual slippers, and formal shoes to fashionable and ethnic Footwear, for all men, women and kids. Most importantly all the products are available at a price range of less than a thousand rupees, with a starting range of just ninety rupees. This provides consumers great options at very affordable range.

Paragon with great products and extremely high popularity needs no major investment in the promotions. Paragon brand name brings its longstanding affirmation of value and sturdiness to a full scope of Footwear range. Paragon promotes its brands smartly on both traditional (Television, Print) and contemporary mediums (Social Media). Paragon not just diversifies their products for different age groups but also diversifies their approaches in the promotional campaigns. Ambassadors from different regions and linguistics promote their products such as Hritik Roshan, from Hindi film industry; Mahesh Babu from Telugu film industry; Kiccha Sudeep from Kannada film industry; and Samantha from Tamil film industry, creates an influencing impact on almost whole of Indian consumers.



Figure 1: Showing Different Brand Ambassadors of Paragon Footwear

Source: YouTube page of Paragon Footwear (www.youtube.com/user/Paragonfootwear)

Advertisements mostly focus on how everybody across age gatherings and sexual orientations can depend on Paragon's Footwear scope for its sturdiness and reliably. The most noticeable viewpoint featured is the quality that the organization offers and how regardless of various seasons, the masses asserted that Paragon remains with you even in troublesome occasions and for long. 'Paragon Pehen Ke Chalo' and 'Chalta Rahey' were a portion of the organization's slogans to draw shoppers at first. From 'office wali chappal' to 'class ke boots' to 'rainstorm ki shoes', Paragon has been perky about its moderateness, assortment, and quality in the entirety of its ads taking into account diverse age groups. (www.youtube.com/watch?v=GbtuwQvWRYY, www.youtube.com/watch?v=atgpONpgjWG8.)

Paragon's promotions generally spun around its details about different reaches that it offered for various events and seasons. The depiction and content comprised of amusingness, character set, which was, for the most part, shot in limited areas to make them relevant and relatable.

Digital Marketing Campaign

Paragon's success is due to their reliable and affordable products and their excellent communication through multiple channels. Today, during a time when youth plan to make their enthusiasm their calling, Paragon emphasizes how one's improvement must be strengthened each day. With its campaign #WhatsYourStimulus exploits driving advanced content creators in the nation. Paragon planned for promoting its brand Stimulus as an independent youthful footwear brand. Contest ran daily from November 02, 2019, to December 25, 2019. Prizes included weekly cash prize in addition to the cash prize up to one lakh rupees. The contest's centre subject was to stress the significance of finding your enthusiasm and tailing it with everything in you. With #WhatsYourStimulus, Paragon intended to reveal insight into the significance of discovering one's Stimulus in regular undertakings with agreeable Footwear. (www.paragonfootwear.com/wyscontest)



Figure 2: Advertisement of the Digital Campaign #WhatsYourStimulus

Source: Paragon Footwear Official Website (www.paragonfootwear.com/)

Today when almost every youth moves towards becoming a content creator on YouTube or other platforms, this campaign gave sprouting content makers a stage to exhibit their enthusiasm online. Campaign reverberated with the intended interest group. When twenty to thirty-year-olds go to internet-based life to communicate, this was an incredible open door for them to fame through a 30-second video. The campaign was conceptualized by Bangalore based e-Commerce and imaginative office, TenoviaSolutions, and highlights folks who discovered their Stimulus in music and wellness. It created a buzz around the adolescent driven brand of Paragon called Stimulus. The young people of today, as early adopters, are the possible followers of tomorrow and the brand Stimulus was the primary port of passage for the consumers. Stimulus intends to be the staple footwear brand for its intended interest group as a youthful and fun footwear brand. For the most part, the campaign was made oblige twenty to thirty-year-olds – the most active segment on the web, who creates their blogs and vlogs.

Choosing influencers for the #WhatsYourStimulus implied getting individuals with stories the brand's intended interest groups would immediately interface with. After focusing down on influencers who are specialists in their domains and could make an account that would resonate well with the purchasers. The brand-organization made two video battles with Akash Prabhu and Rinosh George (www.paragonfootwear.com/wyscontest). Akash is a fitness freak while Rinosh is a praised rapper having good subscribers base on YouTube (one lakh plus). In relationship with its disconnected accomplices, the producers had the option to create many recordings that go on various media channels, including Facebook and Instagram, among others. Paragon additionally tied-up with smaller-scale influencers (singers, dancers, technology professionals) to work together and make unique content revolving around the word and brand Stimulus. Campaign created a huge buzz around the brand and content created will stay on internet forever.

Relevant Branding

Paragon's USP of high popularity, confers to its quality brands suitable for every segment, occasion and event. For example a women bears the duties of house-hold, being the go-to individual for everybody's needs and dealing with any assignment that may come heaving her direction, a lady's job in each family unit is most essential. Also, for an individual who assumes an invaluable job in each life, bearing duties and being up on her feet from sunset to daybreak, Paragon curated an assortment of agreeable, lightweight flip slumps that will remind her, exactly how valuable her commitments are. Princess depicting elegance and beauty and Solea depicting confidence caters perfectly to the needs and desires of females.

During the Covid crisis, long drive and regular office times have been replaced by working from your home's solace in those comfortable casual dresses. Extended gatherings have transformed into video conferencing calls and sitting in the house's preferred corner; all settled up with the laptop. While telecommuting has its advantages, everyone misses a great deal for dressing up for Fridays and ethnic days in the offices. Brands such as Aaram gives the consumer a feel of style and comfort. In this way, while the danger of the infection is there yet, here are how one can get over missing those spruce up days - by really sprucing up and finishing that outfit with Footwear that will make you ready instantly. Brand-Eeken (Name meaning weekend) whose products are designed in London, UK, and manufactured in India, may infuse joy in the users. Brands such as Stimulus depicting enthusiasm, stimulation, and impetus; and Fender depicting strength and defence; help to infuse confidence and high spirit in the users, creating the positioning of the brand successful. These brands do reconfirm that Paragon positioning of comfort with good looks and tough can be stylish, too, at the affordable range. Paragon's long existence in the market has lead it to understand the market well and creating brand touching every segment of the society.

Conclusion

Indian footwear industry is growing and expected to grow even higher after the normalization of Covid, the local and export demand will rise, which will be shared between the current players such as Paragon, Bata, Liberty, Relaxo, and VKC. Paragon will benefit as it targets the middle class and lower middle class, which consists of the most significant demand segment. Paragon is focusing on all the significant concepts of marketing, which can help in gaining more growth. It offers the product of innovative designs, which are stylish, comfortable, and reliable. It uses the penetration based pricing targeting both middle and lower middle class. Paragon uses multiple mediums for the distribution such as exclusive retail stores (with pleasant customer experience), e-commerce site, and a strong team of distributors, making the product easily accessible to its large customer base. 13% of the total Indian Footwear market revenues are generated online (Statista, 2020), therefore having exclusive website and selling on all major e-commerce sites help the company a lot. Promotions are done using multilingual and multimedia campaigns, one of the most important reasons for its popularity. Apart from that, IT and IoT help the organization raise the quality, leading towards excellence, improving efficiency, and customer satisfaction in return.

Questions for Discussion?

1. What challenges necessitated a change in the promotional strategies of the organization?
2. What trends in the industry drove the need to use different branding strategies?
3. What have you been most impressed with their advertising strategy?
4. As Paragon has a deep assortment, kindly explain an area for diversification for the firm, and explain the reasons behind the choice.

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Disclaimer: This literature-based article explaining Paragon Footwear's success is written for educational purposes only using publically available information. To make any actual financial decisions, the authors suggest readers kindly go through the company's reports given on the official web site.

Weblinks

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