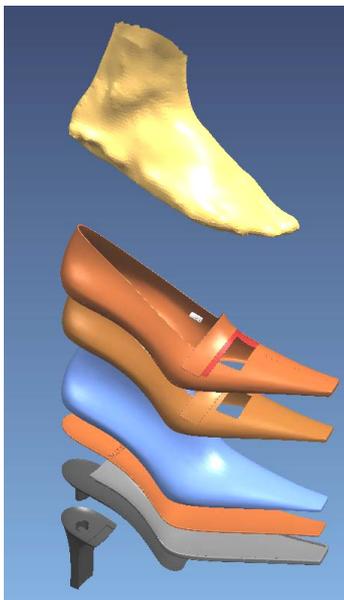


**PROJECT WORK
ON
STUDIES ON THE MARKETING STRATEGIES FOR EXPORT AND LOCAL
MARKET OF FOOTWEAR IN BANGLADESH.**



**A Dissertation for the Partial fulfillment of the requirements for the degree of
Bachelor of Science in Footwear Technology
Under
The University of Dhaka**

**Submitted By:
Shib Avra Chatterjee
B. Sc in Footwear Technology
Roll # 49, Reg. # 1658
Session # 2000-2001.**

July 2007

Submitted To

**Department of Footwear Technology
BANGLADESH COLLEGE OF LEATHER TECHNOLOGY**

**DEDICATED
TO
MY PARENTS**

ABSTRACT

A project work titled "STUDIES ON THE MARKETING STRATEGY FOR EXPORT AND LOCAL MARKET OF FOOTWEAR IN BANGLADESH" is selected as for a dissertation for the partial fulfillment of the requirements for the Bachelor of Science in Footwear Technology.

The Footwear Industry in Bangladesh is at its early stage of development. 'there was no mechanized Footwear Industry in the country until early 1900's and the footwear manufacturing was limited to cottage and family level small factories. The first mechanized industry, Bata Shoe Co. (Bangladesh) Ltd., a multinational enterprise, came into being in the then East Pakistan in 1962. Followed by Eastern Progressive Shoe industries (EPSI) and Bengal Leather which used to produce mainly for domestic supply. Indeed, the shoe industry started featuring in Bangladesh in 1990 with the introduction of encouraging government policy measures of granting fiscal and financial incentives for production of leather footwear in the country for export. There has been a rapid growth in footwear production capacity. Both complete leather shoes and sports shoes manufacturing for export during last decade. 'there are now about 42 mechanized (shown in annexure -D), and over 4,500 non-mechanized small and cottage level units in Bangladesh producing various types of footwear for both domestic market and export. Most of the mechanized units are export oriented.

So there is a great opportunity to develop an export and local market for footwear in Bangladesh.

ACKNOWLEDGEMENT

All the thanks and gratefulness to almighty Allah who has created us and has made our sense to justify .

Then, I pay my tribute and profound respect to Professor **Dr. Khan Rezaul Karim**, Principal (in-charge), and the Pioneer as well as Leather technologist maker.

Likewise, I am so grateful and like to express my indebtedness to **Mohammad Mahtabul Alam**, Lecturer (Tech) because of his invaluable direction and suggestion to complete my thesis work and also for his conductive idea.

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Who has helped me tremendously and allowed his time for me to solve my query.

Shib Avra Chatterjee

July, 2007

AIM OF THIS PROJECT WORK

Footwear sector has its draw backs due to some invaluable facilities and tremendous prospect. This sector has the potentiality of earning a lot of foreign exchange after the fulfillment of local demand. But the sector needs careful handling as well as proper directions and guidelines to heading towards the foreign market to deserve the best among the Shoe exporting countries.

With the partial fulfillment of my study part, the thesis is to survey the market trend, present condition of local and overseas market of Shoe of Bangladesh which represents the present condition of this sector.

As a student of Footwear technology it is much more important to know about the market trend and market condition. It is high time for necessary steps which should be taken to expand the market demand.

Finally, my thesis work will help the student as well; as the entrepreneurs who have the tendency to come forward to work such type of sector of great prospect.

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FLOW CHART OF FOOTWEAR MANUFACTURE

Fig: Product Development

Fig: Product Life Cycle

Present Scenery of World Footwear Production:

UNDERSTANDING THE INTERNATIONAL MARKETING STRATEGY

Marketing and promotional strategies for footwear in the domestic market

Material based survey of footwear in Bangladesh

World Footwear Export

Country wise exports of Footwear

Bangladesh's share in world footwear trade.

Export Footwear in Bangladesh (value in thousand Taka)

The consumption "top 10"

Bangladesh export footwear to the following countries

Weakness of footwear industries:

Contribute of leather sector to GDP in Bangladesh (million taka)

Co Average labour cost in Asia and South American Countries

mparative hourly wage rates in such country

WORLD EXPORT EXPERIENCE

Acronym Used

BCLT	Bangladesh College of Leather Technology.
BBS	Bangladesh Bureau of studies.
BFLLFEA	Bangladesh finished Leather Leather Goods and Footwear Association
EPB	Export Promotion Bureau.
EPZ	Export Promotion Zone.
GTZ	German Technical Cooperation.
ITC	International Trade Centre.
LFMEAB	Leather Goods and Footwear Manufacturer and Exports' Association of Bangladesh.
RSMA	Raw hides & Skins Merchants Association.
R&D	Research and Development.

CHAPTER I

1.1. INTRODUCTION

Bangladesh Government has earmarked Leather sector as one of the thrust sectors. By & large the sector has been registering steady progress. But it is still a long way to be traversed to attain desired level of performance. As of today (2006) 70 – 75% output in the sector is crust leather while 25 – 30% output is reportedly by coursed by finished leather

Global trade in leather sector is learnt to be around US \$ 65 billion yearly. Bangladesh share only 0.60 % (US \$ 390 million) while is by improving finished leather output say by 20% additionally the export in leather trade is expected to be within the region of US \$ 500 million. This means, the potentials in the leather sector is enormous. But the concentration of the tanneries in Hazaribagh location is certainly and hole up in further improving the tannery operation at large. Government in association with the trade bodies has

From time immemorial, the arts and crafts of Bangladesh are closely linked to our culture and heritage. Leather and Footwear have always been a part of that heritage and after the emergence of an independent Bangladesh in 1971; the industry received a fresh impetus. Today the country earns a sizeable amount of foreign exchange every year through export of leather and Footwear to a number of overseas markets. The Leather Industry of Bangladesh has been given particular attention for developing its infrastructure. By combining the latest in leather technology with abundant raw materials and inexpensive skilled labour, Footwear now playing an important role in earning foreign exchange for the country. Export of leather and Leather goods (including Footwear) earned US\$303.33 Million for Bangladesh in the fiscal year 2006-2007.

The raw materials leather industry produces the world's finest quality goatskin of a very fine and smooth grain pattern. Country's cow leather has excellent natural

compact fibre structure with a round feel and touch. More than eighty percent of the country's annual production is exported worldwide as semi finished/finished Leather, footwear and accessories.

Over 250 manufacturers are producing various Leather items such as travel goods, suitcases, briefcases and fashion accessories, along with belts, wallets, hand bags, case holders etc. for overseas export. Bangladesh has also entered the field of Leather fashion garments with items of distinction and prestige.

1.2 Back Ground of My Study

Bangladesh earns a sizeable amount of foreign exchange every year through export of leather and leather products to international markets. Endowed with a strong stream of local supply of quality hides and skins and a large, skilled, and low-wage work force, Bangladesh has all the potentials to increase export earnings and employment in the leather sector. Taking into consideration the importance of leather sector as an option to backup RMG sector in the post MFA era, considered to carryout a value-chain assessment for this sector.

- Background and profile of Bangladesh leather sector
- Types of enterprises including value-chain analysis of leather and its sub-sectors
- Activities of relevant private and public sector institutions
- National and international leather market situation and trend
- Value additions in different stages of value-chains

This study to identify the relevant value chain actors (enterprises/institutions) and their functions, sub-sector constraints that limit each of the actors from reaching their full potential and to analyze the domestic and export market situation of leather and its sub-sectors.

1.3 Footwear: The inside story

Shoes both protect feet as well as, when incompatible in size and shape, present exciting factors in inflammatory conditions e.g. bunion. Despite the presence of pain, people are reluctant to change their footwear styles. The main function of modern footwear is to provide feet with protection from hard and rough surfaces, as well as climate and environmental exposure. To the wearer the appearance of their footgear is often more important than its (mis)function. Consumer resistance to change style is common. Informed decisions of shoe styles are thought to occur when the benefits of alternative shoe styles are carefully explained and footwear habits discussed in a culturally sensitive manner. The author, in the interests of intellectual exchange, explores the world of shoe making in an attempt to inform both lay person and health professional.

Anatomy of the shoe

According to McPhoil (1988) the anatomy of a shoe can be divided in an upper and lower (or bottom part). Sections of the upper include vamp, quarter, toebox, throat, insole board, and topline. The sections of the lower shoe consist of an outsole, shank and heel.

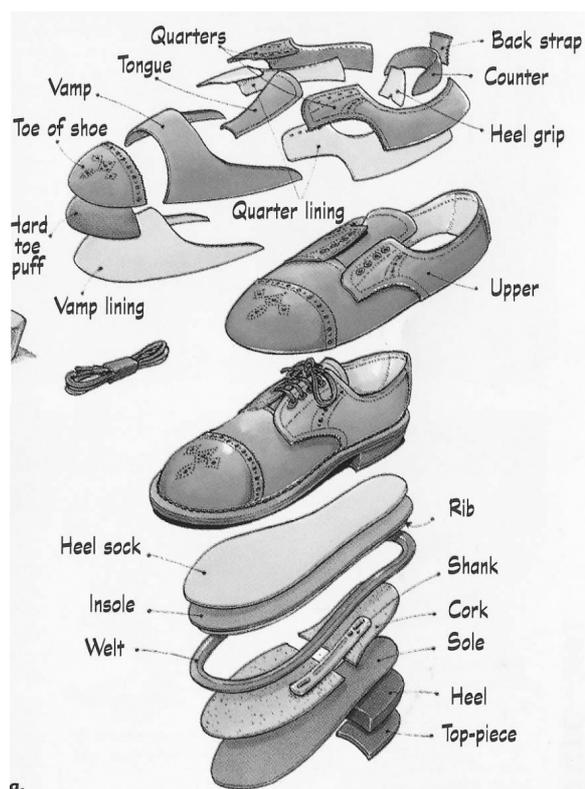


Figure 1 : parts of shoe

The Upper of the Shoe

All parts or sections of the shoe above the sole that are stitched or otherwise joined together to become a unit then attached to the insole and outsole. The upper of the shoe consists of the vamp or front of the shoe, the quarter i.e. the sides and back of the shoe, and the linings.

Vamp

The vamp covers the dorsum of the foot (includes the tongue piece) and superior aspects over the toes. This section i.e. the toe puff is reinforced which serves to give the shoe its shape as well as protect the toes.

Quarter

The complete upper part of the shoe behind the vamp line covering the sides and backpart. The top edge of the sides and back of the quarter describes the topline of the shoe. In athletic shoes the topline is often padded and referred to as a collar. The medial and lateral sections join in a seam at the posterior end of the shoe.

Toecap

Many shoes incorporate a toecap into the upper of the shoe. Toecaps are either stitched over or completely replace the distal superior aspect of the vamp and can be made into a decorative features referred to as toe tips. The toe box refers to the roofed area over and around the part of the shoe that covers the toes.

Linings

In quality shoes the quarters and vamps are lined to enhance comfort and durability. Linings may consist of various materials ie leathers, fabrics, and manmade synthetics.

Throat

The central part of the vamp just proximal to the toe box. The throat is formed by the seam joining the vamp to the quarter i.e. throatline. The position of the throat line depends on the construction of the shoe, for example a shorter vamp and longer quarters define a lower throat line.

The Sole of the Shoe

The term sole derives from 'solea' a Latin word meaning soil or ground.

Insole (inner sole)

A layer of material shaped to the bottom of the last and sandwiched between the outsole (or midsole) and the sole of the foot inside the shoe. The insole covers the join between the upper and the sole in most methods of construction and provides attachment for the upper, toe box linings and welting.

Outsole

This is the outer most sole of the shoe, which is directly exposed to abrasion and wear. Traditionally made from a variety of materials, the outsole is constructed in different thickness and degrees of flexibility. Ideal soling materials must be waterproof, durable and possess a coefficient of friction high enough to prevent slipping.

Shank

The shank bridges between the heel breast and the ball tread. The shankpiece or shank spring can be made from wood, metal, fibreglass or plastic and consists of a piece approximately 10cm long and 1.5 cm wide. The shank spring lies within the bridge or waist of the shoe, i.e. between heel and ball corresponding to the medial and lateral arches.

Heel

The heel is the raised component under the rear of the shoe. Heels consist of a variety of shapes, heights, and materials and are made of a series of raised platforms or a hollowed section. The part of the heel next to sole is usually shaped to fit the heel, this is called the heel seat or heel base. The heel breast describes front face of the heel.

Welt

The strip of material which joins the upper to the sole. Most shoes will be bonded by Goodyear-welted construction. Some shoes use an imitation welt stitched around the top flat edge of the sole for decorative purposes, but it is not a functional part of the shoe.

Last

"The close relationship between a man and his shoe maker was based on the shared secret of the client's measurements. The statistics of clients were never disclosed." Traditionally before mass production, the original shoemaker started the process by taking a footprint outline of the sole. He whittled or chiselled a wooden last from the print. A last ('laest', Old English meaning footprint) was traditionally made from wood but are now available now in metal or plastic.

1.4 History of Footwear

It is impossible to estimate at exactly what phase in development on earth that man first thought of protecting his feet from the natural hazards of weather/climate and the rough ground that they walked on. Shoes are very interesting to analyze because they have a long history. It is obvious that shoes were made for the shielding of feet but aside from their actual purpose, shoes can help to tell the story of the person who wore them.

"It gives us a strong indication of personality".

-Colin Dowell.

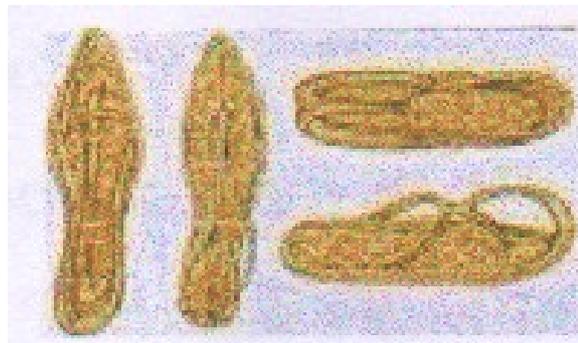


Figure 2 : Sandal made of Papyrus Fibre

It's known that only the noblemen of that time owned sandals. Even Pharaoh as Tutankhamen paved footwear as sandals and simple leather shoes (despite the ornaments of gold).

In Mesopotamia it was common raw leather shoes tied to the feet by straps of the same material. The boots were symbol of high social status. The Greek introduced new fashion as different models for right and left feet.

In Rome the footwear indicated the social class. The consuls wore white shoes, the senators wore brown shoes moored by four leather tapes tied with two knots and the traditional footwear of the legions was the short boot that uncovered the toes.

In the middle age, men as well as women wore leather shoes whose form was similar to the ballet slipper. Men also wore high and short boots tied in the front and in the side. The most current material was the cow skin, but the upper quality boots were made of goat skin.



Figure 3 : Ancient Leather shoes

The standardization of the numeration is of English origin. The king Edward (1272-1307) was the first to uniform the measures. The first reference known of the manufacture of footwear in England is of 1642 when Thomas Pendleton provided 4,000 pairs of shoes and 600 pairs of boots to the army. The military campaigns of this time initiated a substantial demand for boots and shoes. In the middle of the 19th century the machines that helped in the confection of the footwear began to appear, but only with the sewing machine the shoe started to be more accessible. From the fourth decade of the 20th century on, big changes in the footwear industries began to happen as the change of the leather by the rubber and synthetic materials. Mainly in the female and infantile footwear.



Figure 4 : Ancient Roman shoes

Boot:

Any footwear extending above the ankle. There are numerous designs and types for a variety of uses and made from a number of materials.



Figure 4 : Modern Leather shoes

Clog:

A thick soled wooden shoe sometimes with leather upper.



Figure 5 : Clog

Lace-Up:

Any low cut shoe fastened by lacings, such as an Oxford or Blucher.



Figure 6 : Lace up shoes

Moccasin:

The term moccasin originates from the Algonquian language for foot covering. This is the oldest shoe construction known, dating back about 12000 years. It is simply a piece of upper material cradle-wrapped around the foot or last and sewn at the butting of the two edges along the center of the sole.

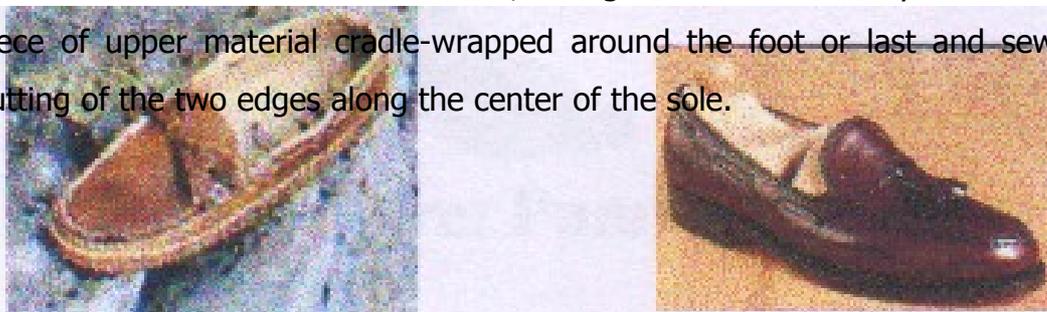


Figure 7 : Moccasin and imitation moccasin

Mule:

A backless shoe or slipper with or without a heel.



Figure 8 : Mule

Sandal:

Originally a slab of leather sole attached to the foot by thongs. Today any open shoe whose upper consists of any decorative or functional arrangement of straps. A sandal can be foot low to knee high, or with any heel height, designed for simple utility or casual wear or as a fashion shoe.



Figure 9 : Sports and casual sandal

Monk:

Similar to Derby Shoes but with a cross over section to fasten the quarters with a side buckle.

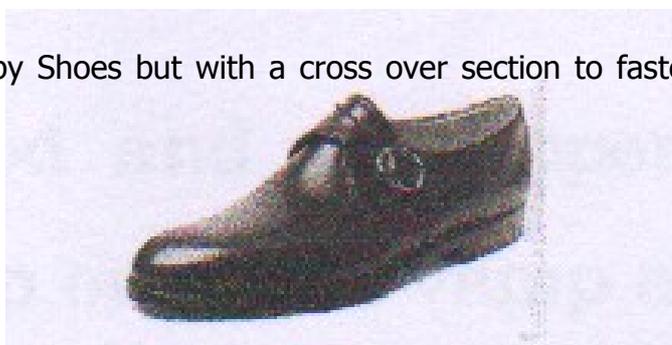


Figure 10 : Monk

Pumps:

Heeled shoes with low cut fronts and usually no fastening.



Figure 11 : Pumps

Chappal:

This consists of an insole and a strap across the instep, with or without a ring to hold the big toe. Sole is either stitched or cemented with a low or high heel.

Sandal:

This consists of an insole with the upper having straps across the vamp portion with flat or high heels. A belt passes round the heel to keep the foot in position by a buckle arrangement.

Slipper (mule):

Mule is without quarters, strap and buckle attachment. The foot is supported at the vamp by a strap. A high or low heel can be fitted.

Clogs:

Bottom is of wood and the upper may be of straps with decoration across the vamp or with a vamp and toe cap.

Oxford:

The quarters are kept under the vamp and stitched.

Brogue:

An oxford construction with the upper decorated with stitches and punches.

Derby or Gibson:

The quarters are stitched apart on the vamp, with 2 or 3 eyelets.

Casual:

A shoe which is easy to wear and has an elastic gusset across the instep or on sides.

Court shoe:

A ladies high heeled shoe of slip- on type with a counter, toecap, vamp and quarters.

Other closed footwear's are:

Sports shoes / Athletic footwear

Running shoes.

Walking shoes.

Pole vault shoes.

Tennis shoes

Badminton shoes

Basket ball shoes

Field game shoes:

Football shoes

Hockey shoes

Cricket shoes

Boxing shoes

Walking shoes:

During walking the foot is lifted, after the lead foot makes contact with the ground. The shoe is made up of a forepart midsole, a heel wedge of EVA. MCR or PU, outsole of hard wearing rubber compound wrapped up at the toe region, rigid non collapsible heel counter of leather.

Turned shoe

The turned shoe is made inside out with only an outset sole between the foot and the ground. The upper and soles are very flexible. The last is designed in a single size and then a set is made in the range of sizes and widths in which shoes are to be manufactured.

Welted Shoes

Any construction using a welting, either as an intrical part of the construction or simply for imitative effect.

1.5 Shoe Size System

A continual frustration to many who care for the foot weary is the absence of a standard shoe size system. Shoe sizing systems based on standard metrological measurements have been in existence for just over 100 years but shoes made in half sizes have only been available half that time. As part of the protection many craftsmen operated in early times, shoes were individually coded.

Some few international systems for footwear size are briefly described below:

UK System

The first description of a shoe sizing system was made and recorded by British genealogist Randle Holme in the Academy of Armory and Blazon in 1688

Third Inch Scale (Barley Corn)

0	3	6	9	12	15	18	21	24	27	30	33	36	39
	1	2	3	4	5	6	7	8	9	10	11	12	13

UK System Quarter Inch Scale

Child Sizes

0	5.25	5.5	5.75	6.0	6.25	6.75	7.0	7.25	7.5	7.75	8.0	8.25	8.5
	1	2	3	4	5	6	7	8	9	10	11	12	13

Adult Sizes

8.5	8.75	9.0	9.25	9.5	9.75	10.0	10.25	10.5	10.75	11.0	11.25	11.5	11.75	12
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

American System

The first shoe sizing system with detailed proportional measurements for lasts and shoes came from North America.

Adult Sizes

8.5	8.75	9.0	9.25	9.5	9.75	10	10.25	10.5	10.75	11	11.25	11.5	11.75	12
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Mondo Point

This was a proposed international shoe sizing system based on the metric system. The idea originated in Australia and was intended to replace English, French, Italian and other size systems. Shoes were described as 255/98 or 255 millimetres long and 98 millimetres broad.

Size Conversion Charts

Male Adult Sizes - Conversion

UK	1	2	3	4	5	6	7	8	9	10	11	12	13	UK
US	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	US
PP	33	34	35.5	36.5	38	39.3	40.5	42	43	44.5	46	47	48	cm
Mondo	220	227	236	245	252	260	270	278	286	298	305	312	320	mm.

Female Sizes - Conversion

UK		1	2	3	4	5	6	7	8	9
US		3	4	5	6	7	8	9	10	11
PP		34	35	36	37	38	39	40	41	42
Mondo		227				252				278

Children's Sizes - Conversion

UK		1	2	3	4	5	6	7	8	9	10	11	12	13	UK
US		2	3	4	5	6	7	8	9	10	11	12	13	1	US
PP		18	19	20	21	22	23	24	25	26.5	28	29	30.5	31.5	PP
Mondo		108	125	132	139	146	153	160	167	175	185	195	202	210	Mondo

Width Fitting

In the American (Arithmetic standard width measurement) this ranges from AAAAA to EEEEE.

1.6 FLOW CHART OF FOOTWEAR MANUFACTURE

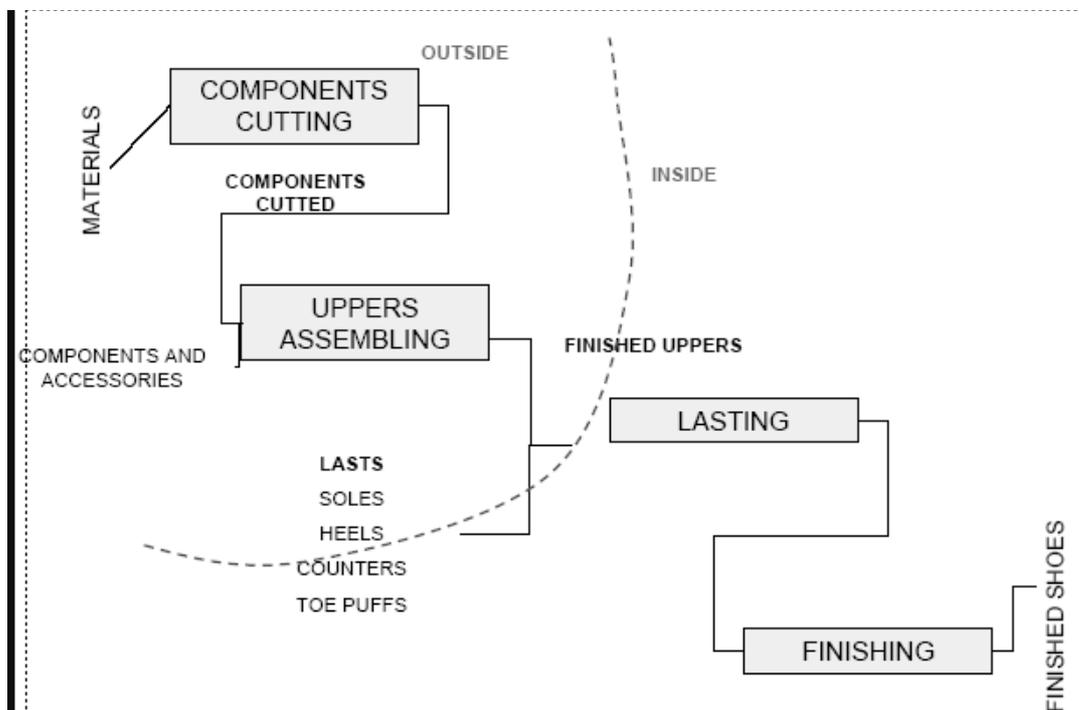


Figure 12 : Footwear manufacturing process

1.6. DESIGN AND PATTERN DEVELOPMENT

In the processing and marketing of leather goods, design & development (pattern development is the off – shoot of design & development) is of utmost importance. Without proper conception or grasp of functional value, no design could be converted into a fabricated product and such as the work relating to the design and pattern development aspect of footwear manufacture cannot be over emphasized.

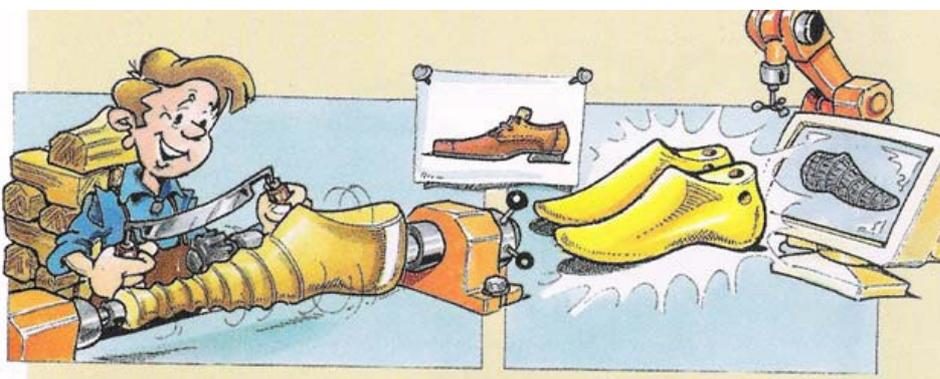


Figure 13 : Last making

In the first instance, a design should be as simple as possible and easily workable and saleable. The function of the design should be crystal clear before pattern making. Multipurpose functions (end use) with too many components joined or assembled should be avoided to the extent possible, as it cuts into other important aspects of the design namely size, appraise, shape and aesthetic value.

As the sole intention of design is to meet the requirements of its basic functions, its performance could be better built around its generic character rather than its additive character. A good designer has to foresee the fashion trend / change and style in the coming seasons usually a year ahead and form an idea of what things are in store for the market. In fact, designer

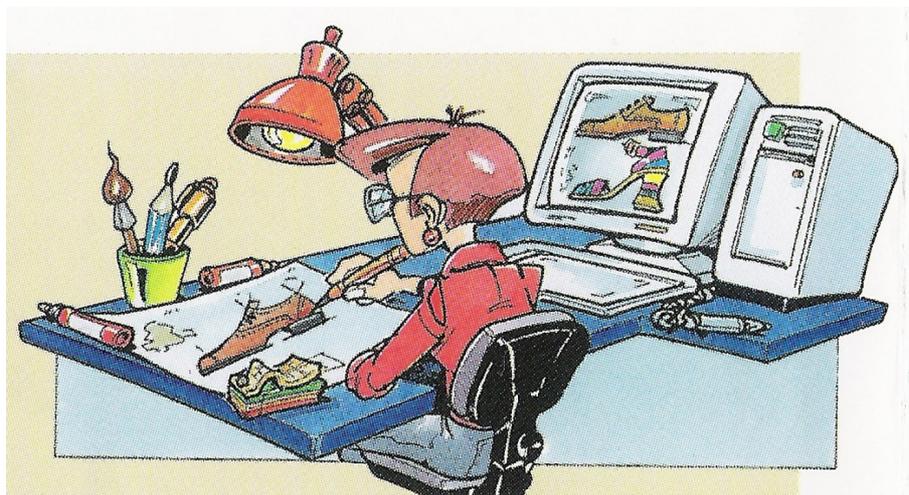


Figure 14 : Design Development

Another important aspect of design and pattern development is that the design should be easily translated or transformed into production schedule. Further productions and productivity are the key factors for a successful commercial venture. So in design and development of footwear (the above is only in illustration to drive home the point) a judicious blend of production technique and productivity, cost saving, value addition and quality control aspects should be taken into consideration.

The pattern maker, next to the designer should have sound knowledge about the design chosen, the various materials of construction that are to be used.

Undoubtedly, pattern cutting is an art, but it is scientific in the sense that it required elementary mathematics and geometry as symmetrical (sometimes odd) shapes of pattern are to be fitted in the area of leather judiciously to get the maximum advantage of cutting. The art of pattern cutting requires anticipation, sound judgment, cultivated style of approach with a sense of quality control.

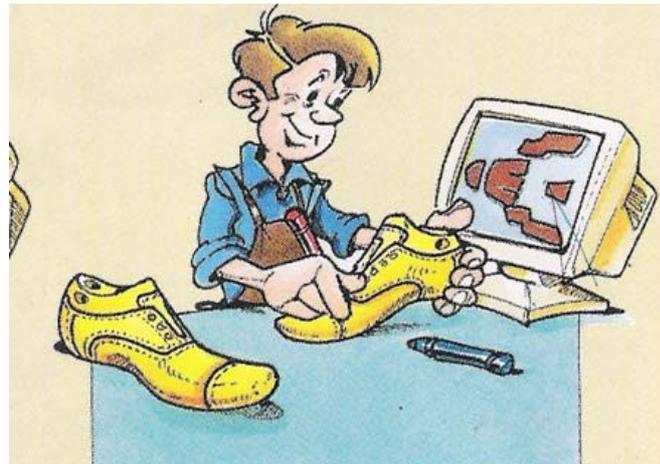


Fig 15: PATTERN CUTTING

After going through the scientific system of designing pattern development, one feels inclined that the principles of designing are based purely on mathematical calculations and geometrical drawings.

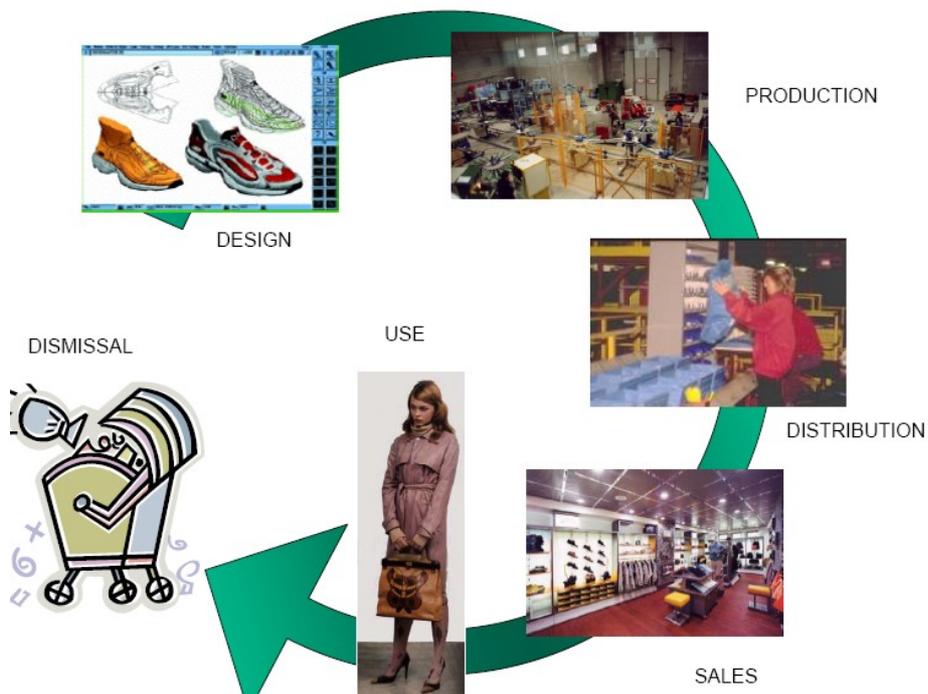


Fig 16: Product Life Cycle

Table 1: Present Scenery of World Footwear Production:

Region	Q2003	Share2003	Growth1993-2003	Δ03/93
WESTERN EUROPE	777	4,58%	-4,12%	-429
EASTERN EUROPE	371	2,18%	-1,93%	-211
MIDDLE EAST	589	3,47%	2,99%	172
AFRICA	647	3,81%	1,94%	126
ASIA PACIFIC	13.453	79,26%	4,90%	5.272
NORTH AMERICA	331	1,95%	-3,83%	-159
LATIN AMERICA	805	4,74%	0,21%	-32
WORLD	16.972	100,00%	3,34%	4.739

Source: BLSC

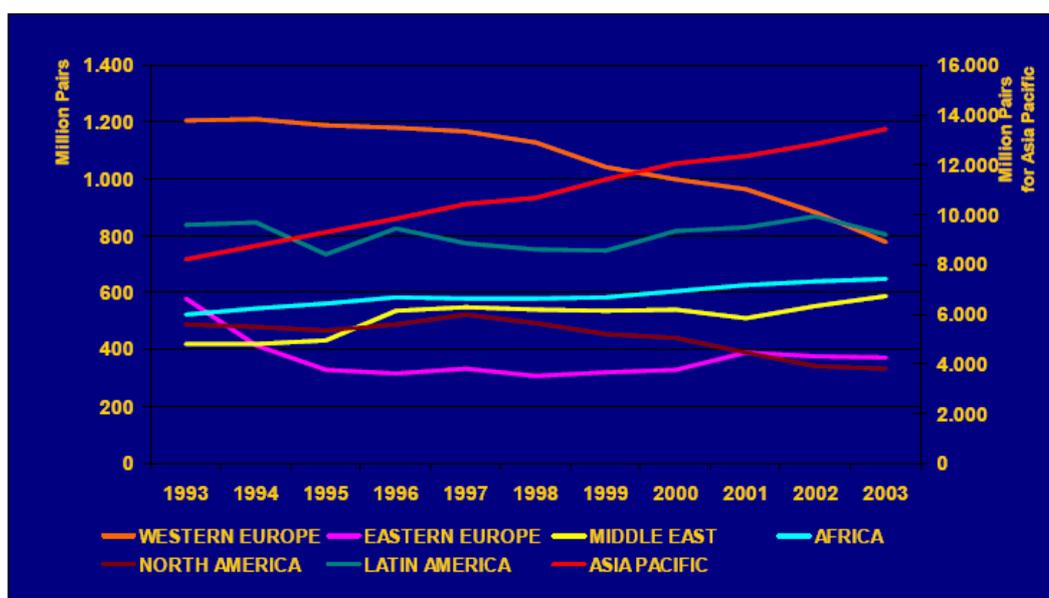


Fig 17: World footwear production trend

CHAPTER II

2.1. What is Market?

The concept of exchange leads to the concept of a market.

A market is a place (physical or virtual), consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want.

Thus the size of the market depends on the number of people who exhibit the need or want, have resources that interest others, and are willing and able to offer these resources in exchange for what they want.

2.2. What is Marketing?

Most people think that marketing is only about the advertising and/or personal selling of goods and services. Advertising and selling, however, are just two of the many marketing activities.

In general, marketing activities are all those associated with identifying the particular wants and needs of a target market of customers, and then going about satisfying those customers better than the competitors? This involves doing market research on customers, analyzing their needs, and then making strategic decisions about product design, pricing, promotion and distribution.

This view is consistent with the following definition of marketing found in a popular marketing textbook:

Besides this many famous persons give definition about marketing, some of them are given below:

Philip Kotler, the father of marketing says, "Marketing is a social process by which individual activities designed to develop, price, promote and distribute goods and services to groups of customers."

Dalrymple and Parsons says, "Marketing can be defined as a system of interrelated activities designed to develop, price, promote and distributes goods and services to groups of customers."

McCarthy says, "Marketing is the performance of business activities that direct the flow of good and services from production to consumer or user in order to best satisfy consumers and accomplish the firm's objectives".

"Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services, organizations, and events to create and maintain relationships that will satisfy individual and organizational objectives."

-Contemporary Marketing Wired (1998) by Boone and Kurtz. Dryden Press.

2.3. Marketing Trends:

A trend is a direction or sequence of events that have some momentum and durability.

For example, one major trend is the increasing participation of women in the work force, which has spawned the child day-care business, increased consumption of microwavable foods, office-oriented clothing lines for women, and other business opportunities. Identifying a trends, ferreting out the likely consequences, and determining. opportunities are critical marketing skills.

Trends are more predictable and durable than fad such as Pet Rocks or Cabbage of the future. Friedrich von Schiller said; " In today already walks tomorrow." According to

futurist Faith Popcorn, a trend has longevity, is observable across several market areas and consumer activities, and is consistent with other significant indicators occurring or emerging at the same time.

Marketing is not like Euclidean geometry, a fixed system of concepts and axioms. Rather, marketing is one of the most dynamic fields within the management arena. The marketplace continually throws out fresh challenges, and companies must respond. Therefore it is not surprising that new marketing ideas keep surfacing to meet the new marketplace challenges.

Here are several emphases in current marketing thinking:

1. **A growing emphasis on quality, value, and customer satisfaction.** Different buying motivations (convenience, status, style, features, service, etc.) play a strong role at different times and places. Today's customers are placing greater weight on quality and value in making their purchase decisions. Some remarkable companies are managing to increase their quality greatly while bringing down their costs. Their guiding principle is to continuously offer more for less.
2. **A growing emphasis on relationship Building and customer retention.** Much marketing theory in the past has focused on how to "make a sale." But, what good is it to make a sale and not know much about the customer and whether he 'or she will ever buy again? Today's marketers are focusing on creating lifelong customers. The shift is from transaction thinking to relationship building. Companies are now building customer databases containing customer demographics, lifestyles, levels of responsiveness to different marketing stimuli, past transactions-and orchestrating their offerings to produce 'pleased or delighted customers who will remain loyal to the company.
3. **A growing emphasis on managing business process and integrating business functions.** Today's companies are shifting their thinking *from* managing a set of semi-independent departments, each with its own logic, to managing a set of

fundamental business processes, all of which impact customer service and satisfaction. Companies are assigning cross-disciplinary personnel to manage each process. Marketing personnel are increasingly working on cross disciplinary teams rather than only in the marketing department. This is a positive development that broadens marketers perspectives on the business and gives them the greater opportunity to broaden the perspective of workers from other departments.

4. A growing emphasis on global thinking and local market planning.

Companies are increasingly pursuing markets beyond their borders. As they enter these markets, they must drop their traditional assumptions about market behavior and adapt their offerings to other countries' cultural prerequisites. They must place decision-making power in the hands of their local representatives, who are much more aware of the local economic, political, legal, and social realities facing the firm. Companies must, think globally, but plan and act locally.

5. A growing emphasis on building strategic alliances and networks.

As companies globalize, they realize that no matter how large they are, they lack the total resources and requisites for success. Viewing the complete supply chain for producing value, they recognize the necessity of partnering with other organization. Companies such as Ford, McDonald's, and Levi Strauss owe their success to having built a set of global partners who supply different requirements for success. Senior management is spending an increasing 'amount of time designing strategic alliances and networks that create a competitive advantage for the partnering firms.

6. A growing emphasis on direct and online marketing.

The information and communication revolution promises to change the nature of buying and selling. People anywhere in the world can access the Internet and companies' home pages to scan offers and order goods. Via online services, they can give and get advice on products and services by chatting with other users, determine the best values, place orders, and get next-day delivery. As a result of advances in database technology, companies can do more direct marketing and rely less on wholesale and retail intermediaries. Beyond this, much company. Buying is now done

automatically through electronic data interchange links among companies. All these trends portend greater buying and selling efficiency.

7. A growing emphasis on service marketing. The US. population today consists of only 2.5% farmers and about 15% factory workers. Most people are doing service work: field salespeople, retailers, craftspeople, and knowledge workers such as physician engineers, accountants, and lawyers; Because services are intangible perishable variable, and inseparable, they pose additional challenges not found in tangible-good marketing. Marketers are increasingly developing strategies for service firms that sell insurance, software, consulting services, and other services.

8. A growing emphasis on high-tech industries. Much economic growth is due to the emergence of high-tech firms, which differ from traditional firms. High-tech firms face higher risks, slower product acceptance, shorter product life cycles, and faster technological obsolescence. High-tech firms must master the art of marketing their venture to the financial community and convincing enough customers to adopt their new products.

9. A growing emphasis on ethical marketing behavior. The general public is wary of ads and sales approaches that distort or lie about product benefits or that manipulate people into hasty purchases. The marketplace is highly susceptible to abuse by those who lack scruples and are willing to prosper at the expense of others. Marketers, in particular, must hold to high standards in practicing their craft. The American Marketing Association has promulgated a code of ethical marketing behavior, and marketers need to act as watchdogs to preserve a trusted and efficient- mark.

2.4. Tools for Marketing.

Despite the fact that the world has advanced a lot far in terms of technology, humanity, environmental care, medicinal cure but the core concept of Marketing has

not been changed it. Till now the "4P" of marketing are the unique. In spite of a lot of trying nobody could add another one "P" in the list. The "4P"s are:

Product

Price

Promotion

Place.

Product: A product itself is the greatest tool for marketing. Because if the product has the quality to fulfill the demands of consumer, the consumer will search the product even if he/she does not see any marketing activity of the product. So product is the most important element of marketing activity.

A Product is not only the product feature, it includes packaging, added features, varieties etc.

Price: Price is the second most important element of marketing because if the product consist the best quality and the prices is well beyond the limit of consumer the consumer will not buy the product. So a marketer must supply the good quality product in optimum price.

Promotion: Promotion is the set of promotional activity, which the marketers exercise the most. Promotion is the activity of promoting and selling of product. There are lot of activities practiced in promoting the product. Some common and widely used activities are as follows:

- Advertising
- Public Relations
- Direct Marketing
- Relationship Marketing
- Promotion
- Environmental marketing etc.

Place: Here place means the entire marketplace. In maximum time it is physical place but sometime it is virtual. But as place we consider mostly the distribution channel of a marketer, by which the product reaches to the end consumer.

2.4.a. PRODUCTS (Goods, Services and Ideas)

People satisfy their needs and wants with products .A product is anything that can satisfy needs and wants with products. Occasionally we will use other terms for product such as offering or solution.

A product or offering can consists of as many as three components; Physical goods, services, and ideas.

In fact services are also supplied by other vehicles; such as organizations, people, places, activities and ideas

2.4.b. VALUE, COST AND SATISFACTION

Value is the consumer satisfaction of the products overall capacity to satisfy his ore her needs. Suppose Tanha is primarily interested to buy a ladies bag. If she gets offer to buy in 15% discount she will buy this one. Otherwise she will buy footwear which she needs more. Therefore she will consider the product's value and price before making a choice.

2.4.c. EXCAHANGE AND TRANSACTIONS

Exchange is the act of obtaining a desired product from someone by offering something in return .For exchange potential to exist. Five conditions must be satisfied

- There are at least two parties.
- Each party has something that might be of value to the other party.

- Each party is capable of communication and delivery
- Each party is free to accept or reject the exchange offer
- Each party believes it is appropriate or desirable to deal with the other party.

2.5. CONCEPT OF MARKET

Over the ages the concepts of selling the product to the customer have been changed with enormous impact in the marketplace. Here we discuss some major concept of market:

The Production Concept: The production concept is one of the oldest concepts in business. The production concept holds that consumers will prefer products that are widely available and inexpensive. The marketer assumes that consumers are primarily interested in product availability and low prices.

The Product Concept: At the same time other business are guided by the product concept, which holds that consumers will favor those products that offer the most quality, performance, or innovative features. The marketer assume that buyers admire well made products and can evaluate quality and performance.

The Selling concept: The selling concept is another common business orientation. The Selling concept holds that consumers and business, if left alone, will ordinarily not buy enough of the organization's products. The organization must therefore undertake an aggressive selling and promotional effort. The marketer assumes that the company has a whole better of effective selling and promotion tools to stimulate more buying.

The Marketing Concept: The marketing concept emerged in the last century and challenged the preceding concepts. Instead of a product centered "make and sell" philosophy, it shifted to customer centered "sense and respond" philosophy. The marketer believes that the consumer has the right to choose the product feature and the manufacturer must produce the product according to the consumers need.

The Customize Marketing Concept: This is the latest concept of marketing, where the manufacturers customize their product according to the consumers' desire, it is some kind of made to measure tailoring concept. The marketer believes that each person has his own test and choice and they must customize their product to satisfy each customer individually.

2.6. Export Market of Bangladesh

2.6.a. Some extract of export policy of Bangladesh

- Acceleration of production and expansion of trade result in growth of national wealth. Increased production in export sectors may become the prime mover in the development cycle in a densely populated Bangladesh like ours as this will generate employment opportunities which in turn will generate savings and investment on consequent flow of capital. The prime national objective of poverty alleviation will thus be materialized. As a first step towards reaching this goal we need to look at the country's production infrastructure.
- Our export trade is featured by the dominance of a few commodities in a narrow market. Such dependence on a limited number of export items targeted at a limited market is not desirable for economic development. We must, therefore, aim both at product and market diversification or else our export trade will become stagnant in the near future.
- Our export trade must keep pace with the projected GDP growth @ 7% and make due contribution through increased export earnings. In this exercise it is imperative to identify new thrust sectors, increase export of higher value added items, diversify product wise, ensure product quality, improve packaging, attain efficient productivity. We should aim at marketing quality products at competitive prices at the correct time.
- The Export Policy 2005-2006 has been designed to operate in the imperatives and opportunities of the market economy with a view to maximizing export growth and narrowing down the gap between import payments and export earnings.

2.6.b. Objectives

The principal objectives of this policy are :

To achieve optimum national growth through increase of export in regional and international market.

To narrow down the gap between the country's export earning and import payment through achievement of the export targets.

To undertake timely steps for production of exportable goods at a competitive price with a view to exporting and strengthening existing export markets and making dent in new markets.

To take the highest advantage of entering into the post Uruguay liberalized and globalizes international market.

To make our exportable items more attractive to the market through product diversification and quality improvement;

To establish backward linkage industries and services with a view to using more indigenous raw materials, expand the product base and identify and export higher value added products ;

- To simplify export procedures and to rationalize and solidify export incentives
- To develop and expand infrastructure
- To develop trained human resources in the export sector
- To raise the quality and grading of export products to internationally recognized levels.

2.7. Leather Sector: A Thriving Sector in Bangladesh

Considering the local high quality raw material and cheap labor cost, Government of Bangladesh declared Leather Sector as one of the most important sector in Bangladesh with enormous potentiality. Although there is a lack of concentration from the Government's side but this declaration will inspire both the community: inside and outside of leather sector.

Footwear Sector, as a sub sector of Leather Sector gets also priority from Government but this sector as well was ignored by the Government for many years. Now in the era of globalization, nobody can find an alternative of product diversification (export diversification). For this reason government is now started looking after Footwear Sector rather than Jute and Tea.

In spite of declaring Leather Sector as a thriving sector the preparation of government is not sufficient enough to nurse this sector. As an example: we can mention the case of shifting the entire sector to Hemayetpur, Savar. Though it was planned to begin the shifting process from 2008, but now we are quite sure that the shifting process will not start before 2010. However, it will be wise for us to hope and pray that this time will not extend further.

But above all Government should look after some other matter to increase the Footwear Production and export in world market.

We can easily understand the necessity of developing the leather sector for our overall development if we just take a look on the following statistics of world footwear export and compare our footwear export:

Table 2: World Footwear Export

Supplier	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000	Value 2005 US\$ '000
China	10,095,770	11,090,084	12,954,806	15,202,613	19,052,503
Italy	7,570,253	7,587,728	8,479,119	9,304,815	8,859,980
Hong Kong	5,902,817	5,767,059	5,746,561	5,698,292	6,144,490
Belgium	1,652,829	1,855,417	1,863,522	1,941,251	2,522,321
Germany	1,372,545	1,648,437	1,862,390	2,368,087	2,421,873
Viet Nam	1,630,195	1,912,981	2,299,175		
Spain	1,985,784	2,124,644	2,297,420	2,321,866	2,189,177
Brazil	1,684,318	1,516,449	1,622,241	1,898,816	1,979,367
Romania	975,599	1,157,931	1,420,673	1,512,494	1,589,037
Netherlands	892,640	764,671	1,132,263	1,365,895	1,525,036
France	956,119	1,072,005	1,276,532	1,465,506	1,517,768
Portugal	1,515,079	1,497,448	1,626,057	1,651,822	1,486,971
Indonesia	1,505,580	1,148,052	1,182,185	1,320,478	1,428,518
India	662,511	622,589	758,292	849,999	1,049,255
Thailand	839,222	772,386	802,283	760,168	892,184
United Kingdom	697,772	661,420	690,901	773,415	844,733
Austria	554,706	541,680	642,536	730,155	783,890
USA	806,018	702,576	693,623	650,866	726,828
Denmark	194,463	315,796	386,079	461,196	489,228
South Korea	701,812	577,111	509,172	499,648	482,114
Slovakia	232,599	286,744	405,068	452,654	472,148
Tunisia	328,319	343,555	338,960	427,063	443,840
Taiwan, Province of China	481,923	441,769	398,675	408,136	365,452
Hungary	343,706	338,129	327,002	291,382	310,706
Poland	262,883	277,160	275,076	281,872	303,414
Mexico	356,597	328,569	318,506	289,606	301,456
Bulgaria	159,996	162,820	226,678	232,341	245,339
Morocco	163,417	178,639	221,846	229,469	243,751
Czech Republic	172,537	137,259	134,841	195,364	238,125
Turkey	126,116	131,397	183,788	204,917	215,793
Canada	145,818	151,318	141,584	158,789	200,768
United Arab Emirates	56,201	87,186	132,569	190,393	

Albania	86,429	94,978	133,379	165,237	181,302
Singapore	117,519	113,158	176,201	192,843	168,780
Croatia	165,658	147,997	157,255	168,088	167,373
Pakistan	45,349	71,347	90,109	105,418	154,490
Sweden	66,649	87,297	119,271	137,678	147,175
Switzerland	137,089	117,845	115,862	117,786	141,803
Malaysia	85,918	90,346	129,053	237,566	133,637
Slovenia	92,155	80,659	81,335	92,020	116,357
Macao	80,430	84,277	94,249	104,047	
Ukraine	82,348	72,971	88,570	118,590	102,208
Finland	66,561	67,373	76,768	86,593	91,021
Serbia and Montenegro	74,052	70,705		72,975	
Iran,	101,814	68,735	86,693	57,611	66,650
Colombia	40,344	27,053	29,118	43,936	61,928
Macedonia,	36,914	35,837	41,360	50,225	58,427
Japan	42,253	37,770	39,302	44,885	50,976
Estonia	42,680	48,441	60,343	42,303	49,553
Belarus	90,045	88,757	95,205	109,860	47,044
Ireland	29,212	22,015	31,134	37,877	41,626
Cambodia	28,798	32,649	34,054	40,747	
Greece	30,930	35,179	43,421	38,648	37,997
New Zealand	25,396	25,296	28,357	39,515	37,392
Bangladesh	38,454	45,272	45,776	34,018	
Australia	32,219	31,245	32,076	32,355	33,233
Syrian Arab Republic	5,001	57,311	45,258	31,273	
Argentina	17,693	12,308	17,684	19,817	28,861
Israel	21,883	26,181	24,686	27,273	27,296
Russian	21,446	19,767	24,349	26,843	27,002
Moldova,	5,711	9,220	15,074	21,860	26,442
Guatemala	23,760	26,007	20,816	22,717	25,840
Philippines	72,953	47,636	46,377	30,845	25,764
Kenya	15,397	3,412	19,953	23,080	
Ecuador	12,261	15,822	14,494	18,071	21,013
El Salvador	19,253	17,726	19,168	19,336	
Luxembourg	9,080	12,972	13,329	13,548	18,417
Norway	12,815	14,864	15,973	18,012	18,173
South Africa	13,599	16,085	19,274	17,324	17,466

Lithuania	15,491	13,385	11,313	15,422	16,242
Sri Lanka	32,437	19,282	20,898	12,905	13,010
Malta	29,540	25,884	22,096	17,673	12,639
Lebanon	14,959	7,436	9,879	11,919	
Latvia	3,721	3,092	3,821	8,615	11,110
Peru	2,608	2,147	2,322	5,481	9,968
Saudi Arabia	2,243	4,648	7,220	7,650	8,923
Chile	12,555	7,450	6,205	5,567	6,500
Fiji	10,146	10,135	11,286	12,421	5,551
Rest of the world	187,468	168,442	130,978	62,126	37,737
total	47,300,355	48,339,423	53,701,767	56,686,992	61,572,991
Total (in million dollar)	47,300	48,339	53,702	56,687	61,573

source: <http://intracen.org/leatherline/tradestatistics/footwear>

Table 3: Forecast of footwear export in the year 2008

Year	2001	2002	2003	2004	2005	2008 (forecasted)
Total (in Million US \$)	47,300	48,339	53,702	56,687	61,573	75,155

Table 4: Country wise Footwear exports statistics of Bangladesh

Export to	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000
France	4,721	5,298	8,227	6,156
Italy	1,719	1,955	4,646	5,774
Japan	14,413	18,398	17,433	5,625
Germany	2,056	1,738	1,576	5,407
United Kingdom	6,134	4,000	2,240	2,641
Belgium	4,160	4,547	5,867	2,488
Austria				1,218
Netherlands	780	1,263	1,304	1,008
Spain	978	363	697	930
Sweden	540	260	1,026	675

Denmark	25	14	99	427
United Arab Emirates	52	82	31	335
Saudi Arabia	78	3	70	334
United States of America	700	4,128	46	173
Finland	19	92	35	167
Norway	13		4	155
Hong Kong	142	215	335	143
Portugal		96	7	89
Fiji	64	60		74
Canada	13	114	121	44
Australia	49		60	44
Greece	51	114	150	38
Poland		29	25	15
Malawi				13
Cyprus			21	11
Korea, Republic of	522	318	597	10
Argentina		8		9
Nepal				6
China	2	7	42	5
Turkey	5		35	2
Taiwan, Province of China	687	1,214	317	
Ireland	174	341	270	
Czech Republic	91		250	
Philippines		19	55	
Mexico		20	42	
Bhutan	81	27	36	
Russian Federation			27	
Iran, Islamic Republic of		50	24	
Serbia and Montenegro			22	
New Zealand	1		15	
Albania			14	
Singapore	70	443	6	
Thailand	40		1	
South Africa		20		
Senegal		19		
Ethiopia		13		
Peru		2		
Korea, Democratic People's Republic of	58			
Central African Republic	5			

Qatar	4			
Sri Lanka	2			
India	1		1	
Oman	1			
World	38,454	45,272	45,776	34,018

source: <http://intracen.org/leatherline/tradestatistics/footwear>

Table 5: Bangladesh's share in world footwear trade.

Year	2001	2002	2003	2004	2005	2008 (forcasted)
World Footwear export	47,300	48,339	53,702	56,687	61,573	75,155
Bangladesh footwear export	38	45	46	34	48	63
Percentage	0.08%	0.09%	0.09%	0.06%	0.08%	0.09%

we should keep in mind that 0.01% of world footwear trade is equivalent to 6.16 million dollar

Table 6: Footwear Export in Bangladesh (value in thousand Taka)

Name of commodities	July-April 2005-2006	July-April 2006-2007	April 2007	% of total
Footwear (leather)	3366096	5370951	715248	1.13%
Footwear (jute)	494504	648329	47204	
Footwear (sports)	1483609	924071	61164	
Footwear components	142631	792012	37153	
Footwear (all sorts)	5486840	7735363	860769	

Source: Export Promotion Bureau

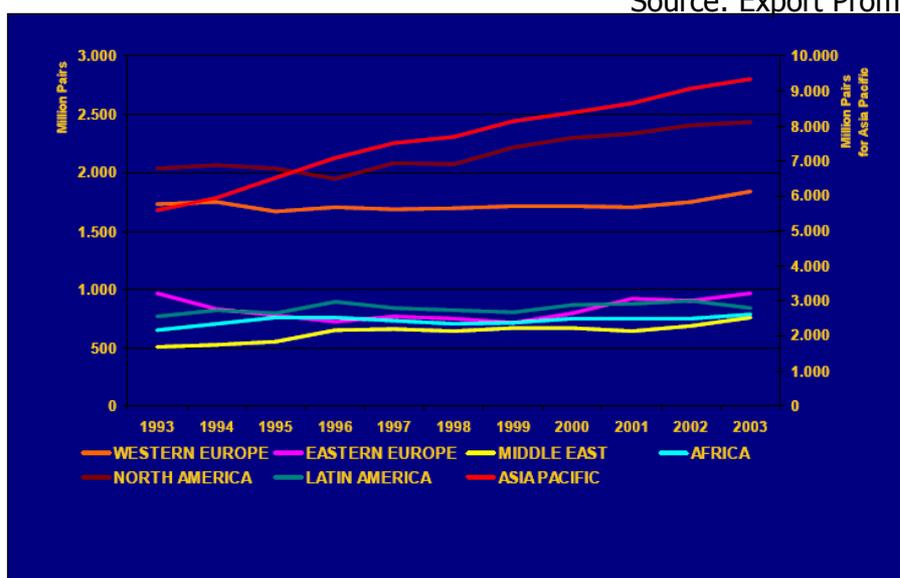


Figure 18: World footwear consumption Trade

Leather is the sector with major added value for the Bangladeshi economy- calculated at about 80% of the value chain, and quality few materials are available locally and the industry has developed from hides and skins to finished products. The expansion of exports of finished products .

Table 7: The consumption “top 10”

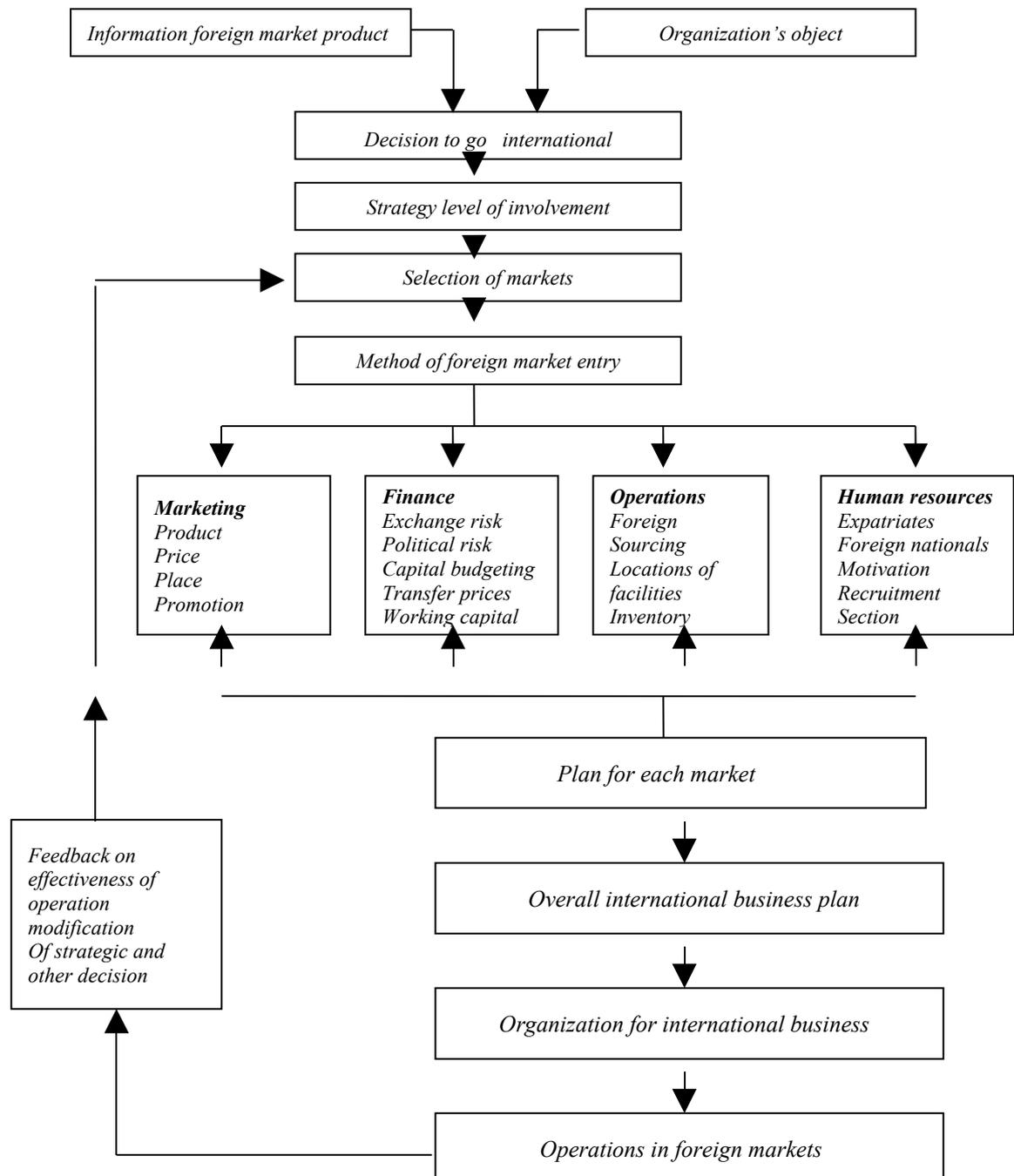
#Region	Q2003	Share2003	Growth1993-2003	Δ03/93
WORLD	16.940	100,00%	3,21%	4.683
1 INDIA	3.688	21,77%	4,69%	1.283
2 CHINA	2.935	17,33%	7,73%	1.569
3 USA	1.950	11,51%	2,15%	342
4 JAPAN	601	3,55%	0,59%	68
5 BRAZIL	425	2,51%	0,67%	37
6 INDONESIA	373	2,20%	6,50%	268
7 GERMANY	333	1,97%	-1,92%	-62
8 UK	330	1,95%	1,36%	65
9 FRANCE	325	1,92%	-0,39%	2
10 ITALY	315	1,86%	2,46%	67

2.8 Strategies to increase the market share of Bangladesh

- Introduce modern management techniques and professional marketing.
- Train worker for better quality production and productivity.
- Create market image and brand name
- Allow easy import of auxiliaries and machines.
- Adopt ISO 9000 standards, improve quality control procedures for process and inputs, provide training for shop floor management, and modernize production system.
- Start joint ventures with buy back arrangements.
- Arrange for market intelligence its dissemination and market development.
- Keep stable competitive prices make prompt delivery on schedule.
- Develop design
- Manufacturing leather goods components, machinery, tools, and spare parts indigenously.
- Remove export trade bottlenecks provide export finance, incentives, exports high price range products.
- Create tie ups for sales network, diversified markets, increase number of products. Small units to participate in international trade fairs.

2.9. Understanding The International Marketing Strategy

In order to understand the international process it needs to be viewed schematically from the first decision –marketing process through to implementation and control. This entire process is outlined below as follows:



2.10. Government's area of involvements in expanding market.

The following strategies should be undertaken to attain the objectives of the export policy:

- Simplifying export procedures, and helping the private sector achieve efficiency. The Govt.. desires more and more involvement of the private sector while the govt. will continue to play its facilitating role.
- Enhancing technological strength and productivity and facilitating reduce cost and attain internationally accepted standard of quality of exportable products and thereby consolidate their competitiveness.
- Ensuring maximum use of local raw materials in the production of export goods and encouraging establishment of backward linkage industries;
- Participation in the international trade fairs, specialized fairs, single country exhibitions abroad and also sending out trade missions, with a view to consolidating our position in the existing market and creating new markets;
- For promotion of high value added Footwear and leather Footwear export: providing various facilities including bonded warehouse facilities for import of materials such as raw hides, pickled, wet blue, crushed and finished leather, components and chemicals etc. to 100% export oriented leather industries;
- Organizing regularly international trade fairs and product-specific fairs with the country;
- Making appropriate development and expansion of infrastructure conducive to export;
- Making arrangements for necessary technical and practical training for development of skilled manpower in the export sector;
- Ensuring maximum utilization of financial and other assistance extended by the World Trade Organization to the Least Developed Countries;
- Ensuring maintenance of ecological balance and pollution-free environment in the production of exportable goods.
- Extending technical and marketing assistance for development of new products and for finding appropriate marketing strategies;

- Taking necessary steps to assist procurement of raw materials by the export oriented industries at world price.

The people inside the Footwear Sector should not give all responsibility to the government. They should initiate some sort of trying to develop the commercial relationship with international buyer.

2.11. Footwear Sectors' area of involvements in expanding market.

- Establishing direct contacts with overseas buyers would pave the way of doing business much more effectively. Here again, they need help of overseas consultants having direct any good contacts with international buyers, merchants and traders.
- Trade mission to international buyers (with the help of overseas consultants), participation in international trade fairs such as Bologna, Hong Kong, Shanghai / Guangjough etc. can be much more helpful to these small / medium tanneries and this process needs to be continued for at least 3 consecutive years in order that the continuity in following up business is maintained.
- Current size of the global footwear market is still enormous because it has parallel relationship with the increase of world population. Data obtained from Market Report, Fashion Trends and Forecasts up to 2005 by Steve Lee clearly indicates that since 1950 till 2005 a positive relationship was observed between growth of world population and production of footwear, as it is a basic commodity aspired to be used even at a lower stratum of income. China is the leading country in terms of production and consumption of footwear with its huge population. Historical data show that factors like demographic composition and pattern of evolution, level and extent of urbanisation, and distribution of wealth have consistently driven the growth in the footwear industry. For example, the volume of world footwear production in 1950 was 2.1 billion pairs, then in 1970 it was 4.9 billion pairs, in 1998 it increased to 11.3 billion pairs and in the year 2005, world footwear production was 14.5 billion pairs.

2.12. Strategies

While businessmen will consider entering in the export market they must consider the following:

2.12.a. Organization's Objectives

A clear understanding of the organization's corporate and marketing objectives will help the marketer to understand whether international marketing and or the selection of the particular key markets is in line with the organization's objectives and ambitions for the future.

2.12.b. Decision to go International

The difference between an organization deciding strategically to take an international role in its business rather than opportunistically following up the odd foreign sales lead has a very different effect on the organization and the way it approaches its international markets. With a corporate decision to take international business as a serious activity, the organization is likely to put the resources required behind the effort and to treat it as a key activity in the future.

2.12.c. Strategy 'Level of Involvement

The first strategic decision the organization makes on its route to internationalization is to decide how deeply involved it wishes to become in the international marketplace. The organization's chosen level of involvement in international business will determine (at least in the short term) the marketing, financial, operation and human resource strategies that can be employed. The different level of international involvement range from active exporting subsidiaries overseas as far as foreign production and foreign marketing.

2.12.d. Selecting the Markets

The organization should resist the temptation to attack too many markets there by spreading effort and resource too thinly to be successful. The most successful international operations often come from making an initial effort into a single market

and then extending this to other possibly neighboring markets as learning in international business increases. Market selection can be based on three criteria: market potential, similarity to the home or other foreign markets & market accessibility.

2.12.e. Method of foreign Market Entry

Unlike domestic marketing, the organization often has a clear choice of how it proposes to enter overseas markets. How the method of market entry is selected will determine the freedom of action the organization has over the various elements of the markets mix. As with level of involvement, method of entry may dictate marketing activities in the short term.

2.12.f. Foreign Market planning

Although the international marketing strategy is primarily concerned with marketing activities in overseas markets, the modern marketer can ill afford to ignore the international aspects and pressures upon other functional areas of the business. Not only must decision be made on the marketing mix most appropriate to international markets but also the other functional requirements of the organization must be considered if any strategic marketing activity is to be successful. Financial considerable and will cover issues such as exchange risk, political risk, capital budgeting, transfer pricing working capital requirements.

2.12.g. Plan for Each Market

In order to control the marketing & business operations in over as markets it is important that a plan is developed for each individual market based upon the differing marketing characteristics & customer expectations from the marketplace.

2.12.h. Overall International Business Plan

International business planning requires that the individual market plans be coordinated and controlled for international operations. Unlike the domestic situation

where there is a single market and easily understood planning parameters, the international environment tends to be much more fragmented and may require differing resources at different stage and levels of allocation. It is important that the organization attempts to remain in control of the situation and the coordination of (often diverse) national or market plans become a major strategic activity.

2.12.i. Organization For International Business

Structure can be a severe brake on any organization's international ambitions and new organization structures may be required in order to facilitate and promote international business.

2.12.j. Operations in Foreign Markets

As operations and activity 'on the ground' begin to unfold it is important that evaluation and control methods be in place for the organization continually to improve its activity in international markets.

2.13. Summary

- There is little conceptual difference between international marketing and domestic marketing.
- The focus of the international marketer's activity is the customer (as in the domestic situation), but the customer happens to be in a foreign market with all that entails.
- A primary problem in successful international business is the social \ cultural conditioning of the international marketing (remember the S R C).
- International marketing consists of four interrelated questions:
 - Whether to?
 - Where do?
 - What to?
 - How to?

CHAPTER III

3.1. Footwear Marketing in Bangladesh

Marketing is the vital aspects for the Bangladeshi footwear. Production of footwear in Bangladesh being primarily for export purpose. All the efforts being made by the manufacturers are presented in the foregoing analysis. Of course, there are few units which rely on domestic market. They are also contacted and their views have been complied.

As regards to domestic marketing of footwear, it is being done by nearly one fourth of total footwear. However, it does not mean that these units solely rely on domestic market. Good number of units in Dhaka undertakes domestic sales. Such local sales units are very less in other Divisions.

The domestic supply orders for the units are largely through direct contacts as well as from the corporate business groups for complimentary.

3.2. Category of marketing of Footwear:

Of the five prominent categories, In Bangladesh context, three have been popular. There are various kinds of footwear are available in here like-

- Leather shoes.
- Synthetic shoes.
- Leather sandals.
- Synthetic sandals.
- Sports shoes.
- Canvas & PVC shoes.
- Slippers and Chappals.
- Army boots.
- Ladies boots.
- Jute sandals/chappals.

However, it was observed during the field survey, that more than hundred types of items are being made from leather for export purpose, with ever expanding uses. This category of industry is highly vulnerable for non-leather substitutes and supplements. Functionally leather and non-leather items perform the same job. Leather items are preferred for their natural feel, elegance and of course long life.

The local sales affected, need not necessarily be always to the Bangladeshi customers. It is observed that foreign tourists' effect purchases from Bangladeshi stores during there visit to Bangladesh.

The situation in Dhaka is slightly different. Domestic marketing is remarkable high in the case of other Divisions units

3.3. The demand side of market

A difficult market in terms of fierce competition, sophistication of styles and fashions, trends in disposable income no less than the consideration of climate/season, environment and ecology play a critical role in generating the extent and pattern of demand. The demand is influenced by this different consideration; as cold weather leads to an increasing demand and consumption, new environmental concerns do also have a bearing; regulations regarding the PCP (Pentachlorophenol), for example, have become important features in the mind of the consumers. Fashion trend is closely related with the market demand .Demand side of the market mainly depends on

- Weather and season
- Culture and heritage
- Adaptation of fashion
- Cost of the product
- Availability in the market side
- Market trend and general tendency
- Fashion trend etc

3.4. Accessibility to the market

A buyer in all market is concerned about five major points; such as-

- P =Price (Cost)
- Q=Quality
- R=Reliability
- S=Speed and
- T=Technology

Price:

Prices are influenced by the offer of footwear on the world market. The price structure also depends on such elements as freight costs, commissions and intermediaries, customs duties etc. importers mark-up depends on the quality of the raw material-about 10% for mass-marketed articles and 25% for expensive footwear.

Quality:

Quality consciousness is the most important ingredient in the marketing strategy for all over the world as also as a rule, other industrialized economies. Norms and standards are in some cases even if not compulsory they are of advantages in marketing the product by carrying confidence with the customer. In fact, labeling and packing standards are being vigorously. Exports need to conform to the satisfy, environment and health regulations in force, adherence to quality and delivery schedules is also an extremely important consideration.

3.5. Domestic market of Bangladesh

Bangladesh with its 80% population in village has no niche domestic market for high priced products made of leather due to low purchasing power of mass population and weak economic structure. Generally the target prospect for footwear is for middle echelons to upper echelons people in local market.

Footwear is the best selling item compared in local market. Neither the culture, nor the economics or the climate, promotes the usage of footwear in large quantities in

the country. Causes of the backwardness of leather goods sector development for local market

- Economical ability of the local people
- Lack of cost effective project.
- Costly raw materials in comparison to synthetic material.
- Tendency of buying foreign product
- Tendency of the industry as being export oriented.
- Lack of market6 research
- Lack of season based survey for demand
- Local fashion trends integration inability
- Lack of customer based marketing

3.6. Marketing and promotional Strategies for footwear

The survey data show that many of footwear firms are away from modern promotion and marketing techniques. Only a negligible promotion of firm use local agents, foreign agents to promote their products in the global market. Modern strategy of advertisement is used only by a very insignificant number of firms. However about 30% of footwear industries have participated in trade fairs, used agents or advertisements to promote their products in the market.

Table 8: Marketing and promotional strategies for footwear in the domestic market

	Number	%
No response	8	88.9
Advertisement	0	0
Through local agents	1	11.1
Total	9	100

Source: BPC (Survey 2004)

3.7 Local market survey for footwear

Total people involvement: 20000-22000 (Approx)

Total Production: 5-5.5 million (including all)

Total Production in Bangladeshi currency: 12.5 million (taka)

To know the market trend I have done a survey in different market place including the shopping centre to foot path among the men and women.

Primarily I have selected 20 men and 20 women to get the information about local market demand which are given below

Classification of Bangladeshi customer according to their ability

- Upper Class Customer
- Middle Class Customer
- General Category

Table 9: Customer Based survey of leather goods in Bangladesh

Types of customer	Types of products	Origin of products	Value range in taka
Upper Class	Shoe (gents)	Foreign	Above 1500
Standard		Local& Foreign	500-2000
General category		Local	Below 300
Upper Class	Ladies sandal	Foreign	Above 800
Standard		Local& Foreign	400-1200
General category		Local	100-400

Source: Field survey

3.8 Material based survey of footwear in Bangladesh

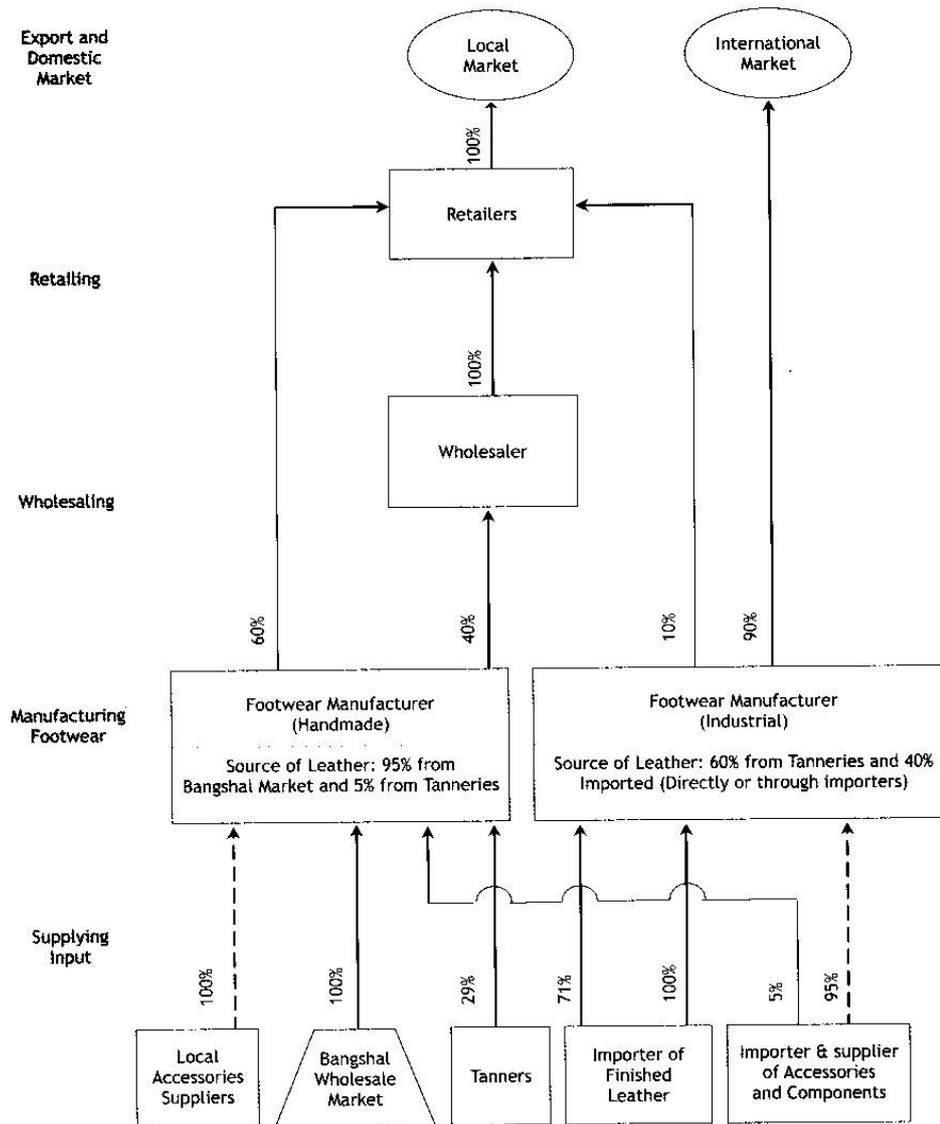


Fig 19: Source of footwear materials

3.9 Brand

Brand identity is particular circular for footwear business. There are shoes and fashion shop of both local and world wide brand in Bangladesh. Each of them has its our style and target market in Bangladesh. There

- Appex
- Bata
- Bey
- Jennys
- Nike etc.

3.10. Strategies to upgrade and integrate the production process into modern lines in footwear.

- Improve and increase design and development activity.
- Upgrade techniques of production.
- Provide training in product design.
- Introduce modern production systems and process.
- Create decentralized production and centralized marketing.
- Use marketing techniques and generate brand name
- Computerizes process and management
- Increase the quality of inputs
- Provide training for shop floor personnel
- Use leather substitutes
- Allow free import of accessories
- Create more organized unites
- Provide training for trainers in countries of product specialization
- Arrange product display in foreign countries
- Make available fittings and fixtures indigenously
- Mechanize production process
- Make low cost, large volume products of high quality value
- Create greater cooperation between producer, chemicals supplier and component manufacture.

Factors to increase the manufacturing, marketing and product quality in Bangladeshi footwear

- Modernize production process, introduce mass production techniques, introduce modern management practices.
- Use eco- friendly alternate materials, processing systems
- Promote products collect market intelligence, high value product market for larger market share
- Pay attention to better and improve quality
- Improve productivity
- Reduce scrap, use waste.

- Increase utilization of chemicals and energy
- Star joint ventures
- Develop designs
- Reduce excise and import duties
- Mechanized production
- Make products which are market specific
- Increase in production cost unavoidable. Additional cost to be absorbed or passed on to customer.

3.11. Experience of footwear marketing in Bangladesh

The history of footwear marketing is not so rich and mentionable. Even 10 years ago there was not such organization involved in mass footwear production except BATA. On that time most footwear were manufactured by small and non mechanized footwear unit and they sold their product through informal distribution channel. But, due to total technological revolution around the world the situation of Bangladesh is also changing and now few footwear companies manufacturing wide scale of footwear for both export and local market. The activities of Footwear Company working inside the boundary of Bangladesh are briefly described under:

3.11.a Experience of BATA-Bangladesh

As a very large multinational business organization, BATA has a lot of expertise and experience in footwear manufacturing and selling. BATA is the only footwear manufacturing company that can produce complete family shoe i.e. Shoes for the entire family. Moreover BATA has its own selling and distribution channel. The operation of BATA is illustrated below:

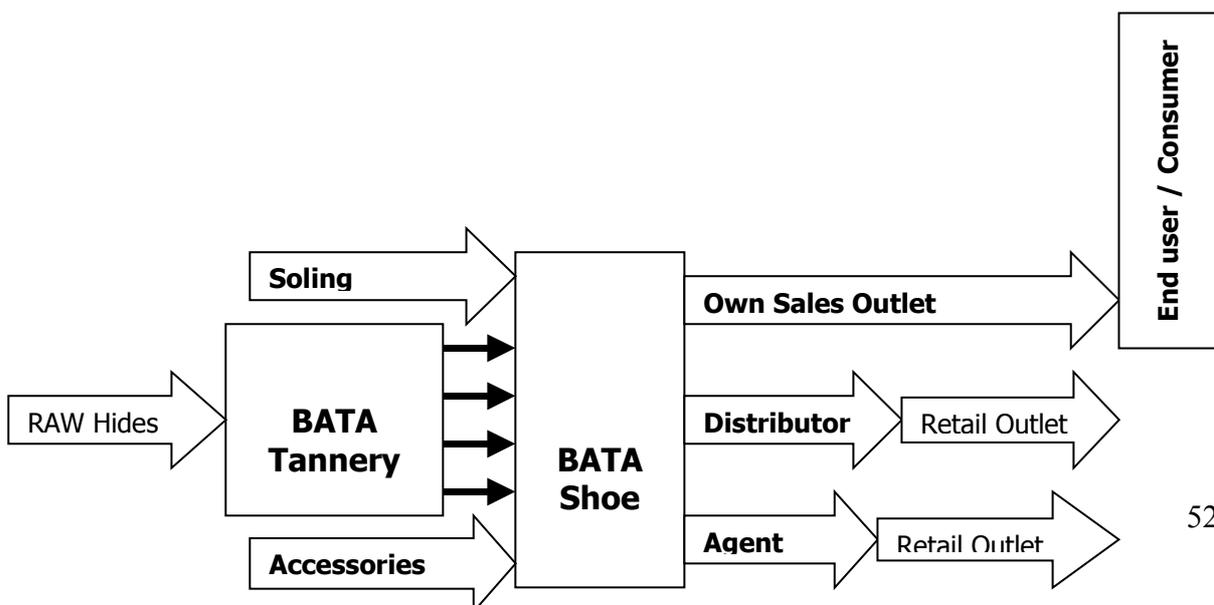


Fig 20: Operational Chart of BATA

3.11.b Experience of other large manufacturing unit.

Over the last 10/12 years some new generation of footwear manufacturer have been emerging in the local footwear market. Their main strength is that they are successfully doing the footwear export in European and Asian Market. With the experience in export market and inspiring by BATA they have started their own local marketing system by following BATA’s operation. They are also trying to create their own brand in local footwear market viz: APEX, BAY, Jenny’s etc. They have the capabilities to survive in the local market but all they need is experience.

3.11.c Experience of other small units.

Actually this group is huge in their quantity and production and surprisingly customer access. Most of the shoe manufactures in Bangladesh are manufactured by them. But their main problem is selling. They have no selling unit. In some cases they don’t even know who their customers are. For selling their product they have to depend to the wholesaler and these wholesaler are mostly situated in Fulbaria Wholesale Market (Gulistan area) and Chakbazar Wholesale Market. Their main assets are: Their workmanship, low cost, and almost unlimited variety of product. But the main problem is that they have to arrange their all raw materials from different sources. Their operation is illustrated below:

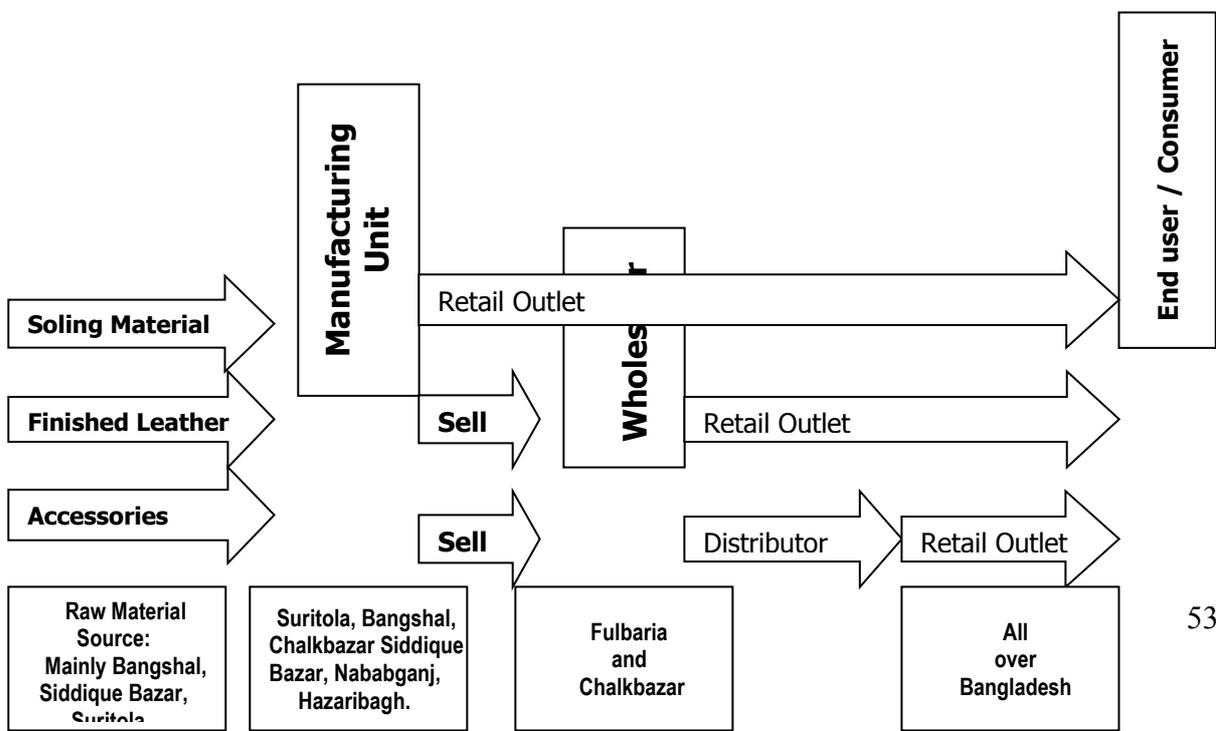
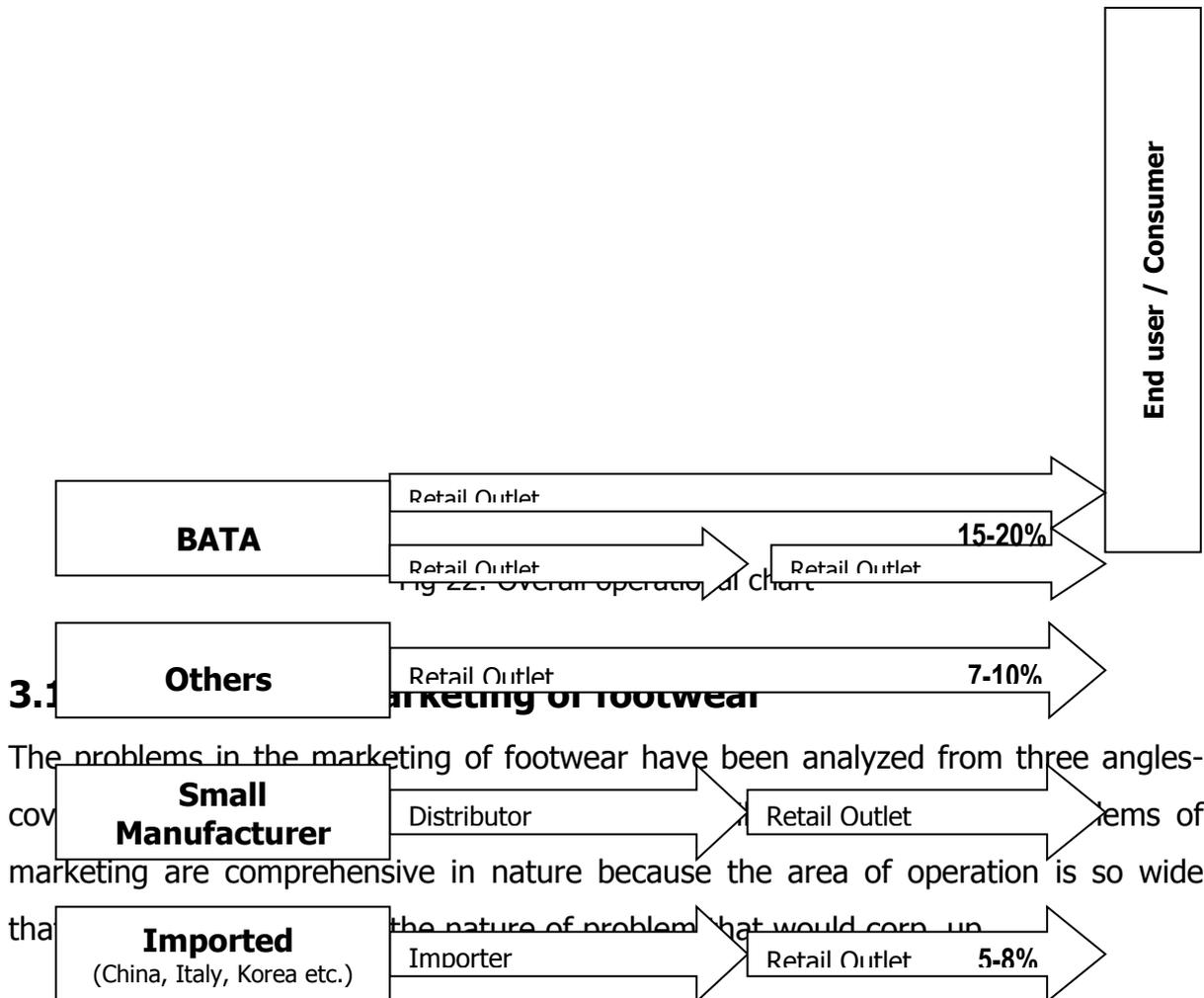


Fig 21: Operational chart of local market.

In view of the above we can draw a clear picture of our local footwear market as under.



3.1

Marketing of Footwear

The problems in the marketing of footwear have been analyzed from three angles- coverage, the nature of problem that would crop up, and the nature of problem that would crop up. The problems of marketing are comprehensive in nature because the area of operation is so wide that the nature of problem that would crop up is also wide.

The general/ basic problems of the leather goods industry cover

- high degree of competition
- unable to get reasonable price
- poor brand image
- unable to get orders
- unable to ensure quality
- Lack of infrastructure etc.

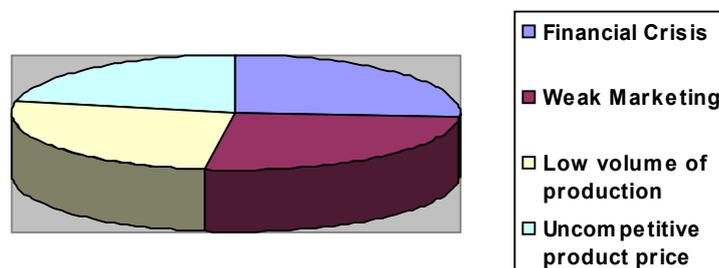
The second issue relating to marketing problem is export rejections. The problem has been classified on the basis of extent of rejections. The problem appears to be

not so serious since large proportion of units account on an average less than one percent of rejection. It is also attempted to identify the reasons for such rejection. It appears that multiple causes are responsible for rejection.

The prominent among them are defective stitches, improper construction of the product, poor substance of leather, color mismatching and improper fittings.

Table 10: Weakness of footwear industries:

Weakness	Percent of total firms
Financial crisis	88%
Weak marketing	87%
Low volume of production	87%
Uncompetitive product price	74%



3.13. Major Problems of Export Oriented Footwear Industries

The export of leather goods is declining every year due to various reasons and most of the problems are solvable if concerned agencies of GOB extend full support and cooperation through the policy incentives.

3.13.a SWOT ANALYSIS

<p><u>STRENGTH</u></p> <ul style="list-style-type: none"> • Good potential of quality raw materials for maximum added value. • Integrated production chain from raw materials to tanneries and footwear available. • Low costs of production labor available (partly offset by low productivity due to lack of skills). • Established international trading practice • Existence of a few successful companies as path leaders, • Geographic position for the future markets. • The footwear industry got stimulus from the progress in finished leather production. • Customers from countries applying GSPs have been attracted by Bangladesh. • Bonded warehouse facilities are available. • No import duty on capital machinery for export-oriented industry. • Containerized shipment is available from the industry site with proximity of Dhaka city's railway station. • Export of Bangladesh Footwear merchandise to Japan is 100% duty-free. 	<p><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> • Information for product line, product mix and export marketing is inadequate. • Skilled designers and facilities for product design and development are unavailable. • Backward linkages between leather products (footwear and leather goods) industry and tanneries is still not a prevailing culture. • No institutional support is available for the industry (such as FDDI in India). • Trained or experienced workers to operate key-machinery (lasting, sewing) are quite insufficient. • High rate of interest on term loan and working capital, and pattern for loans are distorting prices. • Footwear accessories (such as tapes, trims, buckles, linings, shoe-last etc.) are not locally available. • Lack of quality control systems; reliance on foreign certification with penalized lead-time. • Limited product development and market orientation. • Over-reliance on visiting buyers. • Complicated rules and regulations in customs department, which affect lead-time and acquisition of inputs. • Partnership Marketing program has been a greatly felt needs.
<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Gradual progress in the finishing process of leather. • Local production of sandals and slippers is in high demand in Mid-East and Southern Africa. • Cash incentive (15% on FOB) for leather footwear has been introduced and likely to be at a higher rate. • No import duties on raw hides or wet-blue hides for export-oriented leather industries. • Proximity to future markets (South-East Asia) • UNCTAD has been working with advocacy to EU to permit more time for LDCS. 	<p><u>THREATS</u></p> <ul style="list-style-type: none"> • Current recession of the worldwide economy. • Almost no output of sole/insole leather developed in local tanning industry. • Leather footwear consumption is considerably replaced by casual footwear made of synthetic materials. • No organized industrial unit for sole production natural rubber based, TPR, NU or EVA. • EU's stringent condition on SPS, certification etc, etc (it needs time to be ready for compliance). • EU's stringent condition on SPS, certification etc. (It needs time to be ready for compliance)

3.14 Policy Measures Suggested for Export Oriented Footwear Industry

Export oriented footwear industries could be termed as highly value added sub-sector in the Leather Field. Bangladesh has fine quality cattle hides and top quality goat skins along with valuable water buffalo and one of the cheapest labour

in the world. We only need to overcome of the weakness of the industry and can make footwear industry as most prospective sector.

The following recommendations are suggested to boost-up the export performance in leather goods sector:

Proper policies have to be developed to influence integration between finished leather Producing Tanneries and footwear entrepreneurs to ensure supply of quality finished leather at reasonable prices.

The Ministry of Education should constitute an expert committee to oversee the actual development work in BCLT and lead to run this important and only institution towards the benefit of the export oriented leather and footwear industry.

A centralized training center for skill development, R & D facilities to develop new design is very much essential to boost export of footwear in the country.

3.15. Contribute of leather sector to GDP in Bangladesh (million taka)

Year	Leather goods	Leather	Footwear	Total	% of total GDP
1992	792	3022	792	4606	0.33
1993	878	3066	878	4822	0.33
1994	1104	3104	1104	5312	0.35
1995	1282	3147	1282	5711	0.36
1996	1383	3189	1383	5955	0.36
1997	1471	3233	1471	6175	0.35
1998	976	3276	976	5228	0.28
1999	1529	3322	1529	6380	0.33
2000	1402	3368	1402	6172	0.30

Source: BBS, 2000

3.16. OUR OPPORTUNITIES FOR PRODUCTION OF FOOTWEAR

Lowest labor cost:

Cost competitiveness of products is the essence of international market that in turn depends upon the supply of raw materials manufacturing know how and conversion cost. The footwear industry in particular is highly labor intensive and the production cost is greatly depending on labor wage.

The established producers of these newly industrialized countries being affected recently by high rise in labor wages and export limitation in Europe have been looking for expanding or relocating their production base to low cost china, Indonesia, Thailand, India, Pakistan, Bangladesh and Vietnam.

The labor cost in advanced countries accounts for 40-45% of the total production cost whereas, it is less than 5% in developing countries, which is still the lowest in Bangladesh.

Table 11: Comparative hourly wage rates in such country

Country	Labor wage/hr.(in US\$)
Japan	23.65
Canada	14.44
USA	11.61
Taiwan	5.67
Hong Kong	3.85
South Korea	3.66
Singapore	3.66
Malaysia	1.18
Thailand	1.04
India	0.56
Pakistan	0.44
Indonesia	0.43
Vietnam	0.37
China	0.36
Bangladesh	0.23

Source: Werner International Survey, 1993.

Table 12: Average labour cost in Asia and South American Countries

Sl. No.	Country	US\$/Hour
---------	---------	-----------

1	Japan	24.00
2	Italy	14.00
3	South Korea/Taiwan	6.00
4	Brazil	1.50
5	Mexico	0.80
6	Indonesia	0.45
7	China/Vietnam	0.30
8	Bangladesh	0.20

3.17 Raw materials availability

Leather is the main material of footwear

Table 13: Availability of leather (total number)

Origin	Total number (million piece)	Number of leather (million piece)	Leather (million Sq.ft)
Cow/buffalo/cattle	24.31	5.31	116.00
Goat/Sheep	32.70	19.70	64.00

Source: Bureau of statistics, ITC, FAO.

3.18. Projection of Production, Export earning and Employment generation by the year 2015 AD

Sector	No of Unit	Production Total	Domestic uses	Available for export	Export Earning (m US\$)	Admin	Production	Total
Tannery	250	300m sft	45m sft	128m sft	256	3500	24500	28000
Footwear	400	47m sft	---	47m sft	235	3200	91600	94000
Total	650	347m sft	45m sft	275m sft	491	6700	116100	122000

Source: BSCIC-2005

CHAPTER IV

4.1. THE EUROPEAN FOOTWEAR INDUSTRY

4.1.a. MAJOR TRENDS AND CHARACTERISTICS

The use of leather has grown through the centuries in spite of there being many imitations, it is now more popular today than ever before, much of this can be contributed to its selling points.

Table 14: Export Top Ten

Region	Q2003	Share2003	Growth1993-2003	Δ03/93
WORLD	7.077	100,00%	4,37%	4.837
CHINA	4.475	63,23%	7,05%	4.430
VIETNAM	385	5,44%	20,78%	4
ITALY	305	4,31%	-2,92%	107
BRAZIL	190	2,68%	0,78%	-47
INDONESIA	165	2,33%	-3,72%	95
NIGERIA	160	2,26%	8,20%	-25
THAILAND	140	1,98%	-6,62%	43
SPAIN	130	1,84%	1,71%	124
MEXICO	85	1,20%	26,09%	67
TURKEY	85	1,20%	11,07%	47

Source: BLSC

4.1.b THE FOOTWEAR IN EUROPE

The largest European importer of leather products in terms of value is Germany; France, UK and Italy.

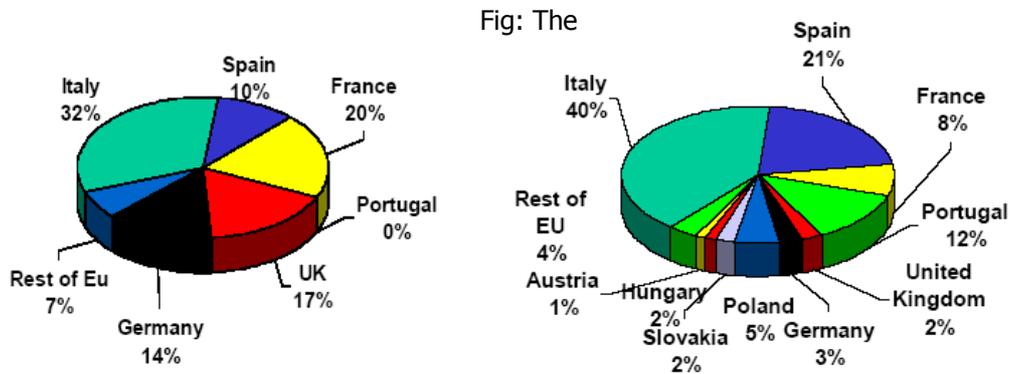


Fig: The

Total production 1.143.815.000

Total production 705.090.000

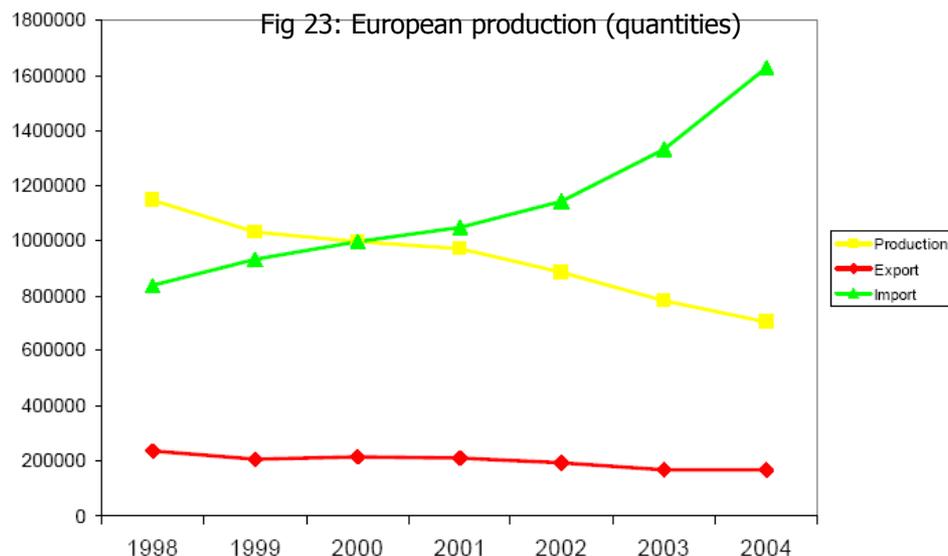


Fig 24: The European footwear industry trend

footwear, excluding hides and skins, is an industry comprised of several major foreign exchange classifications. Non-rubber footwear is far the most significant end-use category.

4.1.c European market conclusion

Europe is the major world market for footwear. Hence the dominance of Germany as an importer of all leather products.

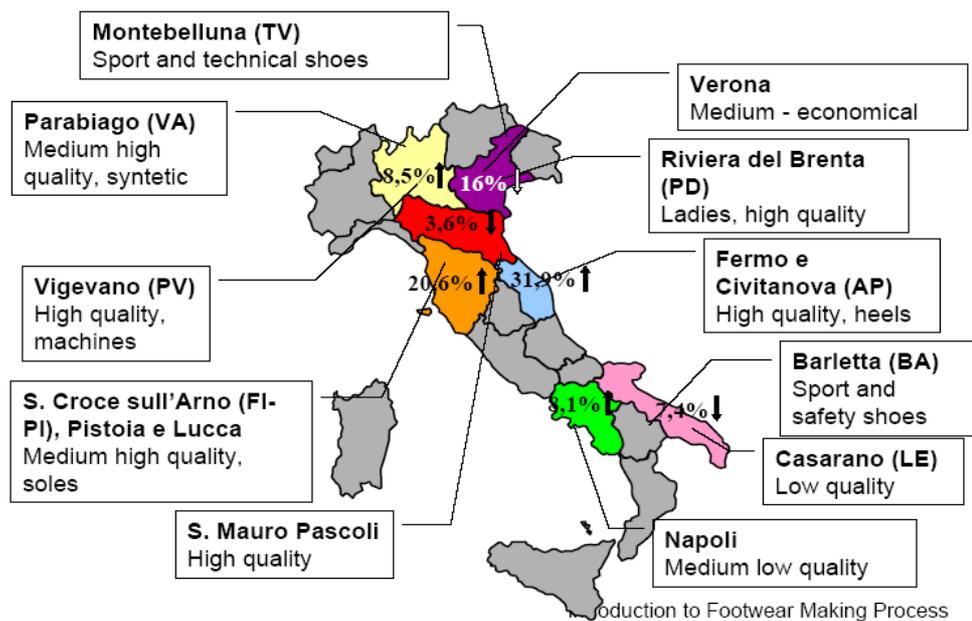


Fig 25: The Italian footwear districts

There is a widespread and increasing penetration of markets in all EEC countries by Asian exporters including India and Pakistan, which in this instance may be considered as an indicator of the potential for Bangladesh.

4.1.d. The major competitors in the European markets their strengths and weakness.

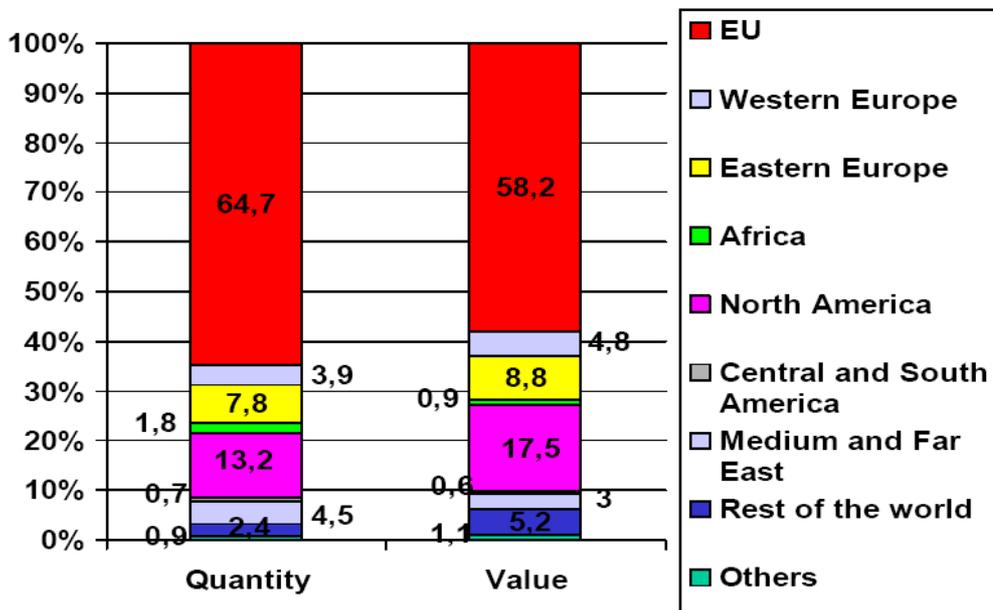


Fig 26: The export per destination

India, Pakistan, China and Thailand provide more direct competition for Bangladesh and indication of the potential in different markets for products of a quality which Bangladesh might realistically achieve within the next few years .

4.2 WORLD EXPORT EXPERIENCE (to top 5 countries):

4.2.a India Footwear:

Exports 2001-2005					
Supplier	Export	Value	Value	Value	Value 2005

	to	2001 US\$ '000	2002 US\$ '000	2003 US\$ '000	2004 US\$ '000	US\$ '000
India	World	662,511	622,589	758,292	849,999	1,049,255
	United Kingdom of Great Britain & Northern Ireland	159,101	145,199	152,541	180,183	196,529
	Germany	116,601	105,155	144,433	154,376	171,628
	Italy	97,388	78,779	106,323	94,969	134,863
	United States of America	89,487	89,457	88,097	101,492	131,740
	France	32,429	36,579	50,396	59,625	75,199

Source: ITC

4.2.b China footwear:

Exports 2001-2005						
Supplier	Export to	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000	Value 2005 US\$ '000
China	World	10,095,770	11,090,084	12,954,806	15,202,613	19,052,503
	United States of America	5,044,341	5,055,069	5,337,650	5,962,165	6,791,214
	Japan	1,010,214	1,007,494	1,096,149	1,193,640	1,379,566
	Hong Kong Special Administrative Region of China	345,256	509,779	665,282	958,002	1,130,300
	Russian Federation	383,414	481,445	544,724	802,707	1,128,884
	Kazakhstan	46,556	104,673	358,173	301,346	695,181
	Germany	163,038	145,000	173,371	250,388	512,608

Source: ITC

4.2.c UK Footwear:

Exports 2001-2005						
Supplier	Export to	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000	Value 2005 US\$ '000
United Kingdom of Great Britain & Northern Ireland	World	697,772	661,420	690,901	773,415	844,733
	Ireland	152,251	151,245	199,440	237,357	260,614

	Germany	39,865	44,030	63,659	97,017	124,150
	France	62,182	64,955	59,055	64,246	75,082
	Italy	42,741	45,426	49,089	53,661	56,270
	Netherlands	32,609	29,171	46,560	46,090	50,129
	Spain	21,061	25,239	47,651	48,000	47,936
	Belgium	24,169	20,552	20,547	29,510	28,358
	United States of America	145,250	108,737	37,444	24,568	24,470

Source: ITC

4.2.d USA Footwear:

Exports 2001-2005						
Supplier	Export to	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000	Value 2005 US\$ '000
United States of America	World	806,018	702,576	693,623	650,866	726,828
	Canada	189,261	179,000	183,989	201,874	219,570
	Mexico	129,236	106,804	94,078	63,005	52,024
	Hong Kong Special Administrative Region of China	47,000	39,171	40,097	42,971	50,270
	China	46,629	35,153	36,905	32,271	42,108

Source: ITC

4.2.e Canadian Footwear:

Exports 2001-2005						
Supplier	Export to	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000	Value 2005 US\$ '000
Canada	World	145,818	151,318	141,584	158,789	200,768
	United States of America	137,531	145,202	130,908	145,719	184,408
	United Kingdom of Great Britain & Northern Ireland	1,801	1,008	590	2,158	2,677
	Germany	679	692	1,623	1,696	2,602
	Netherlands	934	598	676	734	1,666

	Israel	20	66	32	112	1,420
	Hong Kong Special Administrative Region of China	301	119	209	1,824	574

Source: ITC

4.2.f Japan Footwear:

Exports 2001-2005						
Product: 851 - Footwear						
Supplier	Export to	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000	Value 2005 US\$ '000
Japan	World	42,253	37,770	39,302	44,885	50,976
	Hong Kong Special Administrative Region of China	15,413	13,663	12,318	14,025	15,614
	China	4,909	5,831	7,626	10,491	11,953
	Taiwan, Province of China	6,717	5,094	4,838	5,170	6,431
	Korea, Republic of	4,212	5,308	6,262	5,474	5,837
	United States of America	1,124	1,104	1,137	1,345	2,093
	Singapore	2,265	1,699	1,741	1,930	1,709
	Italy	132	183	92	123	1,308

Source: ITC

4.2.g Korian Footwear:

Exports 2001-2005						
Product: 851 - Footwear						
Supplier	Export to	Value 2001 US\$ '000	Value 2002 US\$ '000	Value 2003 US\$ '000	Value 2004 US\$ '000	Value 2005 US\$ '000
Korea, Republic of	World	701,812	577,111	509,172	499,648	482,114
	China	219,585	213,809	236,134	231,446	243,261
	Viet Nam	56,908	54,997	52,340	69,964	78,909
	United States of America	96,377	64,494	43,069	44,273	40,798
	Japan	137,000	81,990	54,017	49,344	40,050
	Indonesia	21,255	16,584	9,989	8,638	12,375
	Hong Kong Special Administrative Region of China	17,778	15,753	9,791	12,499	9,943

Source: ITC

4.3. European Buying Structure

Specialist importers still provide the channel for 50-75% of imports in most product categories and account for an even higher proportion of imports developing countries. They operate either as agents or buy on their own account for resale to central buying organizations, independent wholesalers or large retail chains and mail order house.

Importing manufacturers represent the second most important trade channel particularly for footwear. Sub-contracting of components is particularly important to the footwear industry. Most large footwear manufacturers now operate this system, with the exception of those catering exclusively to the high-fashion or quality segments of the market.

The other main trade channels are central buying organizations, which purchase on behalf of small retail chains and co-operatives and the large retail chains and houses. Both of these groups purchase directly from exporters and manufacturers as well as through importing agents.

4.3.a AVAILABLE TEST REQUIREMENT OF FOOTWEAR

Chemical test:

- Determination of percentage of chromic oxide in leather.
- Determination of moisture content in leather.
- Determination of fat content in leather.
- Determination of hexavalent Cr.
- Determination of banded amines.
- Determination of PCP, PCB, HCHO.

Physical test:

- Determination of tensile strength of upper leather.

- Determination of bursting strength of upper leather.
- Determination of sole adhesion of footwear.
- Determination of waterproof ness of upper leather.
- Determination of color fastness of upper leather.
- Determination of flexing endurance of upper leather.
- Determination of water vapor permeability of upper leather.
- Determination of adhesive test for upper leather.

4.4. Bangladesh's Competitive Position

- Plentiful supply of raw hides and skins (subject to finish a tannage)
- Relative high quality of hides and skins labor cost are low

Disadvantage

- Lack of skilled and experience technicians
- A shortage of trained managers
- The need to import all machinery and chemicals with duty
- A shortage of low cost investment finance
- A failure to maintain and improve market access because of quality
- Problems of co-ordinating the development of the finished leather and footwear industry.

APPROPRIATE MARKET ENTRY

It is extremely difficult to make a realistic prior appraisal of the capability of a developing country to manufacturer specific types and quantities of footwear. The time and effort necessary to reach the required level is particularly difficult to access

The following products are considered to offer the best approach

- Footwear uppers.
- Sandals (ladies & gents).

- Shoes and
- Ladies footwear, etc.

4.5. Needs and expectations of footwear firms

Levels	Needs and expectations
Productions	-Training for worker -Easy and duty free imports of raw materials, chemicals etc. -Waste control system
Sales	-Information on preferential market access -Improved sales management system
Marketing	-Subsidized scope for participating in the fair. -Training on marketing
Quality	-Training for improving quality -Information about quality requirement in different markets. -Facilities for quality control.
Finance	-Reduce interest rates for working capital. -Better access to finance.

4.6 PRODUCT WISE QUANTITY & FOB VALUE OF EXPORT OF LEATHER & FOOTWEAR DURING LAST YEARS 2003-2004

CATEGORY	Quantity	FOB Value	Unit value in Rs.	%Share in Export value
Finished Leather (Sq.Ft.)	486519338	2624.71	54	25.19%
Leather Footwear (PAIRS)	54638894	2836.34	519	27.22%
Footwear Components (Pieces)	33734884	1031.28	306	9.90%
Non Leather Footwear (pairs)	6868115	56.98	83	0.55%
Total		6549.31		62.86

Source: EPB

4.7 FOOTWEAR INDUSTRY IN BANGLADESH

Name of the Firm	Address	Phone	Contact Person and Designation
M/S Apex Footwear Ltd.	Celebration Point, Plot # 3,5 Road # 113A, Gulshan-2, Dhaka	8828258 8821591	Mr. Syed Nasim Manzur Managing Director
M/S Jenny Shoes Ltd.	Jennys House, House # 6, Road # 68/A Gulshan-2, Dhaka	8826350 8824885	Mr. Nasir Khan Managing Director
M/S Amit Footwear Ltd.	House # 30, Road # 6, Sector 3 Uttara Model Town, Dhaka	9804046	Mr. Sukumer Chowdhury Managing Director
M/S Lalmai Footwear Ltd.	Khan Mansion (5 th Floor) 107, Motijheel C/A, Dhaka	9567312 9569458	Mr. Aminur Rashid Managing Director
M/S Legacy Footwear Ltd.	64, Bijoy Nagar, Kakrail, Dhaka	8319663	Mr. Kazi Rafi Ahmed Director
M/S Landmark Footwear Ltd.	64, Bijoy Nagar (3 rd Floor) Kakrail, Dhaka	9338369 8312626	Mr A. K. M. Afzalur Rahman Managing Director
M/S Surma Leather & Footwear Ind. Ltd.	Corner Court, 29 Toynbee Circular Road Motijheel C/A, Dhaka	9557913 9558790	Engr. Mr. Sultan A. Sikder Director
M/S Bay Footwear Ltd.	Wasa Bhaban (3 rd Floor) Kazi Nazrul Islam Avenue, Dhaka	9661134	Mr. Ziaur Rahman Managing Director
Bangladesh Export Ltd.	24, Kamal Ataturk Avenue, Banani, Dhaka	8815142 8815144	Mr. M. Anisur Razzaque Managing Director.
M/S Tropical Shoes Ind. Ltd.	A. R. Tower (3 rd Floor) 24, Kamal Ataturk Avenue, Banani	8815142 8815144	Mr. M. Anisur Razzaque Managing Director.
M/S H. N. Shoes Ltd.	House # 69, Road # 8/A Dhanmondi R/A, Dhaka	8111526 9111209	Mr. M. Nasir Managing Director
M/S Apex Leathercraft Fashion & Accessories Ltd.	House # 20 (Gr. Floor) Lane # 4, DOHS Baridhara, Dhaka	9883926	Mr. Shakil Ahmed Khan Managing Director
M/S Madina Shoe Industries Ltd.	Suit # 1204, Baitul Hossain Building 27, Dilkusha C/A, Dhaka-1000	9667745	Mr. Md. Shafiqul Islam Managing Director
M/S Leatherex Footwear Ind. Ltd.	House # 34/A, Road # 10/A Dhanmondi R/A. Dhaka	8112543 9129192	Mr. Nazmul Hasan Hohil Managing Director
M/S Sonali Aansh Industries Ltd.	Lal Bhaban, 18 Rajuk Avenue Dhaka	9556251 9563322	Mr. Nurul Islam Patwari Managing Director

Source: LFMEA

CONCLUSION

The export earnings from leather products have increased significantly. Footwear sector has the potentiality of earning a huge amount of foreign exchange to develop our country economy as well. Globalization has made the market competitive. Nevertheless, availability of raw materials; lowest labor can draw extra advantages for Bangladesh footwear export. With the arrangements of quality raw materials, well trained workforce in management, marketing toward global aspect, pollution free separate leather state, common facility centre for SMEs, leather board and leather research institute are the factors to get the highest feedback from this sector.

Bangladesh needs entrepreneurs for this developing sector. It is a fact that lack of expert is a unique problem for this sector. On the other hand, B.Sc in footwear technology, the new subject and the first addition in Bangladesh College of Leather Technology may be the possible solution to get a way to develop the sector in a significant way.

Footwear Technologist will be able to improve the footwear sector with their innovation and technology.

After completion of my thesis work, it is crystal clear that footwear department has its drawbacks in the country economy and after completion the Degree there is lot of opportunities of the students of this subject.

In addition, this the sector which is closely related to the development of the country has the potentiality to involve people not only in the job market but the footwear technologists have the scope to become an entrepreneur and an opportunity of establishment of new industry with their innovations and new technology. Opportunity to establish the motto to work as a leather products technologist not only but all over the world by the dint of globalization.

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