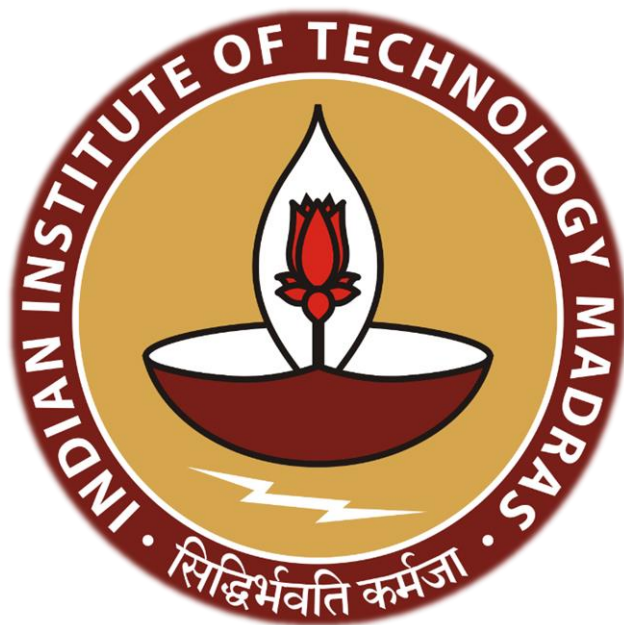


# Footwear Frontier: Unveiling Traditional Trade Market Dynamics

Submitted by

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## Declaration Statement

I am working on a Project Title “**Footwear Frontier**” I extend my appreciation to Sunehari Footwear, for providing the necessary resources that enabled me to conduct my project. I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered through primary sources and carefully analyzed to assure its reliability.

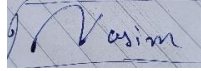
Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the information of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I agree that all the recommendations are business-specific and limited to this project exclusively, and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.

Signature of Candidate:



Name: Mohammad Vasim Punasiya

Date: 2/26/2024

## **Footwear Frontier: Unveiling Traditional Trade Market**

### **Executive Summary:**

The " Footwear Frontier " project embarks on an exploration of the traditional trade market, seeking to address critical problem statements within the footwear retail sector. Over the past four years, retailers have faced a concerning decline in sales, reflecting a shifting landscape that demands a closer examination of market forces and consumer behavior. Additionally, the issue of low credit repayment exacerbates financial challenges for retailers, signaling a need for targeted interventions and financial support mechanisms.

A distressing trend emerges as an increasing number of retailers face bankruptcy, primarily attributed to a lack of liquidity. This problem statement underscores the urgency of implementing strategies to enhance financial resilience within the traditional trade market. Simultaneously, despite offering competitive discounts and replacement facilities, a significant portion of consumers is migrating towards e-commerce platforms. Understanding the reasons behind this transition is pivotal for retailers seeking to adapt and thrive in a digital age.

The multidimensional survey approach adopted by the project aims to capture granular insights into these challenges, exploring product categories, sales data, and regional markets in Gujarat. By combining quantitative data on sales performance and inventory with qualitative responses from retailers, this initiative seeks to not only identify problems but also pave the way for strategic solutions. The findings of this project will empower stakeholders to make informed decisions, fostering sustainability and growth within the traditional footwear retail sector.

## Organization Background

Sunehari Footwear, established in 1998 by Ilyas Punasiya and his brothers, is a Individual Proprietor corporation located in Himatnagar, Gujarat. Specializing in both wholesale and retail operations, Sunehari Footwear has become a great place for the footwear in Himatnagar, offering a diverse range of shoes to meet various customer preferences. Since its inception, the company has experienced remarkable growth, prompting the establishment of three additional locations in Himatnagar to cater to a broader reach to various customers. With a commitment to quality and customer satisfaction, Sunehari Footwear continues to be a trusted name in the market, providing fashionable and comfortable footwear options to individuals across Gujarat currently 2 shops are sold from initial 3 shops due to lack of profitability and and 1 shop is on rent ending with 2 shops 1 shop is in Main market and 2<sup>nd</sup> shop is in developing market outside the main city.

### Problem !

As the business is family-owned, I conducted brief interviews with key members to identify several challenges:

- **Declining Sales:** Over the past four years, there has been a noticeable downward trend in sales figures for our footwear wholesale business. Despite our previous success, we're now facing challenges in maintaining previous levels of revenue generation.
- **Decreased Repayment Capacity:** Our ability to meet repayment obligations has diminished, indicating financial strain within the business. This decrease in repayment capacity raises concerns about our financial stability and long-term viability.
- **Liquidity Issue among Retailers:** We're observing liquidity challenges among our retail partners, which could affect their ability to fulfill orders and maintain consistent business operations. This liquidity crunch within the retail sector may have ripple effects on our wholesale business, impacting our revenue and cash flow.
- **Shifting Consumer Preferences:** Consumer behavior is evolving, with a noticeable preference towards online shopping and e-commerce platforms for purchasing footwear. This shift in consumer habits poses a significant challenge for traditional wholesale models reliant on brick-and-mortar retailers, requiring adaptation to remain competitive in the market.

## Problem Solving Approach

As the business is family-owned, I conducted brief interviews with key members to identify several challenges:

- **Sales Analysis:** I will conduct a comprehensive analysis of sales data over the past four years to identify trends, patterns, and potential factors contributing to the decline in sales. This analysis can include sales volume by product category, customer segment, geographical region, and sales channel (wholesale vs. retail). By understanding which product categories or customer segments are experiencing the most significant decline, you can develop targeted strategies to address these specific areas.
- **Methods Used:**
  1. **Time Series Analysis:** Utilize statistical methods to analyze sales data over the past four years, identifying trends and seasonality patterns.
  2. **Market Segmentation:** Segment sales data by product category, segment, and geographical region to identify areas of strength and weakness.
- **Intended Data Collection:**
  1. **Internal Sales Data:** Gather historical sales data from the Firm's Books and accounting software.
- **Analysis Tools:**
  1. **Python Jupyter Notebook:** Use statistical software to conduct time series analysis, and market segmentation.
  2. **Power BI:** Create visualizations to communicate insights and trends effectively.
  3. **Excel:** Utilize Excel for data cleaning, basic analysis, and visualization.
- **Financial Performance Analysis:** I will perform a detailed analysis of financial statements, cash flow statements, and balance sheets to assess the underlying factors contributing to the decreased repayment capacity. Identify key financial metrics such as liquidity ratios, profitability ratios, and leverage ratios to pinpoint areas of concern. Additionally, conduct a comparative analysis of financial performance against industry benchmarks to gauge the company's financial health relative to its peers.
- **Methods Used:**
  1. **Ratio Analysis:** Calculate liquidity ratios (e.g., current ratio, quick ratio), profitability ratios (e.g., gross profit margin, net profit margin), and leverage ratios (e.g., debt-to-equity ratio, interest coverage ratio) to assess financial health and performance.

2. **Trend Analysis:** Trend Analysis: Examine financial statements over time to identify patterns and changes in key metrics.

- **Intended Data Collection:**

1. **Financial Statements:** Collect income statements and balance sheets for the past few years.

- **Analysis Tools:**

1. **Power BI:** Create visualizations to communicate insights and trends effectively.
2. **Excel:** Conduct ratio analysis, trend analysis using Excel spreadsheets.

- **Retailer Sentiment Analysis:** I will try to collect feedback from retailers through surveys or interviews to understand their liquidity challenges and pain points. Analyze this qualitative data to identify common themes, concerns, and suggestions for improvement. By gaining insights directly from retailers, you can tailor solutions to address their specific needs and strengthen your partnerships.

- **Methods Used:**

3. **Surveys:** Design and distribute surveys to retailers to collect feedback.
4. **Text Analysis:** Analyze qualitative responses from surveys and interviews using text analysis techniques to identify common themes and sentiments.

- **Intended Data Collection:**

2. **Survey Data:** Collect responses from retailers through online surveys.

- **Analysis Tools:**

1. **Google Forms:** distribute surveys form and collect responses.
2. **Power BI:** Create visualizations to communicate insights and trends effectively.
3. **Excel:** Conduct basic analysis and visualization of survey data using Excel.

- **Consumer Behavior Analysis:** I will try to conduct consumer surveys to analyze shifting consumer preferences towards e-commerce and online shopping. Identify the key drivers influencing consumer behavior, such as convenience, price competitiveness, product assortment, and brand reputation. By understanding why consumers are gravitating towards online channels, you can develop strategies to enhance your online presence, improve the digital shopping experience, and better meet customer expectations.

- **Methods Used:**

1. **Surveys and Questionnaires:** Design surveys to gather insights into consumer preferences, shopping habits, and attitudes towards e-commerce.

- **Intended Data Collection:**

1. **Consumer Surveys:** Collect responses from consumers through online surveys, in-store surveys, or telephone surveys.

- **Analysis Tools:**

1. **Google Forms:** distribute surveys form and collect responses.
2. **Excel:** to track consumer behavior using Excel spreadsheets.

[https://docs.google.com/spreadsheets/d/1oa9lo4Xwgf2yF6S7SKr62xKai4HAz\\_ui/edit?usp=sharing&ouid=117741539323990651412&rtpof=true&sd=true](https://docs.google.com/spreadsheets/d/1oa9lo4Xwgf2yF6S7SKr62xKai4HAz_ui/edit?usp=sharing&ouid=117741539323990651412&rtpof=true&sd=true)

## Capstone Time line

Footwear Frontier.

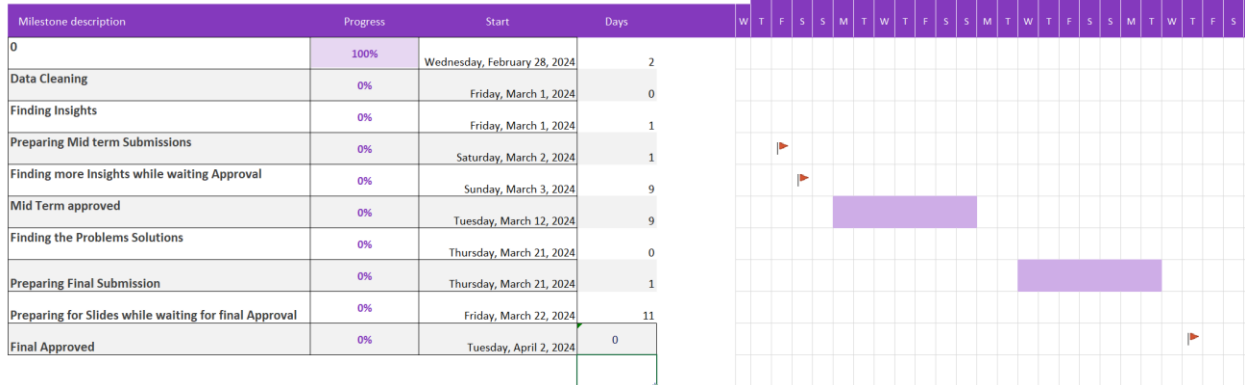
Sunehari Footwear

Project start date: 2/28/2024

Milestone marker: 1

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Scrolling increment: 0



## Expected Outcome

- **Insightful Understanding:** After completion of this project I will gain a deeper understanding of the root causes behind the identified problems, such as declining sales, decreased repayment capacity, liquidity issues among retailers, and shifting consumer preferences. This understanding will enable you to make informed decisions and develop targeted solutions to address these challenges effectively.
- **Actionable Recommendations:** The data analysis will generate actionable recommendations tailored to each problem area. These recommendations may include strategic initiatives, operational changes, marketing tactics, financial restructuring, or partnerships to mitigate risks and capitalize on opportunities.
- **Optimized Resource Allocation:** By identifying areas of improvement and potential growth opportunities, you can allocate resources more efficiently to prioritize initiatives that offer the highest return on investment and long-term sustainability.
- **Enhanced Competitive Positioning:** Implementing data-driven solutions will strengthen our competitive positioning in the market by addressing customer needs more effectively, improving operational efficiency, and fostering stronger partnerships with retailers.