

SUMMER TRAINING REPORT
ON
AFFILIATE MARKETING
OF
CONVOKE



In The Partial Fulfilment Of Requirements For The Award Of The Degree Of
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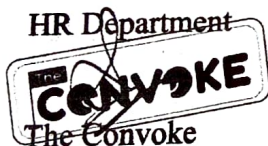
Date- 14/11/2022

TO WHOM IT MAY CONCERN

This is to certify that Ms. Neetu D/O Mr. Attar Singh, Student of Bachelor of Business Administration (BBA) of Govt. P.G. College for Women sector-14, Panchkula, Haryana has successfully completed a summer internship in the field of Digital Marketing from 16.08.2022 to 30.09.2022.

During the period of her internship program with us, she has been exposed to different digital marketing learning and was found punctual, hard working and inquisitive.

We wish her every success in her life and career.



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DECLARATION

I NEETU Hereby Declare That The Project Entitled "**Affiliate Marketing**" On "consumer Perception Towards Convoke", Is A Genuine Work Of BBA Semester 5th,

To The Best Of My Knowledge Any Part Of This Context Has Not Been Submitted For Any Degree Diploma

I Also Declare That All The Tables, Charts, And Information Are Genuine And Best Of My Work.


NEETU

Date :

Place :

ACKNOWLEDGEMENT

My First And Most Sincere Thank You Must Goes To Mr. Nitin Sir Who Guide Me About My Project Entitled "Convoke" And Give Her Precious Time To Me And Making Me Understood About Project.

My Second Thank You Go To Mrs. Shivani shingle, MAM of P.G. Governemnt College For Women, Sector 14, Panchkula, Haryana Who Had Inspired Me For Studying Customer Perception Towards Convoke.

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CHAPTER 1

INTRODUCTION

INTRODUCTION

The Australian digital advertising and marketing ecosystem is growing and Affiliate Marketing is a key part of the value chain. Affiliate Marketing has outgrown its role as just another marketing channel and become an objective in its own right. Affiliate Marketing uses many of the same tools as the more traditional digital marketers - such as email, search, social, SEO and retargeting - and now is an integral part of many integrated marketing campaigns.

Well managed and executed affiliate campaigns will help brands thrive by driving efficient consumer acquisition. I know from my time at lastminute.com just how valuable Affiliate Marketing can be in driving product sales. Yet it can do so much more for a brand: With the ubiquity of mobile devices and the continued rise of programmatic trading, it can deliver valuable audience- and consumer-data insights across multiple platforms.

Councils and Working Groups are the lifeblood of the IAB: With representation from some of the best minds in the industry, they are an unmatched repository of knowledge on all things digital. The Affiliate Marketing Working Group will help define this flourishing marketing discipline going forward by setting standards and best practice guidelines to benefit the entire industry.

This Handbook has been compiled by the best in the industry to provide an outline of the industry as it exists, the role of content and technology and place of Affiliate Marketing in the modern digital marketplace.

AFFILIATED MARKETING

t's a good question, and one with an ever evolving answer. So let's start at the beginning by trying to give it a simple definition:

Affiliate Marketing is the practice whereby a digital publisher or website promotes an online retailer and earns a commission based on the sales or leads that the advertising generates for that online retailer.

We term this payment metric CPA – Cost Per Action. Typically an 'Action' is a sale of an online good or service, but it can also be a lead or registration, a call, a download or any other trackable action that is desired of the end customer. In recent years this has grown to even include offline sales — provided they can be tracked back by a coupon or barcode.

There are two ways the CPA are set:

Flat rate: For every action a fixed fee is paid. This is typically used for registration type actions with no cost, such as a credit card sign-up or for a fixed price product like a mobile phone contract.

Revenue Share: The price of the item purchased is tracked and a percentage of that price is then paid to the affiliate. This is generally favoured by advertisers selling a range of tangible goods at varying prices, such as fashion retailers.

Affiliate Marketing is part of the performance marketing family, meaning the return on investment is guaranteed and the advertiser is only paying for advertising that has succeeded. It's a versatile channel and is very effective at driving actions for merchants selling consumer products or services across a wide range of verticals, including apparel, travel, electronics, health and beauty, telecommunications, finance and groceries. It should be considered as a key part of an advertiser's marketing mix in an integrated campaign, specialising in turning brand awareness and interest into conversions towards the end-of-purchase funnel.

We use the terms 'Affiliate' or 'Publisher' to define the website that is promoting the brand or products. In later chapters we'll look more in-depth at the business models that affiliates employ to drive actions for the advertiser. For now, let's just dispel a common misconception: Affiliate Marketing isn't just banner advertising, in fact, most campaigns will get less than 10% of their sales as a result of banner advertising. Consumers have learned to ignore these banners, so successful affiliates employ smarter, more engaging tactics to generate sales for the advertisers they work with, with most sales coming from 'text links' often hidden behind 'Buy Now' or 'Shop Here' type buttons. A 'text Link' in the affiliate world is just a trackable URL that redirects to the relevant page of the advertiser's website.

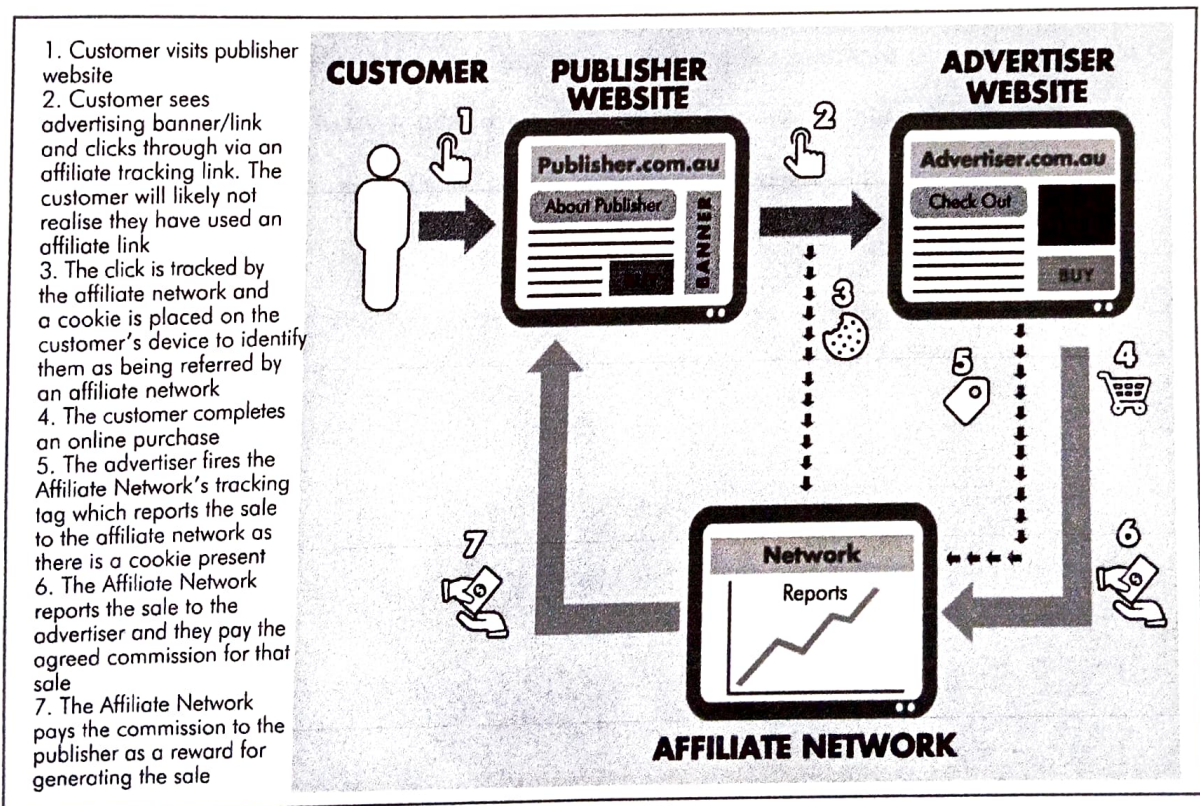
Whilst the majority of affiliates still generate actions for their advertisers by promoting on their own website or blog, there's now many other ways they generate customers. This includes email marketing, mobile apps, paid search, remarketing widgets or campaigns, offline promotions and social campaigns. The scope is almost unlimited. Any publisher or partner paid to promote on a CPA metric could be considered an affiliate

The advertiser populates the tracking tag with all of the information relevant to the sale, typically the price and order ID are always included, then additional fields such the product stock keeping unit (SKU) or promotion code can be added and tracked to assist with analysis of the campaign's performance.

Again, there's a wide range of complications and options to improve on the basic tracking model. The more advanced networks are able to provide cookie-less tracking, so that sales can still be attributed to affiliates when the user has blocked or deleted the affiliate cookie. This is becoming increasingly important as some browsers automatically block third-party cookies. More complex tracking can utilise unique promotional codes or block non-affiliate codes to record sales. Affiliate tracking pixels can be conditionally fired to de-duplicate against other traffic sources — though complex programming is needed around the rules for this, given that cookie lengths are typically much long than a single session.

How does it work technically?

Most advertisers will employ an Affiliate Network to administer the tracking of their Affiliate Campaign. The network will provide a set of tracking links to the affiliates that sit behind the banners and text links on the affiliates' websites. When the customer clicks on that link a cookie is dropped onto their computer and that click is registered by the Affiliate Network. When that customer then completes a purchase and reaches the advertiser's confirmation page, the Affiliate Network's tracking tag is fired. That tag checks for the relevant cookie and if the customer has come from one of the Affiliate Network's publishers, the sale is recorded by the Affiliate Network in their platform. Via that platform both the advertiser and affiliate should be able to see that the sale has tracked and a commission can be awarded.



AFFILIATE TYPES

When we talk about Affiliate Marketing, it is important to note that there are different types of affiliates. The method chosen by the affiliate to promote the advertisers' products is the key differentiation. Each affiliate type fulfills a different role in terms of value, volume and reach. By understanding affiliates on an individual basis, advertisers will have the knowledge of who is best positioned to deliver in certain industries or to promote particular products.

REWARD SITES

With online shoppers becoming increasingly savvy, reward sites have seen a surge in popularity. This type of affiliate drives sales by rewarding its members through a share of the commission it earns from an advertiser. If provided with a competitive offer, reward sites can generate significant volume. They provide brands with an effective way to increase its exposure, especially if products are not strongly positioned on aggregator sites. If used strategically, reward websites can drive incremental growth (e.g. reward to increase average order value, higher commission for purchase of new customers). It is important to have a sophisticated validation process in place in order to avoid paying commissions on cancelled bookings or return purchases.

CONTENT SITES & BLOG

These types of websites are often focused on a niche interest and feature unique content. A few examples are product review sites, blogs and online forums. Often, Content Affiliates form part of an Affiliate Program's long-tail strategy and are rarely large volume drivers. Regardless of their contribution to overall sales, they are valued partners. The reason for this is that unique content suggests editorial credibility and often has a positive impact on an advertiser's search engine optimization (SEO) efforts.

Content sites can also help reach a new audience. This audience might not necessarily be looking for your brand in particular but could come across it through a feature in a newsletter as the affiliate reaches an audience that is actively looking for the topic around your brand. A great way to engage and optimise activity with content sites is by providing fresh content or an exclusive offer. Recently we have also seen an increase in integrated content pieces as well as affiliates who are using video to monetise a product.

E-MAIL

An Email Affiliate sends targeted emails to its own (or third-party) data base to drive conversions on behalf of a brand. In order to drive volume, a strong and time-sensitive offer is required and creative should be refreshed regularly. It is important to always consider the size and source of the data to

ensure it is compliant with local and brand regulations and to avoid over promotion or database exhaustion.

RETARGETING AFFILIATES

Affiliates retarget most commonly through tags that they place on the advertiser's site and try to re-engage with consumers who have not completed their purchase. This could either be via an overlay when a consumer is about to leave a website, trying to persuade them to stay, or via email if they have abandoned their shopping cart, making it easy for them to return and to complete their purchase. The advertiser has full control over traffic source and targeting options. It is recommended to trial different creative and messages and not to rely too heavily on handing out incentives.

PPC AFFILIATE

A PPC (pay-per-click) Affiliate is a search specialist who drives traffic to an advertiser's site by bidding on relevant keywords via a custom-built landing page. They generally work on a CPA basis but sometimes require hybrid commercial agreements. PPC Affiliates are not for every client but can be great strategic partners if:

- Competitors are cannibalising advertisers' ads
- Limited budgets don't allow for an 'always-on' approach, leading to lost exposure
- Aggregator ads are appearing on advertisers' search terms and directing brand traffic to competitor products

The key to a successful trial with a PPC Affiliate is to set up strict guidelines which help ensure affiliates are compliant.

VOUCHER AND DEAL SITES

These type of sites generate sales by offering their users a discount code that can be redeemed online against their purchase. They also often promote generic deals in a designated section. An exclusive code will usually increase exposure on the site, where a quick expiry date will create a sense of urgency for consumers and can be used as a strategic tool to drive quick sales.

SOCIAL AFFILIATES

This type of affiliate works via highly targeted posts on social networks or sponsored tweets, which can help to drive awareness and assist in generating need. It is important to keep the creative relevant, with a strong call to action.

AFFILIATE MARKETING OBJECTIVES

- REVENUE
- OBTAIN SALES LEADS
- PRODUCT AWARENESS
- BRAND EXPOSURE
- MARKET SHARE

Marketing objectives are statements that identify targets that should be achieved through media communication efforts that may include such items as revenue, quantities, market share, account types or experience.

Revenue Targets - Revenue targets are sales values that are desired along with the associated time periods that the sales should be achieved. Revenue targets for marketing programs may be defined in gross sales, net sales, or average revenue sales per customer.

Product Quantities - Product quantity targets are item quantity sales that are desired along with the time period which they should be sold, shipped or ordered. Product quantity targets for marketing programs may be defined as quantity sold for each marketing campaign, quantity sold per sale (items ordered by each customer).

Product Usage - Marketing campaigns may be used to build awareness of new uses or applications for existing products. An example of a product usage objective is the promotion of how computer printers can be used to print postage labels or t-shirt transfers as a way encourage consumers to purchase additional materials such as printer ink cartridges.

List Creation - Internet marketing campaigns may be used to gather contact data for potential customers for mailing lists or sales leads. An example of a list creation campaign would be to offer a free product or information document if a person provides their contact information along with some qualifying information

Profit Margins - Internet marketing campaigns can be used to promote products or services that have profit margins (such as high-margin items). This may be necessary to ensuring that promotional programs are profitable if the cost of Internet marketing has a high marketing cost per sale.

Experience - Marketing campaigns may be performed to gain experience or to discover business metrics such as conversion rates, average sale amount, product return rates, and the amount of fraud that is expected to occur.

ADVANTAGES OF AFFILIATE MARKETING

Some of the main advantages of affiliate marketing are as follows;

Billion-Dollar Business

As many of you are familiar with the fact that the affiliate marketing industry is worth billions of dollars, it has been prospering tremendously for the past few years. Primarily, it's one of the main benefits of attaching yourself to the growing business, and it amplifies your chances of growth and success.

Low-Cost Business

It's very simple and easy to start an affiliate marketing business without any barrier, and it all depends on your decision. You should have your own affiliate website to market the products of your clients. In fact, you can be an affiliate marketer without having your website. You just have to focus on one product niche that you would promote, and join any of the affiliate programs.

No Special Expertise

It doesn't require professional marketing expertise to join the affiliate programs. The good thing about AM is that you can learn it gradually while working, testing, and practicing various techniques. However, there are various methods and strategies to run affiliate marketing programs, and you can use any one of them relevant to your marketing needs and requirements.

Limited Investment

Compared to other businesses, the operational cost of affiliate marketing business is almost none. All you require is stable internet connectivity and electricity, and others cost of the domain, hosting, subscription, theme, design, layout, and others in order to launch your affiliate website.

If you want to work in an office environment, then you should rent out an office co-working space. You can also work as a freelancer without paying any cost, you don't have to worry about inventory costs or customer service.

Additional Source of Income

You don't have to leave your job and start working for the affiliate, you can do both works at once.

It would be a bit difficult to manage the time, but it's possible. It would take a few months to become fully established, when it does, then you can withdraw money from it.

Flexibility & Convenience

You can run various campaigns on different websites to promote the affiliate link, it would help you to focus on the well-performing links and leave the rest. You don't have to stick to one affiliate product, you can run various affiliate programs in different product categories.

If it's difficult to sell one product, then you should move to the next one that is a bit easier to sell and offer more profit. In other words, if one program doesn't work, then you should move to the next one. It allows you to lower the risk factor, and amplify the probability of growth and profitability.

Not Focused on Customer Service

Building, managing, and retaining customer relationships is a difficult process and requires a lot of work.

You don't have to worry about that in the affiliate business. However, your focus is on the sale and commission, and you can end the relationship anytime. If visitors ask any questions under your post, then you should answer their questions.

Independence

It offers you high payment and flexibility over the working environment however you want to work.

You can work anywhere you want as long as you have electricity and an internet connection. It seems like ideal work, and freelancers don't have to follow the chain of command and rules and regulations of any organization or delivery any type of reports. These small things offer you great independence over your life.

Marketing Kit

The client Retail Company or vendor would offer you different types of marketing and promotion material.

You don't need to prepare banners, logos, or graphical images to promote their product, they'll do it for you.

Passive Income

Passive income means that your website would keep you earning money even you're having fun on the trip or sleeping. Wouldn't it be wonderful to know that you wake up in the morning and realize that you've earned a lot of profit last night?

Sky's the Limit

You can promote your affiliate program in various ways like PPC, email marketing, or your blog post. In fact, you can promote your affiliate products on social media platforms like Quora and others. You can both use various techniques in combination with whatever suits your business.

Sole Proprietorship

You're working on your laptop or mobile phone as a freelancer in the affiliate program. Here you don't have to share the profit; you're working as a sole proprietor.

Flexible Timing

You're working in your home by creating your own timing schedule depending on your mood. If something comes up, then you can rearrange your timing schedule however it suits you best. You can go on vacation whenever you want.

Performance-Based Salary

If you're good at running marketing campaigns and promoting products/services, then it offers you a great benefit of earning well based on your performance. As they say, success is for those who do the hard work. However, persistence and practice are the keys, you just have to keep on working unstoppable.

DISADVANTAGES OF AFFILIATE MARKETING

Some of the main disadvantages of affiliate marketing are as follows;

No Control

You don't have the ownership of an affiliate marketing program; you're just a part of it. In other words, you have to follow the regulations of a Retail Company, and you're dependent on them. It seems charming in the beginning, but it becomes less competitive later. You have to wait for the client to adjust the new rate and implement the changes. Other than communication, you can't do much.

Uncontrolled Competition

Easy to start the affiliate business, limited cost, and high profitability are the benefits of an affiliate program. It also means that anyone can start and win the market share with its new marketing campaign, and you won't have control over the competition. Professionally established affiliate marketers would offer you tough competition in the market, and they would impact the growth of your business.

No Customer Base

It's a referral program, once visitors go to the client website using your affiliate link. They would visit the store directly next time without your link. You can't establish a database of loyal customers or make them repetitive customers. Your job is to attract new customers and keep them referring to the client, and that's it.

However, some SaaS affiliate marketing programs provide you with recurring licenses where you'll keep on getting the commission if the customer stays with the company. Such programs are limited.

Unguaranteed Income

Income-based on your performance is a double-edged sword, it can offer you benefits along with no income at all if your performance goes down. It's challenging to work with affiliate programs, you have to keep on working consistently to maximize growth and profitability. You have no idea how much income you're going to earn every month.

Freelancing Unsuitable for Everyone

Working in solitude for unlimited hours and you don't have to talk with anyone or move anywhere; it's such a lifestyle that's not easy. Not everyone has a stomach for it, and it results in the form of mental health issues with some people. If this is the case with you, then you should rent out a co-working space and work in the company of other freelancers.

Quantity Approach

Affiliate marketing usually falls under the category of spam marketing, and it's true to some extent because some marketers do that. It's important to mention it here if you follow any of the shadow techniques, then it would limit your growth chances and jeopardize your reputation. Furthermore, the affiliate program would finish the deal with you.

Bottom Line

After a careful analysis of the advantages and disadvantages of affiliate marketing programs, we've realized that it's generally a good program. Therefore, you should avoid following spam marketing techniques and be truthful with your campaign.

CHAPTER 2

COMPANY PROFILE

ABOUT THE CONVOKE

CONVOKE a digital transformation consultancy and engineering company that delivers cutting edge solutions for global organisations and technology startups. Since 2012 Convoke have been helping companies and established brands reimagine their business through digitalisation.

MISSION & VISION

Our mission is to help enterprises accelerate adoption of new technologies, untangle complex issues that always emerge during digital evolution, and orchestrate ongoing innovation. Whether it is a consumer-oriented app or a transformative enterprise-class solution, the company leads the process from ideation and concept to delivery, and provides ongoing support through its IS360 framework.

Convoke is digital transformation consultancy and software development company that provides cutting-edge engineering solutions, helping Fortune 350+ companies and enterprise clients untangle complex issues that always emerge during their digital evolution journey.

Since 2012 convoke have been a visionary and a reliable software engineering, marketing & Branding partner for world-class brands.

SERVICES

Delivered High-end Mobile App Development Services

We offer a full cycle of application design, integration and management services. Whether it is a consumer oriented app or a transformative enterprise-class solution, the company leads the entire mobile app development process from ideation and concept to delivery, and to ongoing ongoing support.

Custom iOS and Android apps development

Native and cross-platform solutions

Second platform app development

UI/UX design

Consulting and prototyping

Automated QA and testing

Power management, notification and geofencing

Embedded Android & AOSP customizations

Maintenance and post-warranty support

CHAPTER 3
RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

In this chapter, the research methodology used in the work is discussed and explained. First, the choice of research purpose, approach, methods and strategy are motivated. Then, used sampling methods are clarified and data collection and analysis are depicted. Finally, ways to ensure validity and reliability in the research are reviewed.

Research purpose

This study is a pioneering research, therefore, exploratory research purpose was applied. This type of research purpose should be employed when the researched problem has not been precisely defined so far and needs to be clarified (Ghauri & Gronhaug, 2005). The work seeks to determine and explain the content providers' usage of affiliate marketing and provide new information about the problem area.

As the work does not try to "portray an accurate profile of persons, events or situations" (Saunders, Lewis, Thornhill, 2000:97), which is the goal of descriptive research, nor find cause-effect relationship among variables and explain it as in explanatory research (Yin, 1994, 3-9), other research purposes were not applicable.

Research strategy

Different strategies can be used when carrying out the research in business area. Yin enumerates them as case study, experiment, survey, history and archival records (Yin, 1994:3). For this work only case study and survey could be taken into consideration, as all other strategies did not enable collecting appropriate data for answering the research questions.

The choice of the research strategy is influenced by the formulation of the research problem and the research questions. Case study is preferred for research questions starting with "how" or "why" aiming to provide explanations about the problem area, while survey is relevant for research questions starting with "who", "what", "where", "how many" or "how much" focusing on describing the examined phenomenon (Yin, 1994:6). Formulation of research questions in this thesis (starting with "how") supported the choice of case study instead of survey.

Survey enables researching a large sample size in an economic way, but the data are usually not as wide-ranging as if they were collected using another research strategy. On the other hand, case study does not allow collecting data from a large sample size, but offers to gain deep understanding of the problem and researching many variables (Saunders, Lewis, Thornhill, 2000:92-93), which is the goal of this thesis. Because of the above stated reasons, case study research strategy was employed.

The scope of this paper did not allow collecting data from a large sample of content providers. Still, conducting only one case study was also not suitable, as single case study should be employed, when it represents either extreme or unique case, critical case that can test a well-formulated theory, or revelatory case that provides an opportunity to research so far inaccessible problem area (Yin, 1994:38-39).

None of the options applied for this thesis, therefore multiple case studies were carried out and compared, as their findings are usually considered to be more credible and solid. Moreover, multiple case studies enable comparison among the cases and increase the research validity (Yin, 1994:45).

Data collection

For the exploratory studies such as this one, the qualitative methods for data collection and analysis are appropriate, as they frequently work with a smaller sample size that enables gaining deeper insight into the problem (Ghauri & Gronhaug, 2005). Due to the small amount of researched subjects, generalization is usually not possible (Ghauri & Gronhaug, 2005), however that was not the aim of this thesis

Moreover, data collected in the research were not suitable for statistical processing, but they required categorization and interpretation, which is also characteristic for qualitative methods (Saunders, Lewis, Thornhill, 2000:378). Therefore, this study employed qualitative research methods.

Data were collected by interviews with people responsible for choosing, implementing and evaluation of affiliate marketing in the chosen subjects and by observation at their websites. Interviews were chosen, as they enable acquiring in-depth data and are suitable for qualitative analysis (Saunders, Lewis, Thornhill, 2000:245).

In the study, interviews were conducted by telephone or during personal meeting. All interviews were recorded and were semi-structured, which means that list of themes and questions needed to be covered was prepared, but it was possible to make variations in every interview according to the actual needs (Saunders, Lewis, Thornhill, 2000:246-247). This way it was possible to compare the interviews, but also adapt their flow to the new information learnt during the interview.

Questions were asked according to an interview guide (available in appendix), which was prepared in advance in order to cover all topics connected to research questions of this work. In the beginning, interviewees were encouraged to describe their websites and introductory questions were asked. Even though these questions were not directly connected with any research questions, they were important for understanding website's focus, visitors, business model etc. If necessary, sequence of questions from the interview guide was changed to keep continuous flow of the interview.

Apart from interviews, observation at the content-providers' websites was applied. Due to the observation, it was possible to verify data collected at the interviews and find out additional information about employing affiliate marketing and other forms of online advertising at content providers' websites.

Validity and reliability

Two measures are usually taken into account, when the research quality is assessed – validity and reliability. Validity is “concerned with whether the findings are really about what they appear to be about” (Saunders, Lewis, Thornhill, 2000:101)

In order to assure validity, the research methodology and frame of reference for this study were adhered to. Multiple sources of data were used – three content-providers were interviewed and also their websites were observed in order to verify the data provided by the informants.

External validity - specifying the area, in which the conclusions from the study can be generalized (Yin, 1994:35-36) – had to be also taken into consideration because of the small number of informants. Three content providers, that were interviewed, cannot represent precisely the whole group of content providers on the Internet, which is very variable and diverse.

The chosen informants were affected by their backgrounds, type of business models they had, or opportunities offered at the market(s) they were active at. These factors had also impact on research reliability - assuring that the same results would be achieved when conducting another research (Saunders, Lewis, Thornhill, 2000:101).

For strengthening the reliability of the research, the same interview guide was used for all interviews, which were recorded and analyzed by two researchers in order not to miss out important information and to reduce interviewer bias and errors. To assure that informants did not omit important information for the research or altered the facts, observations were made at their websites before the interviews. Due to this, data gained by the interviews could be compared immediately with data from observations and potential differences were explained. Content providers were also not asked about sensitive data (such as their income) that they could be unwilling to share.

Still, it is not possible to generalize the findings and conclusions of this research to all content providers at the Internet. However, in its settings the research provides in-depth insight into the problem area and offers new perspective to the companies considering employing affiliate marketing. The work can be also used as a basis for further studies about the topic

Data analysis

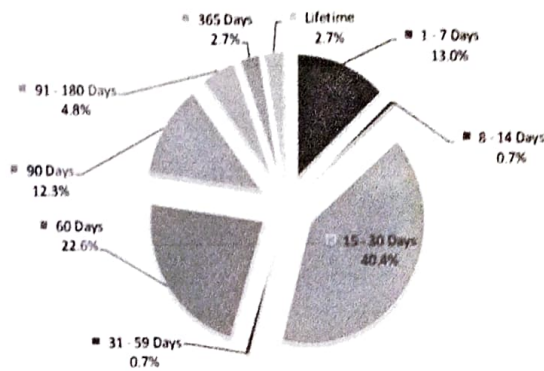
Data in multiple-case studies can be investigated through within-case and cross-case analysis. In the within-case analysis, collected data are compared with the theories in the frame of reference (Huberman & Miles, 1994:143-173). Within-case analysis was used to find out similarities and differences between the findings from the case study and theoretical background described in the literature overview chapter of this work. Potential discrepancy between findings and theory was analyzed and explanation was sought after. The same structure of within-case analysis was used for all three case studies.

After within-case analysis, cross-case analysis, that enables confronting cases and comparing findings from all of them (Huberman & Miles, 1994:143-173), was used. In the cross-case analysis, findings from the cases were compared and discussed.

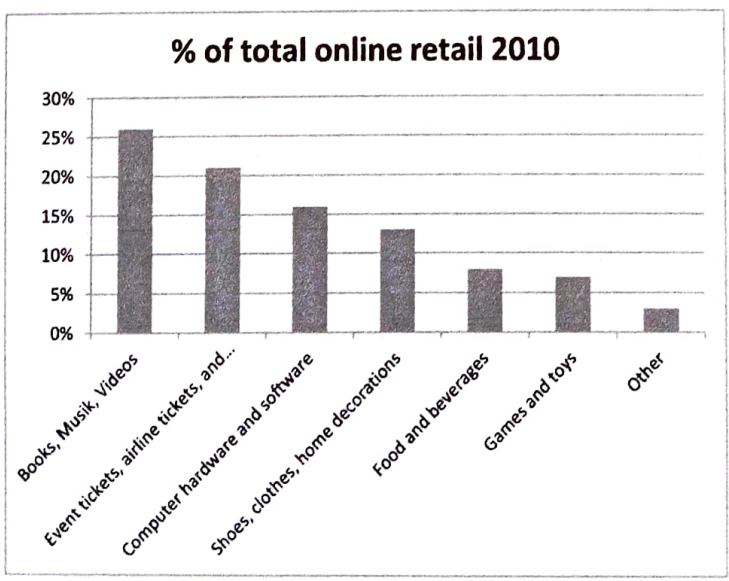
CHAPTER 4
DATA ANALYSIS
& INTERPRETATION

Affiliates Needs

The many affiliate programs out there create big competition. Potential affiliates are becoming more selective about the programs they choose, as every affiliate programs offers its advantages and disadvantages (Benediktova & Nevosad, 2008). Likewise, merchants are also choosing their affiliates. The best affiliate programs out there are so successful, because the companies think like their affiliates. The whole program is planned from the partners' point of view (Brown, 2009). Just like in any other business, if the company fails to focus on the customer, it will most likely be unsuccessful. Considering that, it is important to note that affiliates are not only business partners, but very much the customer as well. Planning the program to fit the customer will therefore only be beneficial

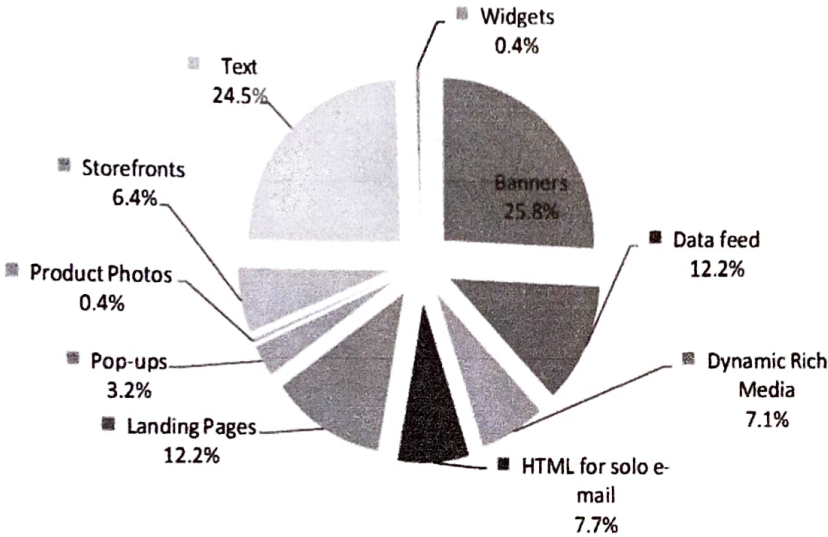


A big benefit of affiliate marketing is that basically any type of products or service can be sold. An affiliate can really increase the success of the affiliate campaign by choosing products that have a high growth rate, or that are strong sellers (Fiore & Collins, 2001). In figure 6, the top selling products of 2010 can be seen. Products that are easily distributed and have a high number of return visitors surely lead in terms of market share (Thadani, 2010).



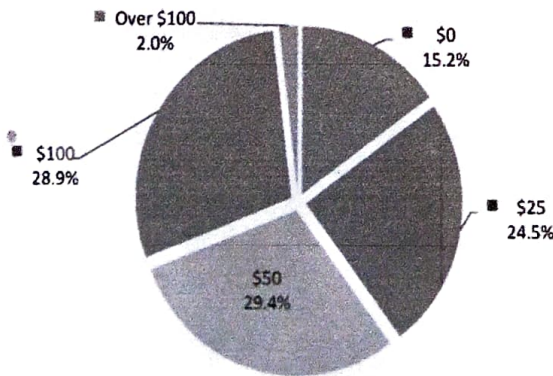
Affiliate Program Models

Since the first affiliate program from CDnow.com, affiliate program models have changed quite a lot (Fiore & Collins, 2001). New and innovative models were added to the existing one and now enable for affiliate programs to work effectively for many different types of websites. According to (Brown, 2009), models that are becoming more context-centric are showing to be a lot more successful than other advertising media. What this means is that the more closely the ad matches the content of the website, the more likely the visitors are to click on it.



Payment

According to the Affiliate Summit Report, 59% of the affiliates choose their partner programs based on the payment policies (Affiliate Summit, 2010). There are two important elements of an affiliate program that have to be considered when paying affiliates: how to pay them and when to pay them (Fiore & Collins, 2001). Affiliate payment plans vary a lot and depending on the program a business is running, a payment model can be chosen.



Marketing the Affiliate Program

After the more technical aspects of an affiliate program are decided, it is then very important to set up communication channels for the affiliates. According to Fiore and Collins (2001), constant communications with the affiliate partners are essential for the success of the program. It is very important that the merchant keeps ongoing contact with the affiliates, and it is vital that the affiliates have a way to contact the merchant. Communication with regular basis and feedback will keep the affiliates loyal, because they will feel as real business partners. Following the Affiliate Summit Report (2010), affiliates would like to hear monthly from the affiliate management team (see figure 9).

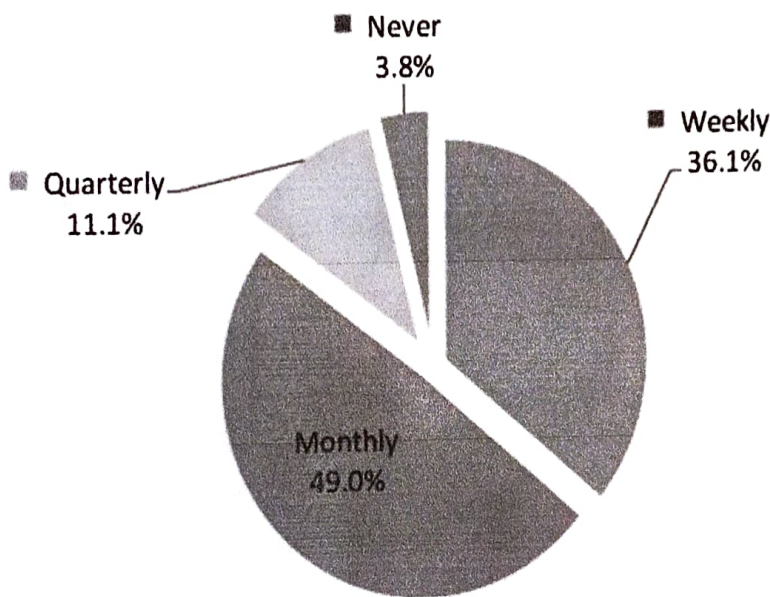


Figure 9 - How often would you like to hear from your affiliate managers?

Summary

Establishing an affiliate program will take time and good planning to make it successful. The sections before, showed the basic needs of the affiliates and explained available theory and models in affiliate marketing. Many things will have to be considered in order to guarantee a functioning program and to keep loyal affiliates. Figure 10 shows what affiliates consider as most important factors in an affiliate program

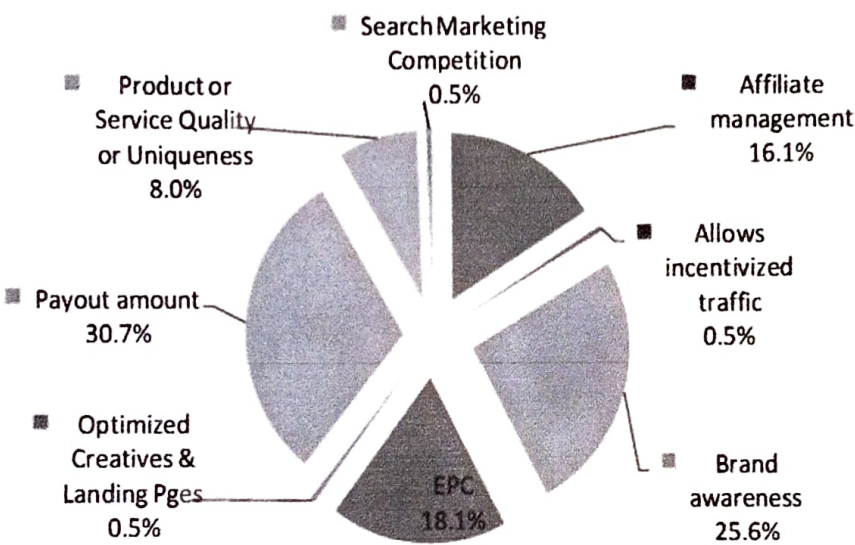


Figure 10 - What is the most important factor in choosing an affiliate program?

CHAPTER 5

FINDING & SUGGESTION

FINDING

After Studying And Analyzing Various Training Programmes With In Questionnaire Survey Of The Affiliated Marketing Brief Summary Illustrated.

Below

Phd Conovoke Learn Of Affiliate Marketing Who Has Under Gione Training And Development In On The Job Method, All The Respondents Are Graduates With Most Of Them Also Holding Thier Post Graduation And Technical Skilled.

Phd Convoke Is Equipped With Very Good Very Good Marketing The Impact Of The Training On The Affiliate Marketing Of Phd Convoke In Reasonably Good And The Reason That Affiliate Have Positive Attitude And They Take Training Seriously.

On The Job Training Techniques Is Affiliated Marketing To Train The Employees, Introduction Training To New Employees Is Given Adequate Importance. Management Is Giving Adequate Importance To Develop Affiliate Through Training.

Majority Of The Affiliate Marketing Felt That The Quality Of Training Programmes Are Good. Where Fully Useful To Them And Training Programme Helped In Improving Their Performance And Quality Of

The Work.

Majority Of The Affiliate Marketing Who Have Undergone The T & D Programmes Felt That The Training Programme Has Helped In Improving Their Technical Skill, Managerial Skill And Human Relation Capabilities.

The Standard Of In House Trainers Is Found To Be Satisfactory, Management Gives Feedback Regularly On The Improvement Of Performance Of Employees After Attending Training Programmes.

SUGGESTION

After Studying And Analyzing Various Training Programmes With In Questionnaire Survey Of The Affiliated Marketing Brief Summary Illustrated.

Below

Phd Conovoke Learn Of Affiliate Marketing Who Has Under Gione Training And Development In On The Job Method, All The Respondents Are Graduates With Most Of Them Also Holding Thier Post Graduation And Technical Skilled.

Phd Convoke Is Equipped With Very Good Very Good Marketing

Affiliate Of Convoke Is Reasonably Good And All The Marketing Members Positive Attitude And They Take A Job Very Seriously The Standard Of Marketing Is Found To Be Satisfactory Management Gave Feedback Regularly On The Improvement Of Marketing Members After Attending Marketing Programme

CHAPTER 6
CONCLUSIONS

Conclusion

The work has identified the most important factors that are necessary in a successful affiliate program by analyzing the needs of the affiliates. It also highlighted the differences and similarities of three affiliate programs. Based on these findings, recommendation on how to improve the affiliate marketing program of oeticket.com can be provided.

Considering the high development costs that are involved when programming an affiliate program, it is suggested that oeticket.com joins an affiliate network. This would be extremely beneficial for module one, as the third party solution usually provides the latest technological solutions that automatize sign up processes and administer tracking, payments and reports. To further develop the affiliate program, consulting an affiliate manager might be considered.

With the automatized program it will be possible to offer advertising creative such as banners and widgets. Moreover, it will allow personalization of the advertising creative, which will help affiliates to perform better.

It is recommended to provide more detailed reports that include click-through rates and conversion rates, as this also helps partners to optimize their marketing efforts. The utilization of cookies to save an affiliate id in sessions of 30 days or longer ensures that affiliates will get commission from customers, even if they don't purchase right away. This should make the affiliate program more attractive to interested partners.

A two tiered affiliate structure could be considered for module one, but this would require an automatized program. This structure would allow the program to grow more quickly.

Oeticket.com should consider setting the minimum payment threshold to monetary terms. This means changing the requirement for affiliates to refer a minimum of 25 tickets to a payment average in euros. This would make it more comparable to other affiliate programs

Finally, it is recommended that oeticket.com adds more content pages to the affiliate directory. At minimum, a program overview describing the three modules, terms, and rates should be created. Moreover, tutorials and trainings could be offered, to help affiliates perform more efficiently and thus make the whole program succeed better.

Oeticket.com focuses on big partners that create a lot of traffic. On the other hand, the best affiliate programs have been successful due to the many partners they acquire. Further research should be performed on whether it is beneficial to attract smaller affiliates to the program. In addition, it was discussed that only an automatized program would allow administrating so many small affiliates. Thus, it should be studied whether it is worth investing in such an automatized program.

CHAPTER 7

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CHAPTER 8
ANNEXURE OF
QUESTIONER

Q. WHAT ARE THE MODELS THAT HELPS TO CONNECTED WITH AFFILIATE MARKETING

SOCIAL MEDIA
MOBILE
INTERNET

Q. HOW TO PROMOTE AFFILIATE MARKETING

PPC
SOCIAL MEDIA
SEO
BLOGGING

Q. WHAT IS YOUR PREFERRED PAYMENT HARESH OLD

- OVER \$100 2.0%
- \$0 15.2%
- \$25 24.5%
- \$50 29.4%
- \$100 28.9%

Q. HOW AFTER WOULD YOU LIKE TO HEAR FROM YOUR AFFILIATE MANCIGERS

- NEVER 3.8%
- WEEKLY 36.1%
- MONTHLY 49.0%
- QUARTERLY 11.1%

Q. WHAT IS THE MOST IMPORTANT FACTOR IN CHOOSING AN AFFILIATE PROGESURE

- SEARCH MARKETING COMPETITION 0.5%
- AFFILIATE MANAGEMENT 16.1%
- ALLOWS INCENTIVIZED TRAFFIC 0.5%
- BRAND AWARENESS 25.6%
- OPTIMIZED CREATIVES & LANDLINE PAGES 0.5%
- PAYMENT AMONT 30.7%
- PRODUCT OR SERVICE QUALITY OR
- UNIQUENES 8.0%

Q. HOW MANY RETURN DAYS OF COOKIES WOULD YOU CONSIDER TO BE FAIR ?

- 365 DAYS 2.7%
- LIFETIME 2.7%
- 1-7 DAYS 13.0%
- 8-14 DAYS 0.7%
- 15-30 DAYS 40.4%
- 31-59 DAYS 0.7%
- 60 DAYS 22.6%
- 90 DAYS 12.3%
- 91-180 DAYS 4.8%

Q. WHAT ARE YOUR PREFERRED LINK TYPES

- WIDGET 0.4%
- DATA FEED 12.2%
- DYNAMIC RICH MEDIA 7.1%
- HTML FOR SOLOE-MAIL 7.1%
- LANDING PAGES 12.2%
- POP-UPS 3.2%
- PRODUCT PHOTOS 0.4%
- STOREFRONTS 6.4%
- TEXT 24.5%

Q. WHAT PERCENTAGE OF YOUR ONLINE SALES ARE REFERRED BY AFFILIATES

- 31-35 %
- 26-30 %
- 21-25 %
- 16-20 %
- 9-11 %
- OVER 50 %

Q. HOW DOES AFFILIATE MARKETING WORK SELLER AND PRODUCT CREATORS

- THE AFFILIATE OR ADVERTISER
- THE CONSUMER

Q. COMMON TYPES OF AFFILIATE MARKETING CHANNELS

- INFLUENCERS
- BLOGGERS
- PAID SEARCH FOCUSED MICROSITES
- EMAIL LISTS
- LARGE MEDIA WEBSITES

Q. How to promote affiliate marketing ?

- PPC
- SOCIAL MEDIA
- SEO
- BLOGGING

Q. Are you satisfy with affiliate marketing?

- STRONGLY AGREE
- AGREE
- STRONGLY DISAGREE
- DISAGREE

Q. Did you reciver imformation about the affiliate marketing?

- Yes
- No

Summer Training Report
on
Sales Management Strategies of Liberty

In partial fulfillment of the requirements for the degree of

Bachelor of Business Administration

2021-2022

Submitted by

Shaina

Roll No. - 191002813

Govt. PG College for Women

Sector 14, Panchkula



Submitted to Kurukshetra University

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Ms. Shaina** pursuing BBA (3rd Year) from Govt. PG. College for Women Sector 14, Panchkula – Haryana has contributed internship training programme in Sales Management from **24th August 2021 to 9th October 2021** with “Liberty”. We want to congratulate to Ms. Shaina for successfully completion of Training. At the time of Training Programme we found her sincerely and hardworking.

During the training period Ms. Shaina remained involved in the work. We found her pretty active in whatever task we have provided her. She is confident, sound, hardworking and devoted towards the tasks which provide at the time of training scheduled.

We wish her good luck for her future endeavours.

For LIBERTY

Authorised Signatory

Mr. Shailendar

Assistant Manager

LIBERTY SHOES LTD.

LGF-10 L.G.F. Plot No. 178-178A

Elante Mall Industrial Area, Phase-1,

Chandigarh-160002

Phone No. : 0172-4172134

GSTIN : 04AAACL3146K12P



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CIN No. L19201HR1986PLC033185



Declaration

Dated: 24 August 2021

This is to certify that the present summer Internship Report entitled "Sales Management" is my original work. This summer Internship report fulfills the requirement of the BBA degree of this University. It does not form the basis for the award of any degree or diploma from any other University or Institution.


Shaina

BBA final year

Date: 27/11/21

Place: Panchkula

ACKNOWLEDGEMENT

An individual cannot do project of this scale. I take this opportunity to express my acknowledgement and deep sense of gratitude to the individuals for rendering valuable assistance and gratitude to me. Their input have played a vital role in success of this project & formal piece of acknowledgement may not be sufficient to express the feeling of gratitude towards people who have helped me in successfully completion of my training.

I would like to wish my sincere thanks to my **project guide** (Mrs. Priyanka Dhillon Baring Department of management studies) for her keen interest and giving valuable guidance at every stage of this project. Later on I would like to confer the flower of acknowledgement to the company guide **Mr. Shailendar**, who is my external guide.

I take this opportunity to thank all respondents who spared their precious time to provide me with valuable input for project without which it would have not been possible.

I firmly believe that there is always a scope of improvement. I welcome any suggestions for further enriching the quality of this report.

PREFACE

Bachelor of business administration (BBA) is one of the professional courses in the field of management. This course included both theory and its application as its content of curriculum. The research project is an integral part of the curriculum and its purpose is to provide the practical exposure of business world in the changing scenario. In this way it helps the students in development of practical skills and analytical thinking process. It makes more aware about the perception and tastes of the people of the corporate of the market.

Molding the students according to the requirements of the market.

Each student is required to complete a project in his or her field of interest after completing her fifth semester examination. The purpose of this project is to expose the students on practical and research of his or her area of interest. The project gives a unique experience to aspirants who can visualize things what they have been taught in the classroom.

I was fortunate enough to have the opportunity to do a research project on "Sales Managment" as a complementary to project. Every student has to prepare and submit a report. It is an attempt to present practical knowledge & observation gathered during the project.

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1. Introduction to the Footwear Industry

Indian Scenario of footwear industry

The Footwear Industry is a significant chunk of the Leather industry in India. India ranks second among the footwear producing countries next to China. The industry is labor intensive and is concentrated in the small and cottage industry sectors. While leather shoes and uppers are concentrated in large-scale units, the sandals and chappals are produced in the household and cottage sector. India produces more of gents' footwear while the world's major production is in ladies footwear..

The industry is on the edge of adopting the modern and state-of-the-art technology to suit the international requirements and standards. The Indian Footwear Industry is all set for leveraging its strengths towards maximizing benefits.

Strength of India in the footwear sector originates from its command on reliable supply of resources in the form of raw hides and skins, quality finished leather, large installed capacities for production of finished leather & footwear, large human capital with expertise and technology base, skilled manpower and relatively low cost labor, proven strength to produce footwear for global brand leaders and acquired technology competence, particularly for mid and high priced footwear segments. India has the competitive advantage over other countries in the form of materials and skilled manpower.

The footwear industry exists both in the traditional as well as modern sector. While the traditional sector is spread throughout the country with clusters of concentration catering largely to the domestic market, the modern sector is largely confined to selected centers like Chennai, Ambur, Ranipat, Agra, Kanpur and Delhi with most of their production for export.

Assembly line production is organized, and about 90% of the workforces in the mechanized sector in South India consist of women. In fact, this sector has opened up plenty of employment opportunities for women who have no previous experience.

Presently the key players in Indian market are Bata, Adidas, Liberty, Action, Relexo, Reebok and NIKE.

2. Introduction to Corporate and briefing about Group Companies

Liberty Group

Liberty Group was the vision of three dreamers who thought of producing an Indian brand of footwear to make a basic necessity available to their countrymen..

Today, Liberty is not only about footwear. It has diversified into various sectors establishing an invincible business empire of prosperity. In the domestic market it is one of the most admired names that ensure quality. Liberty Group expanded and diversified into manufacturing of ceramic sanitary ware under the brand name "Liberty White ware" With innovations in bathroom products and accessories that go beyond graceful lines, the company is setting new trends in Indian ceramic sanitary ware Industry.

In order to offer unusual shopping experience to the customers, the group also entered into retailing and set up stores in the major cities under the brand name, "Liberty Revolution"

The Liberty Group is expanding with the passage of time and it is committed to venture into more business areas keeping abreast with the demands and needs.

Mission & Vision

Mission

It's the mission of the Liberty Group to continuously improve the quality of its products using cutting-edge technologies and following the latest trends. The group emerged with an enthusiasm to offer world-class products to its countrymen and it will carry forward the same attitude along with the determination to be the global leader.

Vision

The Group is committed to achieve the highest performance standards in each area of its business. It envisages itself as the most trusted name all over the world.

Liberty Group of Companies

Liberty Shoes

Liberty Whitewares

Liberty Retail Revolutions

Liberty Shoes Limited

The company has a turnover exceeding U.S. \$100 million and produces more than 50,000 pairs of footwear a day. The company produces varieties of ranges covering virtually every age group and income category. The products are marketed across the globe through 150 distributors, 350 exclusive showrooms and over 6000 multi-brand outlets, and sold in thousands every day in more than 25 countries including fashion-driven, quality-obsessed nations like France, Italy, and Germany.

Liberty White wares limited

With innovations in bathroom products and accessories that go beyond graceful lines, the company is setting new standards in the Indian ceramic sanitary ware industry. The products break the mould to achieve balanced and coherent integration of space, form, design and comfort. It is redefining the bathroom as a treasured sanctuary to luxuriate in. Liberty Whiteware is a part of the Rs. 350 crore Liberty Group, and it is taking the concept of luxury to a new level of excellence.

Liberty Retail Revolutions Ltd.

In the elite shopping avenues of fashion capitals "Revolutions" has begun its walk. The fashion accessory and footwear stores have begun operations in Chennai, Bangalore, Mumbai, Kolkatta, Hyderabad, Pune, Indore and Lucknow. These are company managed and owned outlets where the emphasis is to deliver high fashion to the customers backed by quality service making it a delightful shopping experience. Liberty showrooms enter the international market as the company has plans of opening more revolution showrooms nationally & internationally.

3. Introduction to particular Firm/Division

Liberty Shoes Ltd.

Liberty Shoes Ltd. is the only Indian company that is among the top 5 manufacturers of leather footwear in the world with a turnover exceeding U.S. \$100 million.

It produces more than 50,000 pairs of footwear a day covering virtually every age group and income category. Products are marketed across the globe through 150 distributors, 350 exclusive showrooms and over 6000 multi-brand outlets, and sold in thousands every day in more than 25 countries including fashion-driven, quality-obsessed nations like France, Italy, and Germany

With 50 years of excellence, today Liberty produces footwear for the entire family and is a trusted name across the world. In the domestic market it is one of the most admired footwear brands and holds the largest market share for leather footwear.

Corporate Goals

Any company if it grows which is the key to survival in the long run should clear and well defined goals. The goals of liberty shoes limited are given below:

- Liberty wants to develop a spirit of cooperation between individuals and group within the company
- Liberty wants to attain and maintain good relations between its union and management
- Liberty will endeavor to keep highly qualified employees by appropriate training and thus raise their morale and competence.
- Liberty will try to practice management of highest standard of competence and professionalism.
- Liberty will strive to remain or become the technological as well as market leaders in footwear industry and leather product industry.
- Liberty wants to be known for the quality of its products and services.

Markets

Domestic Market

Liberty has a big and burgeoning market that spans a vast and varied spectrum. It includes the fashion-driven, always in with the latest style, elite at one end and the budget conscious, always seeking the best value for money, middle class at the other end. The third nodal point in this market is the institutional buyer from a wide range of industries looking for safety shoes.

- **Retail-part of domestic market**

Liberty Shoes has over the years emerged as the driving force of the retail market in India. Covering virtually every strata.

There are the neighborhood family footwear stores catering largely to the middle class to be found in large, medium and small cities across the country.

And rounding it off in style is a high fashion chain in metros across the country that caters to individual styles and looks, in an ambience that is as magical and exciting as the products lined up.

- **Distribution part**

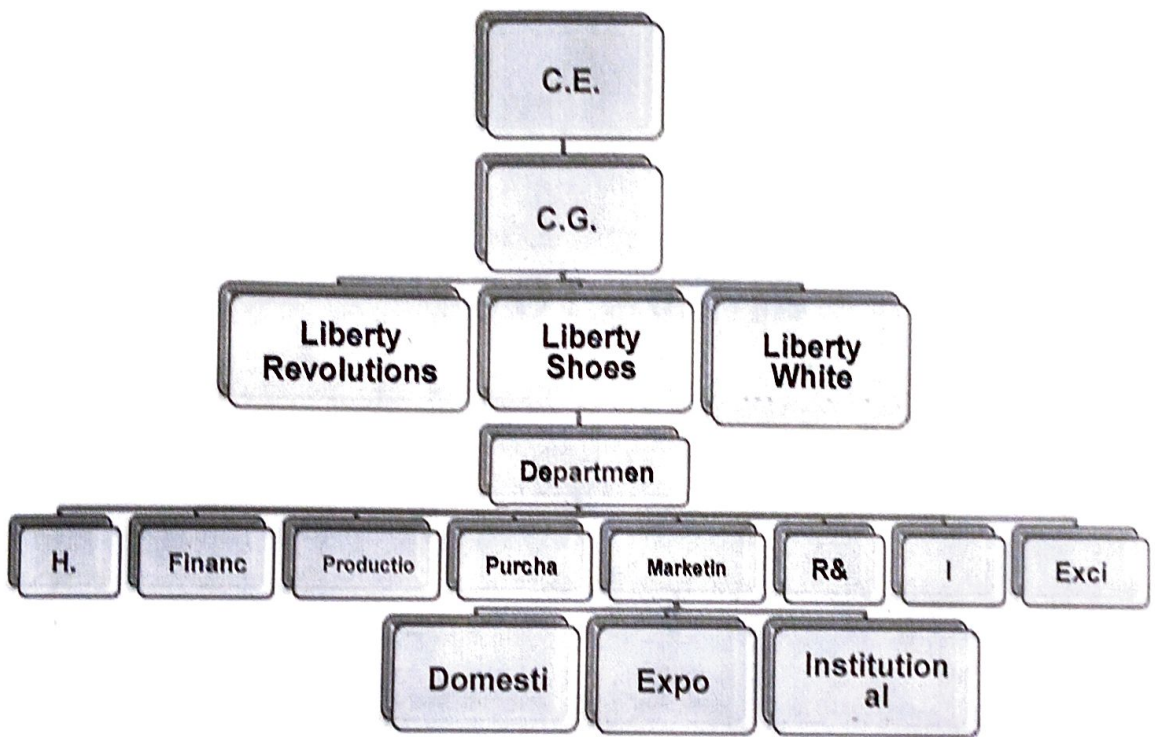
Lending muscle to the marketing arm of Liberty Shoes is a distributor network that is continuously growing. And it gives us a reach as well as a highly visible presence in the far-flung areas of our vast nation. Contributing greatly to its identity as a household name in footwear in India.

- **Institutional sales-part**

The changing economic scenario, the upsurge in industrial development and the rise in construction activities opened up immense possibilities which inspired Liberty to come up with a world class range of safety shoes.

- Conforming the euro safety norms (EN-345). These safety shoes have emerged as standard professional gear for the workers in light and heavy engineering units as well as for the defense forces.

4. Organizational Chart of Liberty



SWOT Analysis

Strengths

- Track record of growth in turnover and profits
- Superior quality
- Vast experience in domestic and export market

Weaknesses

- High prices
- High lead time
- Less Variety in sports shoes

Opportunity

- Quicker response to customers need
- To increase share in non leather products

Threats

- Heavy competition
- More aggressive marketing by foreign competitors in sports shoe markets

5. Financial Statement Analysis

Introduction

The management, creditors, investors and others who have interest with the organization form judgement about the operating performance and the financial position of the concern by using the information contained in the financial statements. Users of financial statements can get further insights about the strengths and weaknesses of the firm if they properly analyze information reported in these statements. Management should be particularly interested in the knowing the financial strengths of the firm to make their best use and able to spout out the financial weakness of the firm to take suitable corrective actions. The future plans should be taken in the light of strengths and weaknesses of the firm. Thus financial analysis is the starting point for making the plans before using any sophisticated forecasting and planning procedures.

The RATIO ANALYSIS is one of the most powerful tools of financial analysis. It is one of the techniques of the financial analysis where ratios are used as yardsticks for evaluating the financial condition and performance of the firm. It is with the help of ratios that the financial statements can be analyzed more clearly and decisions made from such analysis. Analysis and interpretation of gives a better understanding of the financial conditions of the firm than what could have obtained only through the perusal of financial statements.

Objectives of Ratio Analysis

Ratios are regarded as the true test of earning capacity, financial soundness and operating efficiency of a business organization. In other words, the objective of using ratios in accounting and financial management analysis is to test the profitability, financial position (liquidity and solvency) and operating efficiency of an enterprise.

- To analyze the trends in the past years.
- To analyze the firm's ability to bear the current liability
- To know the extent to which the firm has used the long term solvency by borrowing the funds
- To determine the overall operating efficiency and performance of the firm.

- To analyze the efficiency with which the firm is utilizing its assets in generating the sales revenue

The following ratios are calculated

I. Liquidity Ratios

II. Efficiency Ratios

III. Solvency Ratios

IV. Profitability Ratios

Liquidity Ratios

Current Ratio

Current ratio is used to make the analysis of a short-term financial position of a firm. It tells the relationship between current assets & current liabilities.

Formula= Current Assets/Current Liabilities

	2007	2008	2009
Current Assets	1324671440	1353758087	1254411337
Current Liabilities	435353212	429374450	442519417
Ratio	1.31	1.36	1.41

Interpretation:

Practically thumb rule of current ratio is 1.33:1 . Current ratio for all the years is near to thumb rule so it can be said that it is satisfactory. And current ratios are increasing from the previous years. It means company is able to pay its current obligations.

Quick Asset Ratio

It is also known as acid test ratio or liquid ratio. It establishes a relationship between liquid assets & current liabilities.

Quick Assets = Current Assets - Inventories - Prepaid Expenses

	2007	2008	2009
Quick Assets	330868441.12	3392058155	380566699
Current Liabilities	435353212	42,93,74450	44,25,19,417
Ratio	0.76	0.79	0.86

Interpretation:

The rule of thumb quick ratio is 1:1. Company is able to fulfill the thumb rule of quick ratio. This indicates that the company has the ability to pay its current liabilities on time

II. Efficiency Ratios

Stock Turnover Ratio

This ratio indicates the number of times the stock has been turned over in an accounting period and evaluates the efficiency with which a firm is able to manage its inventory.

Formula= COGS/Avg. Inventory at Cost

	2007	2008	2009
COGS	2025245586	2574903304.87	2639661276.8
Avg. Inventory	649117175	761805711.5	717299260
Ratio	3.12 times	3.38 times	3.68 times

Interpretation:

Inventory turnover ratio indicates the velocity with which stock of finished goods is sold. A high ratio suggests efficient inventory control and sound sales policies, reputation in the market, better competitive capacity where as low ratio suggests the possibility of slow moving items and poor selling policy. The analysis shows that the turnover ratio has been improved every year which means company is showing improvement in selling policies.

Inventory Conversion Period

It is the average time taken to clear the stocks.

Formula= Days/Stock Turnover Ratio

	2007	2008	2009
Days	365	365	365
Stock Turnover Ratio	3.12 times	3.38 times	3.68 times
Months (approx.)	116 days	107 days	99 days

Interpretation:

From the above table & graph, it can be interpreted that inventory conversion period is decreasing. It means that the time taken to sell the stock is improving and the company is able to sell the stock in less time compare to earlier years.

Debtors Turnover ratio

Debtors turnover ratio indicates the velocity of debt collection of the firm.

Formula= Net Credit Sales/Avg. Trade Debtors

	2007	2008	2009
Net Credit Sales	2375448269	2478507881	2404437901
Avg. Trade Debtors	602140145.5	722521228.5	714235238.5
Ratio	3.94 times	3.43 times	3.36 times

Interpretation:

Generally higher the value of debtors, turnover the more efficient is the management of sales.
This ratio is decreasing from last 3 years means that debtors are becoming less liquid.

Debtor Collection Period

It represents the average number of days for which a firm has to wait before its receivables are converted into cash.

Formula= Days/Debtors Turnover Ratio

	2007	2008	2009
Days	365	365	365
Debtor Turnover ratio	3.94 times	3.43 times	3.36
Collection Period (approx.)	92 days	106 days	108.6 days

Interpretation:

Collection period from debtors is increasing from the last three years means that time taken to receive payments from debtors is increasing. The company needs to improve that.

Creditors Turnover Ratio

The creditor's turnover ratio indicates the velocity with in which the creditors are turned over in relation to purchase.

Formula= Net Credit Purchases/ Avg. Creditors

	2007	2008	2009
Net Credit Purchases	1212249787	1319594764	1164316511
Avg. Creditors	222905064.5	314900084	324621164.5
Ratio	5.43 times	4.19 times	3.58 times

Interpretation:

If the payable turnover ratio is high the company in not using the credit facility and may believe in availing cash discounts. On the other hand lower the ratio; better the liquidity position of the company because the higher creditors turnover ratio signifies that creditors are being paid promptly.

Creditor Payment period

Formula= Days/Creditors Turnover Ratio

	2007	2008	2009
Days	365	365	365
Creditor Turnover ratio	5.43	4.19	3.58
Payment Period (approx.)	67 days	87 days	102 days

Interpretation:

It can be interpreted that the company is enjoying high credit facilities and able to maintain high liquidity in the organization.

III. Solvency Ratios

6.3.11 Debt-Equity Ratio

Debt Equity Ratio is calculated to measure the extent to which debt financing has been used in the business.

	2007	2008	2009
Debt	1279548711	1208157589	1016862654
Equity	816740225	1148189285	1223398993
Ratio	1.56	1.05	0.83

Interpretation:

Acceptable limit for debt equity ratio is 2:1, but generally it should be less so that the company does not completely exhaust its borrowing capacities. The portion of debt is more in the capital structure of the company.

IV. Profitability Ratios

6.3.14 Gross Profit Ratio

G.P Ratio: This measures the relationship of gross profit to net sales and usually represented as percentage.

Formula= GP/ Net Sales

Where, Gross Profit = Net Sales – COGS

	2007	2008	2009
Gross Profit	1018095727	1089921599	955453553
Net Sales	2375448269	2578934907	2475266480
Ratio	42.8 %	42.2 %	38 %

Interpretation:

A high ratio is a sign of good management as it implies that the cost of production of the firm is low. It may also be indicative of a higher sales price without a corresponding increase in COGS. A firm should have a reasonable gross margin to ensure adequate coverage for operating expenses of the firm and sufficient returns to the owners of the business. The above Table and Figure shows that GP margin has decreased slightly in each year from the previous year.

6.3.18 Earning Per Share

	2007	2008	2009
Net profit after tax	289043098	388659777	403869485
No. of Equity Shares	28933243	41258999	91166926
Rs.	9.99	9.42	4.43

Interpretation:

EPS has decreased with the years which indicate that company is on the way of decreasing wealth.

Chapter 1

Introduction to the Project

Safety Shoes

Safety shoes are meant to provide protection to the feet under extreme conditions such as to avoid shocks, abrasion resistance, oil resistance, heat resistance and others.

There may be different types of safety shoes. In this project we are talking about the safety shoes that are used in industries for the safety of workers working in industries. There are different types of industries where safety shoes are used. Example:

- Automobile industry
- Construction industry
- Chemical industry
- Cement industry
- Pharmaceutical industry etc.

There are a lot of safety shoe companies in India. Major players in this category are liberty, Bata, Relaxo, Action, Supernova, Tiger etc. There is neck to neck competition between all these players.

This project is to find out that how much potential of safety shoes exist in the market i.e. what are the features that are considered by the customers while purchasing safety shoes. And the brands that are most preferred by the customers. And there by finding the potential of safety shoes of Liberty.

Chapter-2

Review of Literature

- Aarkstore (2010) in his research derived that global rubber gloves market is growing with rising market trends. The opportunity section highlights scope for Gloves in the present market scenario by replacing Natural Latex Gloves. The report also discusses leading players in the market, with an overview of their business and strategies.
- Lilly (2010) in his study concluded that brands need to deliver on their value proposition, as well as dislodge someone else from the consumer's preference set to move consumers from trial to preference. Pricing, promotional deals and product availability, all have tremendous impact on the position of the brand in the consumer's preference set.
- Ahmadi et al (2009) concluded that there is a system of law enforcement. This is an important step in assessing the underlying factors that provoke motorcyclists to either not use or misuse a safety helmet. Further studies are needed to investigate how "risks" are perceived and relate to "reactions", and how a 'culture of masculinity' may encourage risk tolerance and a disposition toward lawlessness and carelessness among male motorcyclists. The present study also alludes to the need for the development and implementation of comprehensive and multidimensional interventions that would offer socio-culturally sensitive educational and motivational messages to the motorcyclists and the in-service traffic-enforcement officers in Iran.
- Euromonitor (2009) in the research found out that clothing and footwear market in India is growing at a very fast rate and this analysis by distribution format allow finding the sectors driving growth.
 - Mukhopadhy and Paswan (2008) in their research inferred that Safety measures are major concerns in productivity enhancement in steel producing plant. . Various types of Cast house operation is a special field and hazards and safety precaution may differ from case to case depending upon the company, operating practice, country's law, rules and regulations, the size and capacity of the blast furnace, working environment, average age of workers, expertise and educational level of the working employees, approach of management and so on.

- Sharma et al (2007) concluded that Double gloving offers considerable protection against exposure to contaminants in the blood and body fluids of the patient and should be made routine, especially in developing countries where HIV, hepatitis B and C are widely prevalent. Double gloving should be made mandatory in emergency procedures, which have a higher perforation rate due to operative urgency, and gloves should be changed in operations lasting for more than 40 min to ensure integrity of barrier.
- Boyer et al (2005) found out that footwear research has made substantial progress in last 30 years. The new methodology and the bright young researchers joined the field will provide additional substantial and exciting development and progress in the next ten years.

Chapter – 3

Research Methodology

Need of the study

As in this competition era you must be aware about the customer needs & wants & what a customer expects from the company. You must have this information or a customer data base if u wants to stay in the market to have competitive edge in the market. After conducting this study we must be able to understand what customer's wants from a brand, why he switches to other brand, what are the factors which force him to purchase Safety Shoes. This research will tell what factor consumer wants. Thus he can convert maximum of potential customer into buyers if he knows what exactly triggers the customer decision. On the other hand study will also give an estimation of the demand of Safety Shoes in North India. This study will help Liberty in formulating strategies as per the customer needs & deliver them the products which they want from the company which will be profitable for the company.

Objectives of the Study

- To find out Factors considered while purchasing Safety Shoes.
- To find out the preference of customers regarding the safety shoes.
- To know the frequency of purchase of safety shoes.

Research

Research can be defined as systematic investigation to establish facts.

Research methodology is defined as a highly intellectual human activity used in the investigation of nature and matter and deals specifically with the manner in which the data is collected, analyzed and interpreted.

Research Design

Research design is a blueprint for any kind of research. It provides direction to the researcher for further carrying on the research in the Population. Research design provides the glue that holds the research project together. A design is used to structure the research, to show how all of the major parts of the research project- the samples or groups, measures, treatments or programs, and methods of assignment- work together to try to address the central research questions. A research design lays the foundation for conducting the project. A good research will ensure that the research project is conducted effectively and efficiently. Research design involves following components or tasks:-

- Define the information needed
- Design the exploratory, descriptive and causal phases of research.
- Specify the measurement and scaling procedure.
- Construct a questionnaire or an appropriate form for data collection
- Specify the sampling process and sample size
- Develop a plan for data analysis

Types of Research Designs:-

1. Exploratory Design.
2. Descriptive Design.
3. Causal Design.

In doing this research descriptive research design is used

Descriptive Design

Descriptive research also known as statistical research, describes data and characteristics about the population or phenomenon being studied. It basically deals with everything that can be counted and studied. Descriptive research is preplanned and structured. A descriptive design requires clear specification of the WHO, WHAT, WHEN, WHERE, WHY and WAY (the six Ws) of the research.

The objective is to know the percentage (%) of phenomenon in population.

- All perceptual studies are come under Descriptive study.
- Where comparisons of two variables are done that is descriptive research.
- In this design the variables are being predicted.

Sampling Plan

Sample

A sample is a sub – group of the elements of the population selected for participation in the study.

Sampling plan

Sampling is one of the most important aspects of Research design. It involves several basic questions like should sample be taken, the size of sample, the kind of sample, process to be followed etc. The objective of most marketing research projects is to get information about the parameters of population.

Sampling Technique

For conducting this research I had used

- Convenience sampling

Convenience Sampling: It is a Non – probability sampling technique that attempts to obtain a sample of convenient elements. The selection of sampling units is left primarily to the researcher. It is an easy to measure and accessible.

Universe:

Universe comprises of all the Industries as customers of safety shoes.

Population

It is the aggregate of all the elements that share some common characteristics and which comprise the universe for the purpose of marketing research problem.

Sampling Size

It refers to the number of elements to be included in the study and for conducting this research I have selected sample size of 100 respondents

Data Collection

There are two types of Data Collection methods which are as following:-

1. Primary Research
2. Secondary Research.

Primary Research

Primary Research (also called field research) involves the collection of data that does not already exist. This can be through numerous forms, including questionnaires and telephone interviews amongst others.

Secondary Research

Secondary research (also called desk research) involves the summary, collation and/or synthesis of existing research rather than primary research, where data is collected from, for example, research subjects or experiments.

In doing this research the both methods are being used.

- Primary data is being collected by direct interview through Schedules.
- Secondary data is being collected with the help of internet.

Limitations of the Study

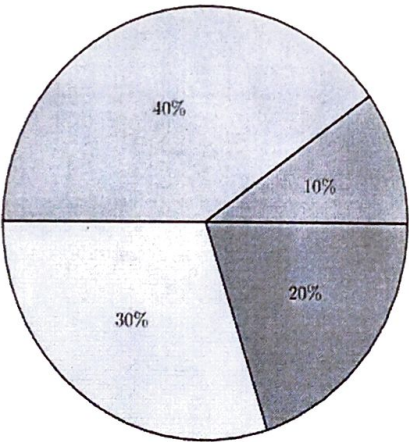
- The main constraint in the study was time; the duration of training was not enough so as to carry out this survey all across India. Due to lack of time the study was conducted in North India only.
- Scaling and rating questions were not considered in the study because responses were collected through telephonic interview.
- Non-cooperative approach and rude behavior of the respondents.
- Biased Respondents.

Chapter- 4

Data Analysis & Interpretation

1) Which type of shoes do you like to purchase mostly?

Options	No. of respondents
Sports	30
Formal	20
Canvas	40
school shoes	10

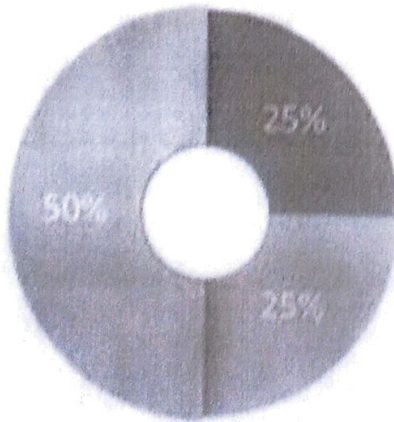


Analysis and interpretation:

From the above chart it can be analyzed that out of 100 respondents, 30% customers like to purchase sports shoes, 20% formal shoes, 40% canvas which is mostly like to purchase by customers and 10% school shoes.

2) How do you know select shoes?

Options	no. of respondents
Advertisement	25
Sales person visit	50
Other specify	25

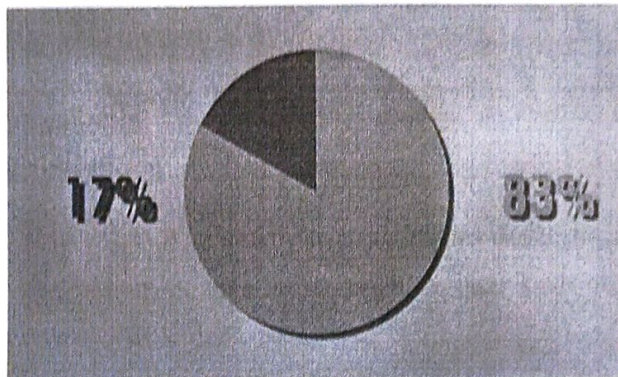


Analysis and interpretation

From the above chart it can be analyzed that out of 100 respondents, 25% customers select shoes through advertisement, 50% from sales person visit and 25% from other specify.

3) Either procuring from company or dealers

Options	No. of respondents
Company	83
Dealers	17



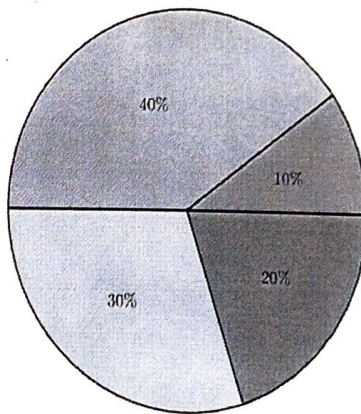
Analysis and Interpretation:

Maximum people are procuring shoes from directly company and not dealers because they face problem of replacement and bad service from the dealers while these kinds of problems are hardly faced when they procure it directly from the company.

And the few one who are procuring it from dealers find it easy to approach to dealers rather approaching directly the company.

4) Price Range of shoes procured by the customers

Options	No. of responses
200-400	40
400-600	10
600-800	20
800-1000	30



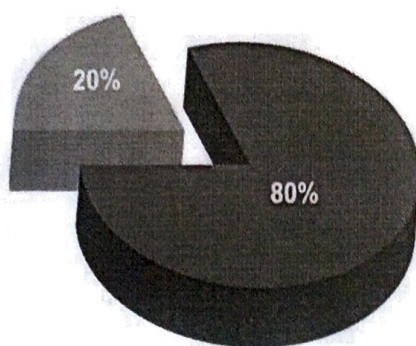
Analysis & Interpretation:

From it can be analyzed that maximum 40 of respondents like to purchase shoes ranging from 200-400. 10 of them like to buy shoes ranging from 800-1000 followed by 20 respondents like to purchase shoe ranging from 400- 600 and 30 of them in price range of 600-800.

So it can be interpreted here that most of the respondents do not want to spend much on the safety shoes.

5) Either just one type of safety shoes are procured by customers or not.

Options	No. of respondents
Yes	80
No	20

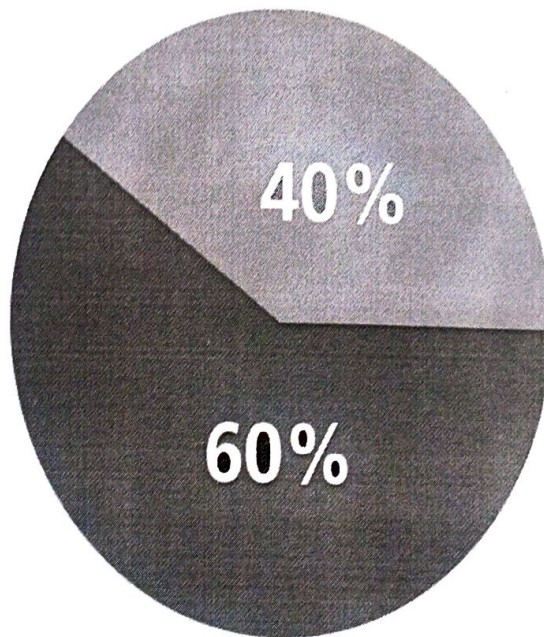


Analysis & Interpretation:

From this table it can be analyzed that 80 people out of 100 are using just one type of safety shoes and 20 out of 100 are using more than one type of safety shoes.

6) Frequency of purchase of safety shoes

Options	No. of responses
Once a year	60
Twice a year	40
Thrice a year	00

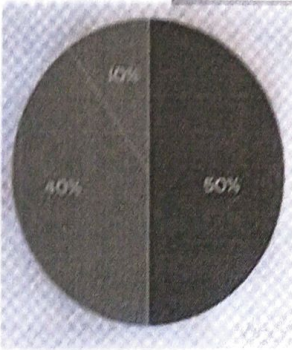


Analysis & Interpretation:

From the above graph I came to know that 60 respondents out of 100 procure safety shoes once a year. And 40 out of 100 procure them for twice a year and none of the respondents procure it for thrice a year. So it can be interpreted that most of the industries procure it for once only in few cases they procure it for twice a year if new employees are being employed.

7) Factors considered

Options	No. of Responses
Price	40
Design	10
Quality	50



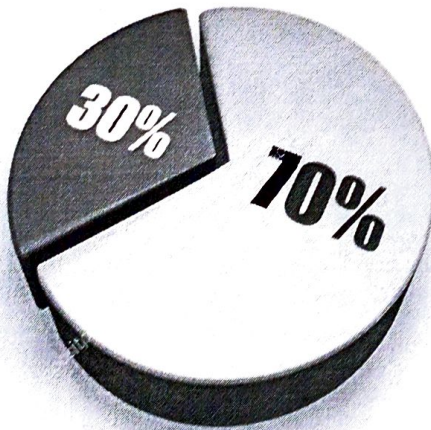
Analysis and Interpretation:

From this research I came to know that most important factor that is considered while purchasing safety shoe is Price and after that it is quality. And least important factor is comfort and design.

So it can be interpreted that people want to buy fine quality shoes in suitable prices. Neither they want to pay much for the shoes nor can they compromise with quality.

8) Sole that is preferred in Safety Shoes

Options	No. of responses
PU Sole	70
Rubber Sole	30

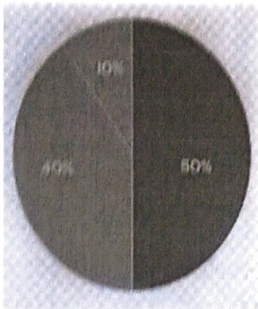


Analysis & Interpretation:

From this question I came to know that 70 respondents out of 100 are procuring safety shoes made up of PU sole and only 30 are procuring shoes made up of rubber sole.

9) Problems faced by the customers regarding Safety Shoes

Options	No. of Responses
Size	40
Wrinkles	10
Sole cracking	50



Analysis & Interpretation:

Most of the problems faced by the customer regarding safety shoes is size and wrinkles and least is other problems like lead time and regarding services. And there are some customers who are satisfied with the shoes they are procuring and having no problem.

Chapter- 5

Results, findings and Conclusion

Findings

- From the above chart it can be analyzed that out of 100 respondents, 30% customers like to purchase sports shoes, 20% formal shoes, 40% canvas which is mostly like to purchase by customers and 10% school shoes.
- From the above chart it can be analyzed that out of 100 respondents, 25% customers select shoes through advertisement, 50% from sales person visit and 25% from other specify.
- Maximum people are procuring shoes from directly company and not dealers because they face problem of replacement and bad service from the dealers while these kinds of problems are hardly faced when they procure it directly from the company. And the few one who are procuring it from dealers find it easy to approach to dealers rather approaching directly the company.
- From it can be analyzed that maximum 40 of respondents like to purchase shoes ranging from 200-400. 10 of them like to buy shoes ranging from 800-1000 followed by 20 respondents like to purchase shoe ranging from 400- 600 and 30 of them in price range of 600-800. So it can be interpreted here that most of the respondents do not want to spend much on the safety shoes.
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- From this research I came to know that most important factor that is considered while purchasing safety shoe is Price and after that it is quality. And least important factor is comfort and design. So it can be interpreted that people want to buy fine quality shoes in suitable prices. Neither they want to pay much for the shoes nor can they compromise with quality.

- From this question I came to know that 70 respondents out of 100 are procuring safety shoes made up of PU sole and only 30 are procuring shoes made up of rubber sole.
- Most of the problems faced by the customer regarding safety shoes is size and wrinkles and least is other problems like lead time and regarding services. And there are some customers who are satisfied with the shoes they are procuring and having no problem.

Chapter- 6

Recommendations & Suggestions

- Either the company should decrease the prices or the shoes of less price range should also be there so that need of every kind of customers could be fulfilled.
- Lead time should be decreased.
- More attention should be paid to customers complaints
- The placement of defected pairs should be paid more attention so as to remove dissatisfaction.
- A company should regularly visit the industries and listen to their complaints.
- Some planning and meetings of company executives should be there so as to avoid complications.
- Thorough inspection of stocks should be done to avoid mixing of inferior quality stock with fresh stock.

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Annexure

1) Which type of shoes do you like to purchase mostly?

Options	No. of respondents
Sports	
formal	
Canvas	
school shoes	

2) How do you know select shoes?

Options	no. of respondents
Advertisement	
Sales person visit	
Other specify	

3) Either procuring from company or dealers?

Options	No. of respondents
Company	
Dealers	

4) Price Range of shoes procured by the customers

Options	No. of responses
200-400	
400-600	
600-800	
800-1000	

5) Either just one type of safety shoes are procured by customers or not.

Options	No. of respondents
Yes	
No	

6) Frequency of purchase of safety shoes

Options	No. of responses
Once a year	
Twice a year	
Thrice a year	

7) Factors considered

Options	No. of Responses
Price	
Design	
Quality	

8) Sole that is preferred in Safety Shoes

Options	No. of responses
PU Sole	
Rubber Sole	

9) Problems faced by the customers regarding Safety Shoes

Options	No. of Responses
Size	
Wrinkles	
Sole cracking	