

Marketing Strategies of a Shoe's Company in Vale Dos SINOS/RS

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Abstract

This work which the theme is on innovation in marketing has as its aim to present and discuss marketing strategies developed by a shoe's company in Vale dos Sinos/RS, focusing on innovation with its clients, and, consequently, increasing its selling. The analysis of such strategies suggests that they represent innovation not only for the company itself, but also for its clients that, by utilizing them, reduce its costs, the average time of receiving its products, and increases its profits. This company only utilizes these marketing strategies, so they are seen as innovative. Besides, they may be characterized as radical innovation, as they completely modify the company's relationship with its clients.

1. Introduction

In the contemporary world, companies need to innovate constantly and quickly. If they cannot do that, they will lose space in the market, which could result in financial losses. Innovation must be frequent, because, due to the communicational technologies, which are even faster, what is new today will be already known nearly everywhere in the world. Besides, even if the companies try to protect their innovations, an innovative businessman, according to Schumpeter (1997), is always persecuted by imitators, which invest their resources to copy what was designed by innovative entrepreneurs.

Innovation, nevertheless, does not need to represent a great discovery, that modifies, for instance, substantially the production model of a company, it does not need to provoke significant changes in the world, it does not need to be radical (SCHUMPETER, 1939). It can be incremental, that is to say, it can promote less impressive but continuous changes (SCHUMPETER, 1939). Innovation means to insert any new element in a company, which can generate a positive outcome, such as a rising in the profit, an upsurge of the insertion of the company into the market, and the solution to a problem, among other benefits. This means that innovation is not restricted to new products only, but also, regards to processes, services, and the management of the company itself. A new design, a logo, or a simple app that makes the relationship with the client better, in any way. These cited improvements may be seen as innovations. It may result in a creative solution for an employee.

Therefore, innovating is not enough, for a company to increase its profits, or, even, to stay in the market, because, as important as innovating, they need to be recognized. This recognition may be through marketing strategies, which may help to give visibility to the company, to make its relationship with the clients better, to analyze the behavior of its clients and the market as well, to study its competitors, to search for

tendencies, to monitor the brand and planning new actions and so forth. From this perspective, this work aims to present and discuss marketing innovation strategies utilized by a leading company in the production of shoes located in Vale do Rio dos Sinos/RS, to stand out in the market. For this purpose, initially, it is defined as what is understood by marketing, innovation, and marketing innovation, in order to have resources enough to analyze some strategies used by this company to relate to its clients and market.

2. Conceptualising Marketing

Marketing is understood as a range of activities or strategies used to satisfy the client's needs or to attract new clients. According to Kotler (2000, p. 25),

Marketing is the science and the art of exploring, creating, and delivering value in order to satisfy the needs of a target market with profit. Marketing identifies the needs and desires not met. It defines, measures, and quantifies the identified market's size and profit percentage. (own translation).

According to the American Marketing Association, “marketing is the process of planning and executing the conception, the pricing determination, the promotion and the distribution of ideas, goods, and services in order to create trades that satisfy the individual and organizational goals.” (KOTLER, 2000, p. 26). For this purpose, marketing needs to identify human and social needs in order to meet them in a profitable way.

Therefore, marketing may be understood, yet, in accordance with (2000, p. 24), as a process through which people acquire anything that they need or desire, through the creation, the offer, and free negotiation of products and value-added services with other people or organizations. Thereby, marketing is a trades’ facilitator, inasmuch as it aims at satisfying the parties, providing their needs or desires, and bringing profit to the companies.

In this regard, to obtain success with marketing strategies, it is believed that it is necessary to know the company and its products, understand the client, identifying his/her needs and desires, and also the competitors, in order to “add superior value to the clients based on their distinct competencies” (HUTT, 2001, p.10). Consequently, “marketing may be better understood as a value definition, developing and delivering process”. In accordance with Hutt (2001), companies directed toward the market seek for meeting specific clients’ needs which are not been satisfactorily met, providing a higher value than their competitors.

The clients are aware of their needs and desires, according to Carpenter, Rashi, and Nakamoto (2001). Furthermore, they are well informed. They receive information and offers at every moment, from different channels, such as smartphones, computers, televisions, outdoors, plates, etc. In this context, it must be established a dialog with the customer, creating communication strategies more assertive between the company and its clients. And it may be in this stage that the marketing relations come in.

Marketing relations, as per Zanone (2010, p. 48), is a tool that aims at creating value through intimacy with the client and becoming the offer appropriate, in a way that the client prefers to keep faithful to the same company. That is to say, the company gets to know the

client deeply, making it unattractive to him/her to seek new suppliers. Therefore, the client willingly reduces his/her suppliers' options. (our translation)

Marketing with an emphasis on relationships as aforesaid, in fact, by Kotler (2000, p. 90), when he stated that marketing was transferring its individual transactions' center to a closer relationship with the client, in order to offer a long-term value, providing a continuous satisfaction. In this regard, marketing relations have the duty of creating a deeper and long-lasting relationship between company and client, based on trust, and profit for both, over time.

However, for that to happen, the company needs "to be more effective than the competitor in the creation, delivery, and communication of pricing to the client and its selected target market" (KOTLER, 2000, p. 41), since, "understanding the client's needs and desires is not always an easy task", according to the aforementioned author, thus "some consumers have necessities which they are not fully aware, or they are not able to articulate these needs" (KOTLER, 2000, p. 43). Besides, "answering only to the reported need may not be enough to the client" (KOTLER, 2000, p. 43).

Meeting the client's needs and desires becomes even more difficult when it comes to international trade. Strategies used in one specific country may not work in another. For this reason, it is not possible simply transfer marketing strategies from one place to another. Each country has a specific culture, each society has its own values. Based on this, the marketing strategies and, at times, even the products need to be adapted to attend to a new range of customers, as well as the sales and distribution channels, the prices, and even the promotional tactics. Therefore, it is necessary, first and foremost, to get to know the target market to be able to develop specific strategies for a new cultural dimension.

Thus, besides knowing the culture, the local values, and the country's legislation to which one intends to sell, it is necessary to analyze the tendencies and local media, to make the relationship with the prospective clients of the company easier, and the brand known and respected. Studying the competition is also important, being aware of what you sell, how to distribute the products, their prices, the promotions you offer, how to publicize them, and, at last, which strategies marketing utilizes because this is a way of understanding how the target-market works. And, based on this, choosing a better way of joining a new market, becomes easier.

In order to open a dialogue with a new market, it is also crucial to adapt the company's language to the target-market language, not only concerning the idiom, but to adapt the form of expression, and adjust to the context, thus, personalizing the values of the brand to the local market. It is also necessary, taking into account the culture of the target customers, to respect their beliefs, values, preferences, and consumption habits, to make the interaction effective and to reach the maximum clients possible, as well as, to maintain the company always active/present.

being present/active does not need to be only in person. In a time when everything is online, marketing may also be online. Through online marketing, it is possible to reach a bigger number of customers and it may be done by utilizing social media, such as Facebook, Instagram, and, mainly, Google. This kind of relationship

may be done, moreover, from the company's origin country, which facilitates the work and can be a way of economizing, whereas, therefore, it is possible to achieve customers from different countries.

However, for such, it is necessary to base the strategies on more universal concepts, in order not to conflict with any culture or confuse the clients.

Beyond that, the choice of international marketing strategies depends on, also, in the way of the company's foreign performance, which might be, according to Apex-Brasil research, through the company's foreign office, a distribution center in another country, a store, a brand's licensing, a production unity, only through products' exportation, among other alternatives.

Based on the aforementioned, it becomes evident that marketing is very crucial to all companies, as much for the ones that operate in the national market only, as for the ones that invest in the international market, and, the strategies depend on the company's objectives, what it intends to achieve, as well as the public it intends to reach.

3. Defining Innovation

Innovating does not seem to be an option. A company that doesn't innovate may become outdated and tends to disappear. Innovation, according to Schumpeter (1939), is a central force in the dynamism of the capitalist system and it is considered necessary to maintain the economic development and the competitive capacity of the companies in their sectors. Therefore, companies need to seek innovation as a competitive differential from their competitors.

They may do it by promoting subtle improvements in which a product or service incorporates some elements in an existing product or service, without altering their functions (incremental innovation). This type of innovation includes an existing modification, improvement, simplification, a strengthening or improvement of products, processes, services, production activities, and distribution as well. Automobiles are an example of innovation, that have been having improvements throughout time.

Companies may as well break up completely with existing products or services to satisfy a new need that did not exist until the creation of a new product or service (radical innovation) (FREEMAN, 1988). Radical innovation, in accordance with Gaynor (2002, p.27), implies introducing new products or services which turn themselves into new businesses or expand themselves into new industries, or may cause a substantial change in all industries and tend to create new market values". This type of innovation can be observed in the music industry, considering that vinyl records (analogic technology) were replaced by CDs (digital technology), which lost their ground to the electronic archives distributed through the internet.

The innovations may, even, be disruptive. These innovations wonder people. They are rare events, which result from a scientific investigation or engineering. They are creations that most people did not believe might be possible. They satisfy an unknown need until its onset, oftentimes, they exceed even what their creators had in mind. This type of innovation may launch new industries or transform the existing industries" (GAYNOR, 2002, p.27). An example of disruptive innovation is the Xerox laser printer EARS, which can print 60 copies in one minute.

Schumpeter (1939) suggested four basic types of innovation: product, process, marketing, and corporate, a definition that was followed by the Oslo Manual (2005), as can be visualized in chart 1, which shows a synthetic definition of each one of these types.

Chart 1. Innovation types according to the Oslo Manual.

Type	Definition
Product	A product's innovation is an insertion of a new or significantly better good or service, in terms of its characteristics and usages. It includes significant improvements in technical specifications, compounds, and materials, embedded software, ease of use, and other functional characteristics.
Processes	Implementation of production methods or distribution of new or improved ones. It includes significant changes in techniques, equipment, and/or software.
Marketing	It is the implementation of a new marketing method concerning significant changes in the conception or in product packing, in the product's position, its offer, or pricing.
Corporate	It consists of implementing a new corporate method in business practices in the company, in the organization of the workplace, or in external relations

Source: OCDE (2005)

As examples of product innovation, it may be mentioned the first MP3 portable reader, the insertion of ABS system, GPS (Global positioning system). Innovation in processes may be exemplified through the implementation of the Internet of things into the design, goods' production and, the use of Big data analysis in the creation process. A new corporate method may be the first insertion of a management system or supplying operations.

Marketing innovation, on the other hand, is when it is utilized, for the first time, different communication means or techniques, in order to conquer new markets. Marketing innovations concern the utilization of a commercialization method not utilized before in the company, which may consist of significant changes in drawing, packing, positioning, promotion or pricing, always aiming at increasing the sellings” (OCDE, 2005, p. 18). What distinguishes marketing innovations from other innovation types is the fact of being directed to the customers and markets, aiming at incrementing sellings and the portion of the market. These economic objectives may be far different from those linked to the process of innovation, which is likely to focus on product quality and effectiveness. (OCDE, 2005, p. 18).

Although this definition seems to be clear, innovations in marketing might be, at times, confused with a new product. A new “package” of a television company, which is a conglomeration of

products that already exist with a differentiated price, to increase sales, could, for instance, be considered a new product, since no other company has a similar product (VASCONCELLOS; MARX, 2011, p.444).

Accordingly, marketing innovations may be confused with innovation in processes or with corporative innovations. The difference between a marketing innovation and an innovation in processes is in the objective of the innovation, since, as a marketing innovation aims to increase the sales or the participation fee in the market, the process innovation aims to improve the quality of the product or service, or reducing costs. Concerning corporative innovation, despite the marketing innovations requiring a new structure, they differ from the corporative ones because they do not insert new systems into commercialization. Marketing innovations have three core objectives: increasing or maintaining the market fee; introducing new markets and increasing visibility or the exhibition of products or services.

To reach marketing innovation, these three strategies may be used: drawing and packing changes, which represent changes in the product or service presentation, without modifying its characteristics and features; product promotion and placement, which comprises the creation of new sales channels, new methods to sell a product or service; and product or service pricing, what concerns the utilization of new pricing strategies to sell products or services (IBGE, 2011).

4. Methodology

To address the marketing strategies presented in this work, which are utilized by the company as a way of innovating its relationship with its clients, firstly, it was sought to understand what is marketing and innovation and how it is done. Thereby, it was sought to understand what innovation in marketing means. For this purpose, bibliographical research in texts which address the required definitions was carried out, in order to produce this kind of knowledge.

After, the marketing strategies utilized by the company were described, which were analyzed from the referential theories consulted. For this description were utilized the website of the company, and the app provided by the company to its clients, besides observing how it is established, and the relationship between the company and its clients.

Therefore, this research may be classified as qualitative, as it sought to explain the investigated phenomena without identifying values. Concerning the objectives, this work may be characterized as exploratory, once it sought more acquaintance with the investigated phenomena. And, as for the procedures for the data collection, was utilized bibliographical research, as aforementioned, and a research field as well.

The bibliographical research was carried out to guide the research field, as the researcher needs to be well prepared, regarding his/her research subject, for this type of research is restricted to observing, identifying, and collecting data on the research field in the original context –(YIN, 2005).

As the utilized methodology was described for the development of the work. In sequence, the marketing strategies utilized by the company under study are presented and discussed.

5. Presentation and discussion on the marketing strategies of the company under study

The company where the innovative products were analyzed for this work, is located in the Vale dos Sinos region, in Rio Grande do Sul, which is known as the shoe's capital. This company, which is a Shoe Company, excels for innovation in the productive process, as well as in the production line, corporative methods, also, concerning marketing and the relationship with the clients.

This company was founded in June 1975, in Igrejinha, Rio Grande do Sul. It started its activities with 18 employees, producing 150 pairs of shoes a day. It has excelled in the fashion world, in terms of innovation, since the early 1980s. That is how the company gained ground in the market, and what made them invest in customer service, and in the research process in the fashion field. These investments brought special attention to the company products, which started to be in important shop windows in Brazil and around the world, in such a way that established the company's name, according to its website, as "The new shoe's industry".

Since its foundation, the company has always aimed at effective management. For this, it adopts, continuously, new technologies and new materials to innovate its products. Besides, it aims to establish a close relationship with the fashion world, designing beautiful and comfortable shoes. In order to become one of the greatest shoe manufacturers worldwide. The company, however, has made huge investments.

Nowadays, the company is in an important position in the national and worldwide shoe market. It has 12 manufacturing units, around 10 thousand employees, manufactures 450 thousand pairs, and has 6 important brands. And, beyond attending the national market, it exports its products to 150 countries, on 5 continents. It is important to highlight that the company under analysis has always been strong in the local market, and has always reached great visibility in international exhibitions in Brazil, such as Couromoda (São Paulo) and Zero Grau (Gramado), which has made a significant number of foreign clients look for the company, and not the opposite. In most cases, it was the external market that searched for the company and not the opposite, as normally occurs, mainly, regarding the south and central American markets. This has facilitated a great deal of its entry into the external market since it already had partnerships with potential clients around the world. One of these clients, for instance, ended up being a retailer with a signed contract in Central America.

Making a customer distributor of its products abroad is an interesting strategy since this client has a great knowledge of the local market, way bigger than the company itself, which gives the exporter countless advantages in relation to its competitors. Thus, by entering a new market, the company already starts its activities with a distributor that has a full understanding of distribution strategies, marketing, and selling from the importer country and, hence, will be able to do proper planning to start placing the product in stores.

Entering a new market, especially abroad, is not easy, since, in some countries, the local production is very strong, which might make the entering of the new company difficult in the beginning. In the company under analysis, what facilitated its entry into diverse markets and, what made it excel in some of these markets, as in Central America, was the quality of the brands it manufactures and, the desire that its products evoke in the customer. In this market, the brands of the company are extremely competitive with the local product, even importing the product, paying the importation taxes and etc., for the fact of having created

the desire in people and for being a Brazilian brand, what, in some cases, brings much more safety to the customer than a local brand, because Brazil has a very good reputation in this segment in exportation. What facilitates a lot when it comes to competing with local productions.

Concerning the language, the company under analysis has full awareness that needs to adapt itself to the external market, even because it operates in more than 150 countries. The production is not altered, the same product that is sold in Brazil is sold abroad. It is clear that some most sold products in the national market are not sold abroad, but it depends on the fashion and tendencies of each country. What the company did and might call adaptation is having a great mix of active lines in manufacturing. That is to say, it has products for all tastes and all tendencies. It makes it easier to sell its products, because, when there is a huge variety, it may work with market niches completely different from one another.

An example of adaptation made by the company was to change its product packaging and advertising campaign photos for the Middle East, since in many countries of this region, for cultural reasons women cannot show their legs and feet. This example shows that the company seeks to understand the culture and habits of each country where it operates, but the fact of having a local distributor in the country to which it sells makes it much easier because the distributor may filter many things, thus avoiding possible errors of communication from the company. Furthermore, the company is always looking for global trends, which means that the product mix is always up to date with current global fashion. In this way, it is always selling products that are in fashion.

An aspect that also deserves to be highlighted is the fact that the company always seeks to register its brands before making the first sale in a country so that it does not take the risk of someone registering it before it does and wanting to copy any brand. To do so, it also receives support from the distributor, who advises the company in understanding the country's legislation and bureaucracy.

The company's marketing is very strong, with an emphasis on national digital marketing, which gives it an even better reputation abroad. However, each country's digital marketing is the responsibility of the country's distributor, who is also in charge of the brand's social networks. It is clear, therefore, that there is control by the company of each social network that has its name, but the distributor may enhance the brand's network or not.

It is also worth mentioning that in order to reach this position in the national and global market and to stay on the edge of perfection in an agile market, the company also invests in sustainability. From this perspective, two projects were developed that deserve to be mentioned: the capture of rainwater and the reuse of discarded materials. The rainwater, captured through tanks installed in the industrial units, is used in industrial processes, gardening, and other activities that do not require the use of drinking water. This action has considerably reduced water consumption. In parallel to this, still aiming at sustainability, the company started to reuse materials that would be discarded, through ecomolders and injected soles. This attitude, besides reducing costs, contributes to minimizing the production of waste for the environment.

The company also focuses on product innovation. One of its brands is totally focused on comfort; all the materials that are used to produce the shoes of this brand are specially selected, the best quality materials. The manufacturing process of the shoes of this brand is also different. The company has a branch that produces

exclusively this brand, in order to have a much greater focus at the time of production, due to the technological processes that are used.

Regarding marketing innovation strategies, which are the focus of this work, the BR Poste Fácil application stands out. This application allows customers, who are shopkeepers, to develop posts with the brand's products to share on Facebook, Instagram, or other social networks. Through this application, the customer may even, if desired, print banners to display in his/her store. This application may be used by retailers to create content to boost their sales. Through it, retailers may use all the company's campaign material, they may create tags, such as a promotion tag, 50% off tag, or pink October tag.

This application was created to help retailers because the company's target audience is in fact the middle class and the lower middle class. This audience hardly hires advertising agencies for content creation or for marketing campaigns, and many times they do not even have an employee just to take care of this part, because this can end up reducing their profit. So, the idea was to help retailers develop their own promotional material so that they can boost their sales more, completely free of charge. And if the retailers increase their sales, this makes them buy more from the company, making the restocking orders come sooner.

This application seems to be clearly an innovation in marketing, since it is characterized as a means of communication with the customer, who may use it with the final customer, in order to maintain market space and to conquer new spaces, used only by the company that is being studied. This strategy represents a significant change for the client, because, besides saving on marketing, it may also reach, through social networks, new customers, because it has appropriate material for this type of disclosure.

The products, in this case, are still the same, the production processes have not changed, nor have the organizational structures changed. What has changed is the way of presenting the products, without modifying their properties or functions, creating new sales channels.

Another way found by the company in question to modify its relationship with customers, without modifying products or processes, just expanding its sales channels, which represents a marketing innovation strategy, is the Quick Purchasing Platform. This is a platform that both customers and representatives have access to. It is a place where all the company's products that are in stock are listed; they are finished products with the same quality as the products that are being produced daily. It is called "quick purchasing", due to the fact that the products are already manufactured. Thus, the lead time until the products arrive at the final customer is even shorter. This means that customers do not have to wait 30 days for production, plus the delivery time. on Quick Purchasing, the products are ready to be delivered within a maximum of 10 working days.

This resource used by the company is also characterized as a marketing innovation since no other company is known for making a platform available to its customers with all products in stock. This platform, however, might be even more used. The company might use it as a distribution center in the showroom, in its opening in Panama, which is its first exclusive showroom that will not be supported by distributors.

The regional office in Central America, which is responsible for this showroom, suggests producing all the models that are on the rise in the market and allocating them to a warehouse in Panama. In this way, replacement orders from customers may reach their destination in a short period of time. And if the products

get to the customers faster, they can be sold faster too, which might increase sales and thus the company's profits.

Today the company does not have its own distribution center, and this would be an innovation for the company. If it works out well, it might be applied to other strategic points, such as Dubai, which might serve both the Asian markets (Middle East) and the European market, as well as Africa and Oceania.

This would be a way to innovate once again using a platform that already constitutes a marketing innovation, which would translate into transforming an innovation that was, at a given moment, radical for the company, since it totally changed its sales strategies and product inventory, into an incremental innovation, to the extent that the platform would be modified to suit a new proposition, but also with a view to increasing sales.

6. Final remarks

To conclude this paper, which aimed to analyze marketing innovation strategies used by a shoe company located in Vale do Rio dos Sinos/RS to stand out in the market, it was concluded that the marketing strategies presented are really characterized as innovative strategies. They are innovative for the company, but they are also innovative for its customers, who can, for example, use the application and the platform made available by the company, make a good promotion of the products, without additional costs, and may receive their orders quickly, which contributes to increasing their sales and, consequently, their profits and also those of the company.

These two strategies radically change the company's relationship with its customers, because customers are now seen as partners who receive help from the company to gain a better position in the market and make more profit. Thus, not only the company wins but also the customer who, most of the time, is a small enterprise that would not have access, for example, to the marketing possibilities that it has access to through its supplier.

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