

E-COMMERCE AND ZAPATO SANCHEZ, CUSTOM SHOES: RESEARCH AND EXPLORATION

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Abstract

As e-commerce platforms expand, local businesses are trying to keep up and grow alongside the bigger companies. This research project explored the role of e-commerce and custom-made artisanal dress shoes for a local Edmonton business, specifically investigating if advertising on social media platforms would allow for sales growth. This study followed a three-phase structured research approach that utilized focus group discussions, a questionnaire, and a literature review. Preliminary research was made to better understand the custom shoe industry and the desires of the current markets shopping criteria for shoes. The questions explored the criteria and decision-making tools used by the targeted market when purchasing men's dress shoes. Further questions were posed to find the viability of an e-commerce platform for custom made shoes and the opinion on marketing this product on social media. Findings from the focus group and questionnaire found that the respondents were not receptive to an e-commerce platform and that Edmontonian's are unaware of the custom shoe market in the city. Finalized results showed that in order for the business to achieve online sales, there must be a shift in target market and increased brand awareness within the Edmonton area. By moving from the Traditionalist age segment to Generation Y, it was shown that this generation has the most promise for the business in terms of future sales both online and in-store. If the company were to increase its brand awareness it will promote continual growth from generation Y onwards.

Keywords: Zapato Sanchez, e-commerce, bespoke, customization, Traditionalists, Gen X, Gen Y.

Executive Summary

The demand for an e-commerce platform for retail stores has been steadily growing over the years. Often, with an e-commerce platform it diversifies and gives companies a competitive advantage in the market. With this in mind, Zapato Custom Shoes asked us to explore how he can expand online sales on his website. Looking at his target market of males between the ages of 30-55, we undertook a three-month long research project. This final report identifies the findings from the research process, and highlights the key points that were found regarding his target market and will show what Sanchez can use to improve his business in order to increase sales. The process was broken into three phases: secondary research which comprised of a literature review and an in-depth interview with Julio Sanchez to better understand the business and their business strategies. Followed by a focus group that took men from his targeted market to better understand their shoe spending habits, their knowledge of the custom shoe market in Edmonton and their perception of E-commerce. And finally, we analyzed the results from our survey data which looked at solely male responses and their spending habits, feelings towards custom products and their overall online presence based on their generational segment.

Our major finding is that while in men's fashion custom products are on the rise, when it comes to shoes males are looking for quick purchases that are of high quality but affordable. Brand name or loyalty is not necessarily the main priority, rather price, comfort and convenience are taken into consideration. Furthermore, the aspect of a customized look on a shoe is not a high priority, rather a simplistic timeless design. To answer the question posed, it was seen that within Sanchez' target market, these individuals especially did not care for online advertisements and instead value websites as informational tools and not as e-commerce platforms. Based on these findings we recommend that Sanchez reposition his target market to Generation Y as they are the

segment entering the workforce and more technologically savvy. Generation Y especially values authentic and local based products. Secondly, we propose that Sanchez focus on the process of making the shoe and advertise his passion and skill more heavily. If Sanchez were to create a more prevalent brand presence in Edmonton, we believe it will increase foot traffic into his store.

Problem Definition

Zapato Sanchez has been in the business of shoe repair for 33 years and custom shoe design and manufacturing for five. His shoes are tailormade and authentically Edmontonian and authentically designed per consumer. The Zapato Sanchez product is actually a bespoke product, as each shoe is fitted to the wearers own foot. For the purpose of this paper, his product is referred to as custom-made. The custom-made shoe industry in Edmonton is sparse, and with little competition, there is room for Zapato Sanchez to create a following and name for himself in the city. We have examined the Edmonton market, and his target market of 30-55-year old's and assessed their perceptions and willingness to buy on an online platform. The main objective of this research was to understand his market and then identify the factors that impact purchasing behaviour and what influences online shopping behaviour.

Tasks Undertaken

To address the challenge of this project, our group set an in-depth interview with Julio Sanchez, the owner of Custom Shoes by Zapato Sanchez to assess their organizational structure and production capacity. From the interview, we clarified Sanchez' primary business objective, which was to expand sales online to hopefully one day expand sales internationally. For our secondary research, we performed a literature review to have a better understanding of the shoe industry and the custom-made market. Afterwards, we conducted a focus group that asked the

participants a series of questions that were meant to help understand the male market and why men buy shoes and what makes men more likely to visit a store to make a purchase. Using the secondary research data and Julio's interview, it framed the direction of the focus group questions. All the findings from the focus group directed the theme of the survey that we designed in order to understand the larger Edmonton male market. This quantitative data helped support the recommendations and alternations made to the research.

Management Problem: How to increase sales of the custom shoe through an e-commerce platform.

Marketing Research Problem: Through conducting a focus group and administering a survey, we can identify and determine a clear target market segment and examine the target markets preference for shoe production, purchase concerns, marketing information absorption channel, and online purchasing habits.

Analytical Framework of the Marketing Research Problem

Our research team conducted research using a 25-article literature review, a targeted focus group discussion (5 participants) and a research question survey (127 responses) to develop our analytical framework.

Literature Review: Analysis and Synthesis of Articles Selected

To develop an understanding of the problem and gather research ideas for further exploratory research our researchers reviewed 25 scholarly articles from the MacEwan University Library collection. Each article related to our initial meeting with Sanchez regarding his problem of: How do we expand our e-commerce sales? How can we expand internationally in the future and broaden our reach? These main questions led us to select articles and find key

categories of interest such as, brand interaction and customer perceptions, marketing techniques for the different generations, men's fashion trends and buying behavior, as well as small businesses in foreign markets. These categories helped us create questions for our focus group and we were able to narrow down our main topics of exploration for our exploratory research design.

The first main topic of our research deals with men's fashion trends and buying behaviors. Jean Palmieri's article, "Menswear Holds Its Own" discusses the trend in men's fashion and what men typically look for when buying clothing (2017). Palmieri talks about how mass retail outlets are being passed over for more custom-tailored looks. Bespoke fashion is increasing in popularity due to the desire for a unique identity (2017). The study shows that the average male shopper is looking for an authentic product with a unique experience that ties in with their own distinct identity (2017). One of Sanchez' main advantages are that they offer a catered and unique experience. The customization and fitting process feeds into the trend of a unique experience and a customized product.

The second topic of interest for our research is understanding the Traditionalists, Generation X and Y, specifically the way they shop and their unique purchasing behaviors. Studies show that Baby Boomers value personal gratification; desire money and recognition. Whereas, generation X look for products and experiences that are fun and informal. Generation X-er's are realists that prefer direct and honest advertising language with an emphasis on products that are useful and functional. (McLean, 2005). Generation X-er's place less value on prestige, and usually experiment with different brands and gravitate towards promotions (MacLean, 2005). Sanchez' customizable product offers Generation X-er's uniqueness, satisfying their shopping desires. Whereas, generation Y are more socially conscious, option

oriented, and value money (American Medical Writers Association, 2012). For Generation Y, Sanchez's shoes can be viewed as low maintenance and waste as they last for ten years making replacement very rare. The target demographic of Sanchez lands between the two generations and understanding both generations is beneficial in finding effective marketing techniques.

Qualitative Research: Focus Group

We conducted one in-person focus group with five male participants to add to the information found from our literature review. We wanted to address Sanchez' research problem of gaining more awareness and growth in sales while also understanding how his target demographic shops and purchases shoes. Ages of the group ranged from mid twenty to mid-fifties with a variety of education and professional backgrounds. Our focus group used a projective technique and stimulated a casual and open conversation for the participants. To ensure our research was performed ethically, participants all signed consent forms and were informed of audio and visual devices and recordings. We ensured that all information would be completely confidential and that names would not be used at any time. A hard copy of each form was given and signed on site. To gather more information to address our research problem, we asked questions regarding social status, style, shopping experience, online vs in-store, dress shoe opinions, brands, shoe characteristics, and made comparisons to Sanchez competitor: Poppy Barley. These questions brought on warm and thoughtful feedback from each participant. The focus group felt free to speak their minds and brought up many interesting thoughts and feedback that provided us with lots of direction in the next steps of our research. Six main themes were found in our focus group that helped shape our research and overall market understanding: men want classic and comfort in their shoes, style equals success in the workplace, men want custom

fit for less expense, men seek quality shoes that will last, and men are interested in local seasoned businesses when purchasing.

Research Questions and Hypothesis

Research questions were based on the previous data and observations from our primary and secondary research as well as the feedback from the decision makers. Before we proceeded with our research, we posited that in order for Sanchez to succeed, he would need to aggressively advertise on social media platforms like Facebook and Instagram. We assumed that since most people use some form of social media; the best way to make sales would be to create a prominent online presence. With the focus group disproving this hypothesis, we structured our research questions using 4 components. We explored questions from each component and our group proposed hypothesis:

Component 1: Determine target markets preferences for custom over mass produced products.

Question: Do you prefer ready-made or custom-made products?

Hypothesis: We believe respondents will lean towards purchasing ready-made over custom made—The focus group showed that customers do not mind paying the price for shoes but that the wait times stop them from purchasing the product.

Component 2: Determine target markets fashion inspiration and media of choice.

Question: How do you learn about new products? Check all that apply.

- a) Social Media (Instagram, Facebook, Twitter)
- b) Traditional Media (News, Radio, Magazines)
- c) Email Newsletters and Promotions
- d) Word of Mouth

Hypothesis: We predict that our target market will have mixed responses in this section as a portion of this segment are technologically advanced but not every individual is overly enthusiastic about social media. We feel responses will be high in social media and word of mouth as these two forms of media work well together.

Component 3: Determine target markets need for e-commerce.

Question: Do you prefer to shop online or in-store?

Hypothesis: We predict that the target market will shop in store however, they will not like the wait time for shoes. We expect the results to rate high when shopping in the store because our past focus group shows that experience and customization of being in-store draws men into the store over online.

Component 4: Determine target markets preferences for purchases such as: local, custom, cost and material.

Question: How important are the following when making shoe purchases?

Local vendors, customization, cost and materials. Rating system: not important, of little importance, indifferent, important, and very important.

Hypothesis: There are many components to this question but based on our focus group findings we feel we will have “not important” or “of little importance” responses when it comes to local vendors. But higher rating responses like “important” and “very important” when it comes to customization as men are becoming more engaged in individuality and comfort. Finally, we predict cost to be “of little importance” as it did not seem to be a huge problem among past research and that material would be a mixed response sitting between “indifferent” and “important.”

Research Design: Descriptive Design

The Target Market and Sampling Framework

The research process follows an exploratory and descriptive research approach. We used focus groups and surveys to gather data from potential and current customers. The use of a descriptive design helps the researchers obtain quantitative analysis of secondary data. Our target population for our research are people active online as well as the primary target market “the Traditionalists” and “Generation X”.

For our qualitative data we assembled a group of four individuals who were in both of Sanchez’ target markets (Traditionalists, Gen X) with the fifth participant in his up and coming market, generation Y. By conducting the focus group in a closed off restaurant the intimate setting allowed for open discussion regarding online shopping, and the perception of e-commerce. The findings from this focus group were invaluable as it disproved our initial hypothesis. The quantitative portion of our research comes from a web survey that was based on a stratified random sample. Using Google form to structure the survey we were also able to observe how much of his target demographic has an online presence. Through this format we were able to gather 127 male respondents as seen in the table below. For the last 15 respondents the structure of an online web survey changed to an in person, face-to-face survey to better access the target market. Their responses were then manually recorded into the online forum.

Table 1 Sample size, Age and Income

Variables	Number of Response	Percentage
Sample Size:		
Male	127	100%
Age:		
The Traditionalists (1946-1964)	21	16.5%
Generation X (1965-1979)	9	7.1%
Generation Y (1980-1994)	44	34.6%
Generation Z (1995-2001)	52	40.9%
Income Level:		
10K or less	29	24%
20K or less	26	21.5%
40K or less	16	13.2%
40-80K	27	22.3%
80-100K	10	8.3%
100+K	9	7.4%
150+K	4	3.3%

Field-work and Data Collection

For the focus group we reached out to our personal networks to gain participants for the discussion. We sought out men who were in the target market and worked in office jobs, or professions that require business attire. After finding five willing participants, we held the discussion in-person at a closed restaurant in a controlled environment with only the participants and moderator present. We provided a relaxed, informal atmosphere for the participants as we wanted to promote spontaneous comments. The moderator guided the discussion and linked back comments made by the participants to segue into other questions. The entire session lasted for 1 hour and 24 mins; however, we gave the participants 30 mins prior to the session to establish rapport among themselves which allowed them to become more comfortable with each other. The discussion allowed for a better understanding of the market and why they shop, their knowledge of Zapato Sanchez and their feelings toward online shopping and social media.

For the survey, we used Google forums as it would be the easiest way to gain large and diverse quantities of people to answer the survey. We used LinkedIn as the first form of media to obtain participants as well as Facebook. Posting the survey on MacEwan's "University First year Experience" Facebook page we effectively accessed the student market, which we classified as the up and coming market for Sanchez. And by posting on our personal Facebook accounts we were able to access our own network allowing us to broaden our respondent reach. Secondly, the survey was posted on LinkedIn to try and access the working white-collar market. In the beginning, when the respondent count was below 50, we actively sent links and emails to male co-workers, family members and friends to answer the survey. Looking at the survey results, we discovered the percentage of "Traditionalist" respondents were low, and with the quota of 125 respondents not met, the electronic survey portion shifted to a face to face in person survey. One of the researchers

went to a bowling league tournament where a significant portion are from the “Traditionalist” segment. Shifting the survey to face to face, we attempted to keep it randomized by allowing participants to approach the table of their own freewill. As the wireless internet was not working at the bowling alley, the online survey changed to in person where the respondents read the questions from the researcher’s cellphone and then marked their answers in the form of multiple choice on a piece of paper.

The Questionnaire: Development and Pre-test

Before posting the survey, we sent it to our university Professor to show that it followed the sandwich model for question structure and to show the general direction we were hoping these questions would lead us too. The purpose of the survey was to better understand why and how frequently men buy shoes and what criteria they use to shop in store versus online. Questions posed could explore consumer attitudinal attachment, active engagement and behavioral loyalty. After the questionnaire report, it was distributed by our professor in class and passed around to only male students to take and review for constructive criticism. They corrected questions that were unclear and irrelevant. After the critique, we re-worded and added more options to questions based on income and store preference to be more inclusive. In the initial survey form we excluded typical shoe stores like Aldo or The Bay in favour for higher end, niche stores like Holt Renfrew or Gravity Pope. By only putting in those higher end options we were excluding other markets and only focusing on what we perceived was the target market’s ideal stores.

Ethics

Prior to the focus group discussion, we ensured that all participants read and signed a consent form that highlighted the scope of the project and the use of our findings. And before

beginning the discussion, the consent form was reviewed by the moderator to ensure that there was mutual understanding between participants and researchers. Guidelines were established by the moderator to make certain that it was to be an open and respectful discussion. For the survey the email function was disabled from the google forum to keep results randomized to ensure that we could not see the respondents name attached to their answers, following the guidelines of the Research Ethics Board. Since we posted the survey on public forums, we clearly stated that there laid no pressure to answer by simply posing it as a question and not harassing or influencing potential respondents. We kept it entirely randomized and only checked that we reached our quota of 125 respondents in the google forum. We did not follow up with friends, family or made follow up posts on these public forums asking if anyone completed the survey. Following protocol, a disclaimer was established in the description highlighting that each respondent must be of legal age before they could participate in the survey. Furthermore, the description included a clause that entitled the respondent to remain anonymous, not to participate, and gave them the power to stop at any time without repercussions or the promise of incentives in the form of payment or gifts. Before the respondent could start the survey, the first question asks if they agree to participate and have read the above terms. Once the survey changed to face-to-face, the researcher ensured that all respondents were aware of the scope of the project and verbally relayed the disclaimer to the respondent, gave them the survey and then asked them to write a response of "YES" or "NO" on their paper instead of "A" or "B" after reading the disclaimer themselves. No names were asked when finding willing participants to ensure that the factor of anonymity was retained.

Data Analysis and Results

The research we conducted consisted of 127 answered surveys given to various male professionals aged 18+. The responses to the survey questions are analyzed below in order to answer the research questions and revised hypotheses identified earlier: “Online shopping is dependant on age”.

From the 127 participants of the online survey, we had to consider the annual income of participants in order to analyze which range most respondents belong to. Results from this part of the survey questionnaire can be seen in Table 1. It is relevant to the research paper as we have to know how many of the participants can potentially allocate a portion of their income to custom made shoes by Sanchez. When looking at the table, it can be observed that of the 127 male participants, the largest percentage are those who earn 10k or less (Table 1).

For the research paper, we wanted to identify consumer behaviour trends that would be relevant for Sanchez’s goal of increasing his e-commerce sales. In Table 2, we identified how often participants purchase dress shoes and in Table 3, where they typically purchase their dress shoes from. When looking at Table 2, it is shown that the largest percentage of how often dress shoes are purchased is when their old pair wears out. Table 3 shows 87% of participants purchase their shoes in store, meaning malls, boutiques etc., Table 4 looks at the perceived importance of the different variables considered when purchasing dress shoes. Among the 4 reasons provided in the questionnaire, purchasing shoes that cost ranked the highest with a percentage of 43%, and materials ranking the second highest with a percentage of 39%.

Table 2: “**How often do you purchase dress shoes?**”

I have a pair that I use for special occasions	Frequency	Valid Percent
If needed	1	0.79%
Less than once a year	1	0.79%
More than once a year	27	21.43%
Once a year	28	22.22%
Only for special occasions	31	24.60%
Only when my old pair wears out	37	29.37%
Twice in 13 years.	1	0.79%
Missing	1	
Total	127	100%

Table 3: “Where do you buy shoes?”

	Frequency	Percentage
In-store (malls, boutiques, etc)	111	87.4%
Online	15	11.8%
Second hand (Buy and sells, kijiji)	3	2.4%
Total	127	100%

Table 4: “How important are the following?”

	Very important	Important	Indifferent	Of little importance	Not important
Local Vendors:					
Frequency	11	29	39	30	17
Percent	8.7%	23%	31%	23.8%	13.5%
Customization:					
Frequency	10	32	40	27	17
Percent	7.9%	25.4%	31.7%	21.4%	13.5%
Cost:					
Frequency	55	43	12	3	14
Percent	43.4%	33.9%	9.4%	2.4%	11%
Materials:					
Frequency	45	50	18	2	12
Percent	35.4%	39.4%	14.2%	1.6%	9.4%

As our research's purpose is to find out how Sanchez can increase e-commerce, it was essential to ask participants if they have purchased shoes online. It was quite evident from the results shown in Table 5 that the majority of the participants have had the opportunity of purchasing shoes online. After further analysis of these results and relevant information, we were able to see how age of participants reflects online shoe purchasing habits. Participants in Generation X (1965-1979) ranked the highest with internet purchases (Table 10). Furthermore, it was observed that participants from the Traditionalist generation (1946-1964) ranked the lowest in online purchasing (Table 10). It is important to take note that the Traditionalist segment is

Sanchez’ target market, and according to the survey results, they show the least impact on an online platform.

Table 5: “Have you bought shoes online before?”

Have you bought shoes online before?

	Frequency	Valid Percent
Yes	81	63.8
No	46	36.2
Total	127	100.0

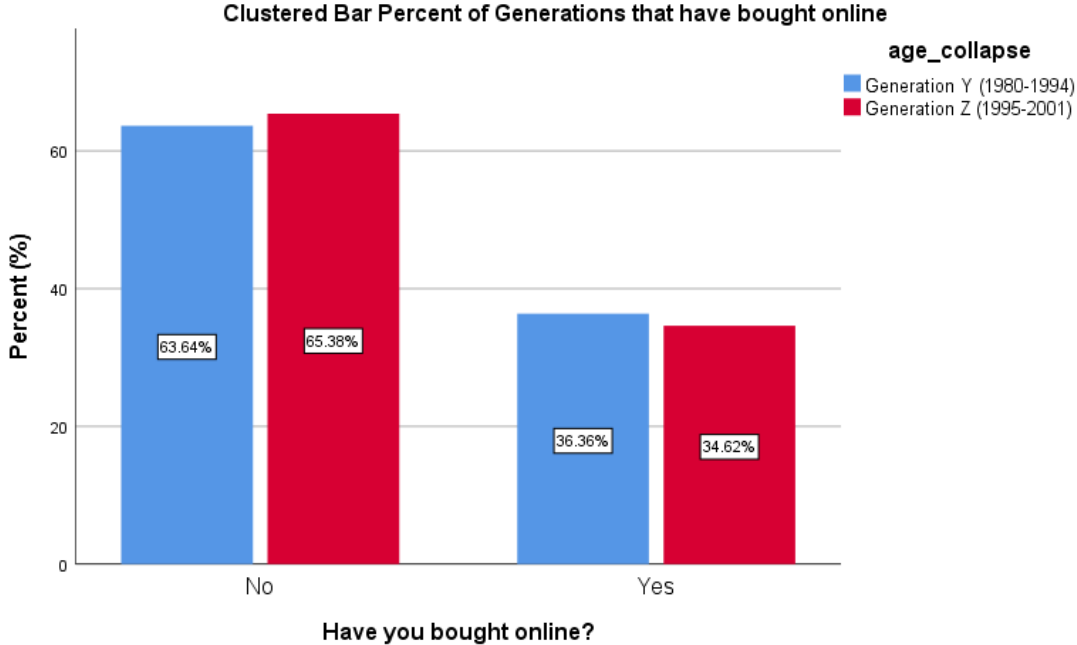


Figure 1: Generations that have bought online

To optimize Sanchez’ marketing we asked respondents how they learn about new products. Table 6 demonstrates the different percentages of usage relative to the marketing outlet. We found that most participants said that they heard about new products via social media

at 62.2% and word of mouth at 19.7%. With this in mind, Sanchez can advertise their products on social media to satisfy market preference. While posting the product itself on social media is effective, results from the focus group show that in reality most of the participants wanted to see other and more relevant posts about the product. They wanted to take a deeper look into the process of shoe making as well as the shoe repairs. It was found that social media posts that are just meant to visually attract the consumer tended to be overlooked or “swiped” over. With this data, it was found that Sanchez could add short videos to their social media profiles to attract more customers and more value for consumer product knowledge.

Table 6: “How do you learn about new products?”

		Frequency	Valid Percent
Valid	Email Newsletters and Promotions	7	5.5%
	Social Media (Instagram/Facebook/Twitter/etc)	79	62.2%
	Traditional Media (News/Radio/magazines)	10	7.9%
	Word Of Mouth	25	19.7%
	Total	127	100%
Missing		33	
Total		160	

As part of the research conducted, we wanted to clarify and better understand the participants’ views on custom made products. In relation to the question analyzed in Table 4,

customization is a factor considered when purchasing shoes. We knew it would be relevant to dive more into discussing custom made products as Sanchez specializes in custom made (bespoke) shoes. As a follow-up for that discussion, Table 7 shows the frequency at which how many of the participants have actually purchased custom made products in their lifetime. The results show that a majority of the participants have not bought custom made shoes.

Time frame is a major variable that must be considered when purchasing custom-made shoes, which is why we explored how long participants are willing to wait for a pair of custom-made shoes. Since Sanchez' shoes take a minimum of six months to be crafted, 6+ months was made as the maximum wait for the survey question. As shown in Table 8, it can be observed that 40% of the participants are only willing to wait as long as 1-2 weeks for a pair of custom-made shoes, with the allotted 6 months showing a frequency of 4%. While 22% of the participant population are not willing to wait for a pair of custom-made shoes at all.

Table 7: “Have you bought custom made products?”

	Frequency	Percent
No	101	79.5%
Yes	26	20.5%
Total	127	100%

Table 8: “How long would you be willing to wait to receive a pair of custom-made shoes?”

	Frequency	Valid Percent
1-2 weeks	52	40.9%
1-3 months	45	35.4%
4-6 months	4	3.1%
6+ months	4	3.1%
I would not be willing to wait	22	17.3%
Total	127	100%

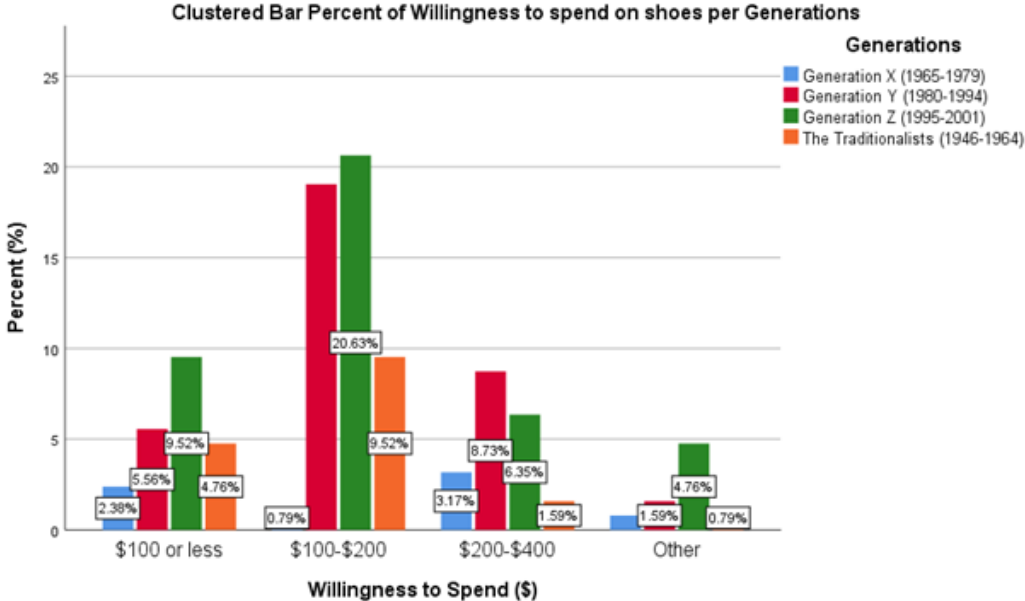
Lastly, we wanted to know how much money participants are willing to spend when purchasing a pair of shoes. The majority of participants were willing to spend no more than \$200 for a standard mass-produced pair. To further analyze this part of the research, we looked at how much each generation is willing to spend for a pair of shoes. Interestingly enough, Generation Z (1995-2001) ranked the highest in those who said that they were willing to pay no more than \$100-\$200 (Figure 2).

Table 9: How much are you willing to spend on a pair of dress shoes?

	Frequency	Valid Percent
\$100 or less	29	22.8%

\$100-\$200	63	49.6%
\$200-\$400	25	19.7%
\$400-\$600	6	4.7%
\$600-\$800	2	1.6%
\$1000 or more	2	1.6%
Total	127	100%

Figure 2: Cross-tabulation of Willingness to spend per Generation



Anova Analysis

The following table provides an analysis of variance (ANOVA). This table shows if our hypothesis matches with our actual results. Based on our findings from the focus group, we rejected our initial hypothesis and changed it to show who shops online based on age group. Shown below is the ANOVA analysis based on that revised hypothesis.

The total average of males from every generational segment that has shopped online is 36.51% and with his target market, the Traditionalists showing the lowest average at 33.33% (Table 10). Based on the results from the ANOVA, it is unlikely that the Traditionalists would be susceptible to online shopping for Sanchez. According to the ANOVA, the Generation X market shows promise as they average the highest at 55.56%. But slated against the 127-sample size, only 9 Gen X-er's answered this question. Due to the small sample that answered "yes" to this survey question, it inherently skews the data to the 55.56% making this percentage not correct. The reliability of online shopping is shown to be questionable by the sample, with a preference found from this ANOVA on in-store shopping.

The ANOVA is calculated based on the people who have shopped online in accordance to their age. It was hypothesized that Generation Z would have purchased more items online than Generation X. However, after analyzing our results at a 95% confidence level we have concluded that we will not reject the null hypothesis. As the p-value is 0.672 which is higher than 0.05, as seen in Table 12, this demonstrates that people are shopping online is in fact based on age. However, while certain generational segments are willing to shop online, perception and willingness to shop again varies. The follow-up question of "have you ever had a bad experience shopping online, and why?" was met with an overwhelming negative response. All respondents to this question answered "no" as they mentioned that most of their shoes did not fit or they had

shipping problems. Repeat buyers and overall experience are variables for online shopping that should be taken into account when establishing an e-commerce platform.

Table 10: ANOVA of Have you bought casual and/or custom shoes online correlated with Generational segment.

Descriptives

Have you bought custom and/or casual shoes online before?

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Generation X (1965-1979)	9	.5556	.52705	.17568	.1504	.9607	.00	1.00
Generation Y (1980-1994)	44	.3636	.48661	.07336	.2157	.5116	.00	1.00
Generation Z (1995-2001)	52	.3462	.48038	.06662	.2124	.4799	.00	1.00
The Traditionalists (1946-1964)	21	.3333	.48305	.10541	.1135	.5532	.00	1.00
Total	126	.3651	.48337	.04306	.2799	.4503	.00	1.00

ANOVA

@Bought_Online

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.366	3	.122	.517	.672
Within Groups	28.840	122	.236		
Total	29.206	125			

Results

The results of this research project indicate that while the target market does engage and utilize social media platforms, when it comes to shopping for shoes, an online platform is wasted on the Traditionalists. With a 33% average of having bought online, this market is not ideal for e-commerce. But, from the data, generation Y shows the most promise for an online shopping platform. The results overall indicate that age is a major factor that must be looked at when establishing an e-commerce store, as 36.51% of the entire sample actually shop online. Although the opinions taken from the survey and focus group do suggest that for a custom-made shoe, individuals would much rather go inside the store to test and feel the product. More so, the ability to customize their shoe is of little importance, rather good quality but low-cost options are desirable. Displaying a 111% frequency shopping in-store is the favored option when it comes to buying shoes. While 62.2% of respondents look at new products online, opinion from our focus group show that in order to further investigate the product they need the awareness of the brand and product itself. Furthermore, it was found that when it comes to purchasing custom shoes, a large portion of the desire for the product comes from the experience of being fitted and interacting with the owner.

Implications

Our initial hypothesis was that in order to gain more online sales, Sanchez had to heavily advertise on social media platforms like Instagram and specifically Facebook to reach his audience. We believed that if he advertised heavily on social media it would funnel people to his website, eventually gaining those online sales. From our preliminary research we saw that

customization was a rising market and that trends are leaning towards consumers seeking custom goods to enhance their unique identity. But from our focus group and questionnaire we discovered that for shoes in particular, consumers are looking for classic, simplistic designs that are good in quality and price. From the survey, it was found that only 11.81% of people actually want custom made shoes (Figure 3). The findings of the focus group disproved our hypothesis, showing us that consumers only shop for shoes when they need, and that marketing on social media is wasted on the target market. They do not care for social media posts from Sanchez and would not bother to look at the company if it was just a normal “picture” ad. In the end the question was then, how do we get people to become interested in his product and store. We came to the conclusion that he needs to establish himself in the Edmonton local market, and raise more awareness for his company. As only 24.41% (Figure 4) of people know there is a custom-made shoe store in Edmonton, in order to succeed we recommend that Sanchez consider:

- 1. Brand establishment and brand advertisement repositioning:** From the focus group, it was established that none of the participants knew of Zapato Sanchez, nor did they even know that there was a custom shoe store within Edmonton. From the survey, when asked if they knew that there was a custom shoe store in Edmonton, 75.6% of respondents answered no (Figure 4). And only 11 (Figure 5) people from his primary target market knew there was a custom shoe store in Edmonton. In our initial scan of the company, awareness is mainly built on online platforms like Instagram and Facebook, with at least over one thousand followers on these platforms. But from the focus group, it was discovered that while looking at these shoes may be aesthetically pleasing for the consumer, it does not and would not make the consumer susceptible to want to buy the product. In fact, participants would not look at advertisements for the shoes or would be

likely to seek out the shoes based on the marketing on these channels. When looking at his target demographic of the Traditionalists, they said that they would only be looking for these shoes if they were specifically researching for custom products. Our recommendation is to establish brand presence within Edmonton in a more traditional format. Participants when looking at Sanchez' website craved more of a backstory on his company and family. They wanted to see more of the product being made, rather than pictures of a finished shoe. Participants in the focus group wanted to follow the journey of Zapato Sanchez to really feel the product authenticity. By crafting more of an active visual presence, we believe it would add more value to the future consumer as they can see the fine craftsmanship at work. More so, if Sanchez were to attend trade shows, and local "craft" markets in Edmonton, he can highlight the personality that is attached to the product. In attending these trade shows, he accesses the local market and speaks directly to potential consumers, spreading awareness of his product. His inability to gain online sales stems from the fact that people do not know that his business exists nor do they fully understand what is a true custom product. Sanchez' product is bespoke as he fits the shoe to the wearers specific foot, but the market is uneducated as to what the difference is between customization/personalization of a product versus making a bespoke product. This type of product exists in an untapped market within Edmonton, and custom shoes are generally perceived as a niche market, to succeed he needs to create local presence and educate his potential consumers as social media platforms only create traffic.

- 2. Target market shift to Gen Y:** Another recommendation that we found through our research is a shift of the target market. We recommend that you start advertising to Generation Y. Our survey results found that Generation Y knew the most about custom

made shoes (Figure 5). Additionally, they are the target market that said they would spend more money on shoes. By shifting the target market, Sanchez will be able to attract more customers looking to purchase his custom-made shoes. This generation is active on social media and will help with word of mouth marketing (Figure 6). The shift can be made while also creating brand establishment. This can include marketing more on social media, where Sanchez can include videos of how he makes the shoes on his Instagram and LinkedIn profiles.

Figure 3: Do you prefer ready made or custom-made products?

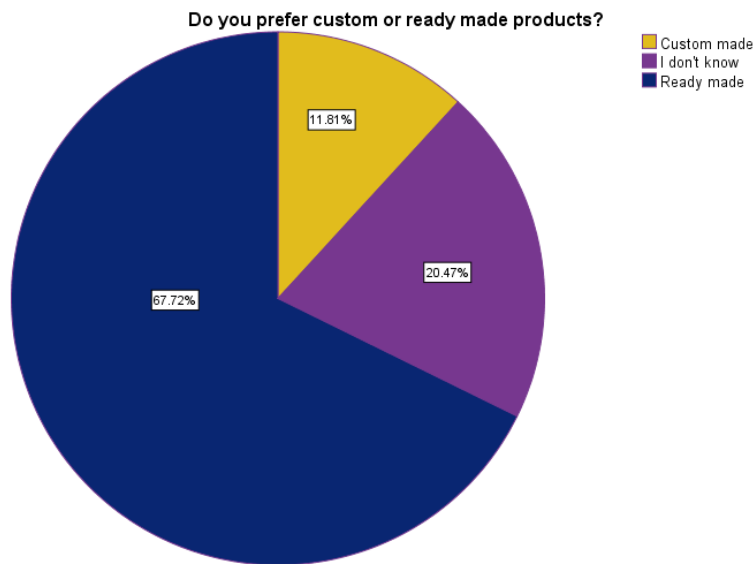


Figure 4: Knowledge of Custom-made shoe store in Edmonton

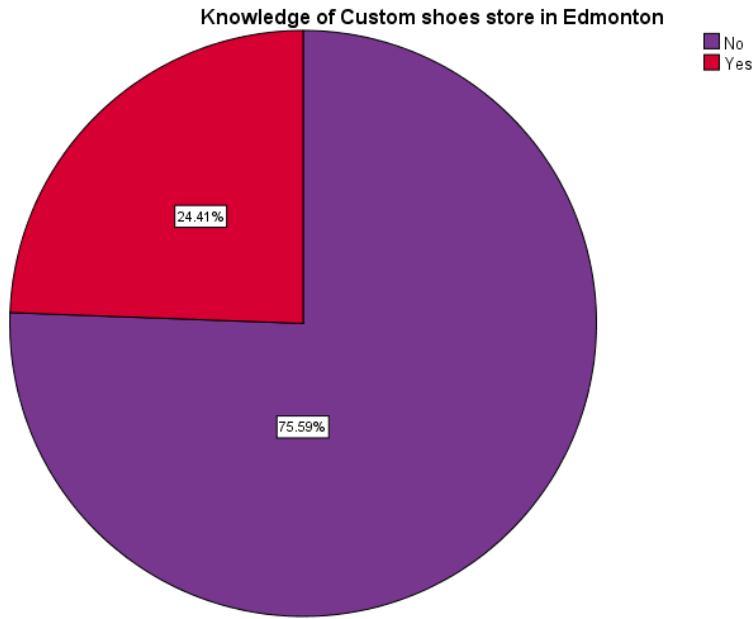
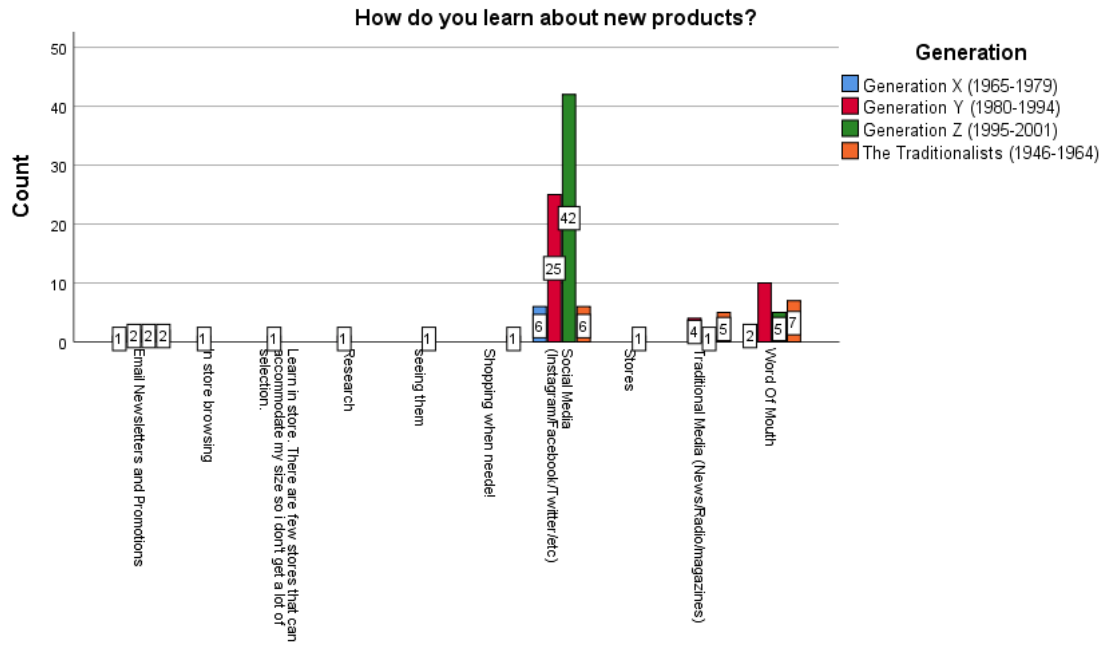


Figure 5: Generational Knowledge of Custom shoe store



Figure 6: How do you learn about new products?



Limitations of Study

Limitations we experienced were first found in preliminary research. Finding the attributes of his target market when it came to shopping preferences were scarce as articles focus on the younger demographic. Secondly, finding articles based on the custom shoe market or shoe waste and manufacturing are limited or almost outdated. When conducting the qualitative research, we were limited by time and means. We were struggling to find people who fit into his target market to participate in our focus group, and coupled with the time limitations, we were struggling to find people who were willing to make the time commitment. For this aspect of our research we were limited to our personal network as we did not know enough people who fit in the target market. For our quantitative data, we were finding it hard to find enough respondents in the Traditionalist and Generation X category. Even posting it on LinkedIn where we believed we could at least gain more of their responses; we could not get over 7%. Running out of time, we were forced to change the format of our survey to in person to hopefully get more of his

target markets opinion. Particularly for this portion of the research, we were limited by our own network and the diversification of the participants. We did not want to overreach the data, making it snow ball but by putting it on an online forum it limited the diversification of responses to mainly the generation Y market.

Recommendations for Future Research

It is important to note that this was a student research project, made for a university marketing research class where time constraints were imposed on every phase of the research process. Due to the time constraints imposed on our research, it is recommended that for further research, time and planning is carefully allotted and managed. The client's primary and secondary target markets are very specific, where finding viable participants takes planning. Sanchez' business model only caters to the male demographic, specifically to just men's shoe size and accessing the older demographic was particularly hard for us researchers. Secondly, the market for bespoke or customized products, particularly shoes is incredibly small, where finding additional resources is extremely difficult or out dated. Further research was hindered by the scope and nature of the project material, finding credible reading material from accredited sources were rare. The researchers had limited access to sources that were relevant, within North America or were specifically academic articles. It is recommended that for future research, ample time is given to finding and screening articles and to access different databases. Furthermore, it is recommended to look at the understanding of what a "bespoke" product is among the market. It was found that the market does not understand the difference between personalisation/customization versus bespoke products. By including that distinction and then following this change with the added variable of Generation Y, we recommend looking at how

that changes overall perception of purchasing custom made shoes. Exploring the angle of further knowledge in correlation to the market, it could possibly add more positive responses towards custom made products in the future survey data.

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Appendix

Appendix 1: Questionnaire Outline:

Questionnaire Form and Layout

Zapato Sanchez Questionnaire

****IMPORTANT: YOU MUST BE 18 YEARS AND OLDER IN ORDER TO PARTICIPATE IN THIS QUESTIONNAIRE.**
**The questions you are being asked are part of a student project for a marketing research class based on a question posed from a local business. The students have created this survey as part of their assignment and have no qualifications of a marketing researcher. Your participation in this survey is entirely voluntary and anonymous; you will not be reimbursed for taking part in this survey. You may stop and discontinue this survey at any time without providing an explanation. If you do wish to discontinue you can withdraw and dispose of the questionnaire yourself.

****NOTE: If you do not wish to participate please stop here.**

...

Do you agree to participate in this study and consent to the above terms and conditions?

- Yes
- No

What is your biological sex? *

- Male
- Female

Consumer Behavior

Description (optional)

How often do you purchase a new pair of dress shoes? *

- Once a year
- More than once a year
- Less than once a year
- Only for special occasions
- Other...

Where do you typically buy shoes?

- In-store (malls, boutiques, etc)
- Online
- Catalogues
- Second hand (Buy and sells, kijiji)
- Other...

How important are the following when making shoe purchases? *

	Not important	Of little Importan...	Indifferent	Important	Very important
Local Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Have you bought dress shoes at any of these stores within the past year? Check all that apply

- Zapato Sanchez
- Poppy Barley
- Holt Renfrew
- The Bay
- Aldo
- Townshoes/DSW
- Other...

Do you prefer ready made or custom made products?

- Ready made
- Custom made
- I don't know

Have you bought custom made shoes in the past?

- Yes
- No

How long would you be willing to wait to receive a pair of custom made shoes?

- 1-2 weeks
- 1-3 months
- 4-6 months
- 6+ months
- I would not be willing to wait

What do you like about shopping online? Check all that apply. *

- Ease of use
- Product selection
- Convenience
- Greater range in sizing
- Other...

What do you like about shopping in a store? Check all that apply *

- Ambiance
- Customer Service
- Product Selection
- Price
- Other...

If you have shopped online, have you ever had a bad experience with online shopping? Please explain what happened.

Short answer text
.....

Where do you gain inspiration for your preferred fashion style? Check all that apply

- Social Media
- Magazines
- Peers/Colleagues
- Family members/significant others

How do you learn about new products? Check all that apply. *

- Social Media (Instagram, Facebook, Twitter, etc)
- Traditional Media (News, Radio, magazines)
- Email Newsletters and Promotions
- Word Of Mouth
- Other...

...

How much are you willing to spend on a pair of dress shoes?

- \$100 or less
- \$100-\$200
- \$200-\$400
- \$400-\$600
- \$600-\$800
- \$800-\$1000
- \$1000 or more

Where do you gain inspiration for your preferred fashion style? Check all that apply

- Social Media
- Magazines
- Peers/Colleagues
- Family members/significant others

Did you know that there is a custom made shoe store in Edmonton?

- Yes
- No

What is your age group?

- The Traditionalists (1946-1964)
- Generation X (1965-1979)
- Generation Y (1980-1994)
- Generation Z (1995-2001)

What is your personal income level?

- 10K or less
- 20K or less
- 40K or less
- 40-80K
- 80-100K
- 100+K

Appendix 2: ANOVA Analysis

Descriptives

Have you bought custom and/or casual shoes online before?

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Generation X (1965-1979)	9	.5556	.52705	.17568	.1504	.9607	.00	1.00
Generation Y (1980-1994)	44	.3636	.48661	.07336	.2157	.5116	.00	1.00
Generation Z (1995-2001)	52	.3462	.48038	.06662	.2124	.4799	.00	1.00
The Traditionalists (1946-1964)	21	.3333	.48305	.10541	.1135	.5532	.00	1.00
Total	126	.3651	.48337	.04306	.2799	.4503	.00	1.00

Appendix 3: Focus Group Discussion Guide

FOCUS GROUP: DISCUSSION GUIDE

Facilitator's welcome, introduction and instructions to participants

Welcome (10 mins-12 mins)

- Introduce moderator and members
- Everyone from focus group introduces themselves to the group (name and what they do)
- Consent forms will be passed around and they will be given time to read through it and ask questions if there are any

Our topic is ...

- The results will be used for ...
- You were selected because ...

Guidelines

- No right or wrong answers, only differing points of view
- We're tape recording, one person speaking at a time
- We're on a first name basis
- You don't need to agree with others, but you must listen respectfully as others share their views
- My role as moderator will be to guide the discussion (we will time every question that we will ask)
- Talk to each other

1: **Opening question (10 mins-12 mins)**

- Do you feel that clothing is a marker for status?
- How often do you wear dress shoes?
- How often do you replace your dress shoes?
 - What is the main reason you replace them? Ex, worn soles, broken leather

2: **Introduction of product (10 mins-12 mins)**

Show video: https://www.youtube.com/watch?v=pDXxEre4_bQ

Show pictures of Zapato Sanchez

- Do you prefer purchasing custom made products or ready-made products?
- Cut off point? For time
- What do you think about experience based or novel based shopping?
- Do custom made shoes appeal to you?
- What would you want out of custom-made shoes?
- What product characteristics do you look for in a shoe? (ex: color, style, material, weight, comfort)
- When you go shopping, do you go in mind with a specific style for yourself?
- What about the shoes displayed in front of you do you find most appealing?

Show pictures of Poppy Barley Shoes

- What brands of dress shoes do you usually prefer?
 - Why these brands/ What are qualities of these shoes that make you purchase their products
- How much are you willing to spend at most in purchasing dress shoes?
- Sales?

3: Store (10 min-12 mins)

Show picture side by side of Zapato Sanchez and Poppy Barley

- How often do you find yourself walking in shoe stores? With or without the intent of purchasing an item?
- Womanly touch? Friends?
- What about a store invites you to walk in and see their products?
 - Do you think that the store front is important?
 - What about a store keeps you looking inside and inquiring about their products?

4: Online platform (10 mins-12 mins)

Show picture side by side of Zapato Sanchez and Poppy Barley (website, social media)

- What do you appreciate from each of their online website?
- What captures your attention from their social media?
- What do you look for in social media/ online websites of shoe products?

5: Concluding question

- From what you've seen today: the youtube video, websites, and social media pages. What company would you most likely buy from. What makes their company more compelling?

6: Conclusion

- Thank you for participating. This has been a very successful discussion
- Your opinions will be a valuable asset to the study
- We hope you have found the discussion interesting
- Before you leave, please help yourselves with more snacks and drinks on the counter