



## **Bata Rural Sales Program: empowering women at the bottom of the pyramid in Bangladesh**

### **Background to the Bata Shoe Company:**

Family-owned Bata Shoe Company is one of the world's leading manufacturers and retailers of quality footwear and accessories. A global company with more than 30,000 employees, 24 manufacturing facilities in 18 countries, and over 5,700 stores in 70 countries across the globe, Bata has been servicing its customers for 120 years. Since its founding in the former Czechoslovakia in 1894 by Thomas Bata, the company has consistently demonstrated its commitment to community-oriented and innovative business models in the belief that capital is not just money, buildings or technology, but, more importantly, people, knowledge and core values. Bata started by setting up manufacturing in developing countries and investing in local employees' training and professional development. Not only did this involve having a local manufacturing presence, but Bata also employed local people, sourced local materials and purchased from local businesses providing much-needed jobs and livelihoods.

In many countries Bata was the first to manufacture footwear, establishing a strong economic and social presence and providing exceptional standards of employee welfare and environmental management through its reuse-recycle model. Up until this day Bata is known throughout the world as a local company. In many countries including India, Pakistan, Kenya and Zimbabwe, Bata has an ecosystem with Bata villages (housing for employees), Bata schools and Bata scholarships. The company's vision is to make great shoes accessible to everyone.

Today, Bata's pioneering decentralized production system, featuring semi-autonomous regional facilities guided by three regional business units (Bata Europe based in Italy, Bata Emerging Markets based in Singapore and Bata Industrials based in the Netherlands), allows the company to quickly adapt to changes in the marketplace and seize potential growth opportunities. It also continues Bata's long tradition of being sensitive to cultural and national differences, and enables it to proudly function as a local company in every country it serves.

Across the world around 1 million people buy Bata shoes every day. At any point in time, over 210 million people in 90 countries are wearing Bata shoes. It is a fundamental principle at Bata to provide each community with shoes that are both accessible and affordable. Shoes are not just a fashion item, for many people throughout the world they provide protection against disease, enable people to be more mobile, provide comfort, help people to work safely and enable people participate in sports and leisure activities. Bata employees set out to understand who needs shoes, why they need them and how to make them available at a price people can afford (for example, shoes for the Bottom of the Pyramid (BoP) cost \$1).

In practice, making shoes accessible to everyone offers multiple selling channels to customers. The vast majority of Bata shoes are sold through retail outlets, but in several markets the company helped to develop social enterprises and local businesses for the BoP clients through programs such as Rural Sales Program in Bangladesh and Aquarella in Latin America.

Bata's Rural Sales Program is a social enterprise that aims to integrate underserved populations into companies' value chains. This could be where a company increases its local sourcing or production/manufacturing in the developing world, with a focus on underserved groups (e.g. women, youth, disabled people, previously unemployed or marginalized). It could also be an example of a company investing in upgrading employees' skills, or suppliers in order to optimize productivity and performance. In other instances a company could generate economic opportunities within supply and distribution channels through enterprise development activities for local small and micro enterprises.

### **Challenges:**

Gender inequalities are still deep-rooted in every society. Women suffer from lack of access to decent work and face occupational segregation and gender wage gaps. In many places in Asia, Latin America and Africa, they are denied access to basic education and are underrepresented in economic processes. Bata is working in Bangladesh, which is a resource-limited and overpopulated country, where society is highly stratified and services and opportunities are determined by gender, class and location. However, women make up nearly half of the population and represent huge untapped potential for socio-economic development of the country. Development and enrichment of women entrepreneurship promotes national competitiveness and sustainability. Without a meaningful and active participation of women in regular economic activities, a dynamic and sustainable economy is impossible. A sustainable economy is a precondition for national growth

and prosperity including institutionalization of a democratic system. It is also impossible to achieve the target of a poverty-free society without incorporating women in the mainstream economy.

**Role of the Bata Rural Sales Program:**

The Bata Shoe Organization is working towards empowerment and equality for women, so that they can benefit from education and employment opportunities. Activities were launched in Colombia, Bolivia and Peru reaching over 11,000 women. In Bangladesh, employment opportunities for women living in rural areas are extremely limited. What is more, these rural communities often do not have easy access to basic products such as shoes. To help address these issues, Bata developed in 2005 with CARE Bangladesh, an established humanitarian organization dedicated to fighting poverty, the Rural Sales Program (RSP). The program has reached 2,200 women in 28 rural districts and is projected to reach 5,000 more.

According to Bangladesh Women Chamber of Commerce and Industry (BWCCI) research findings of 2008, Bangladesh is witnessing the emergence of a new class of women entrepreneurs which is successfully taking on the challenge to work in a male-dominated, competitive and complex economic and business environment. In line with its corporate vision, Bata is contributing to these efforts by strategically focusing on empowering vulnerable women in rural Bangladesh who live at the base of the pyramid as well as serving the under-served rural populations with its affordable products. The company engages marginalized women by providing skills and income-generating opportunities while simultaneously reaching new underserved customers in the extreme periphery of the country.

The company piloted a sales model where destitute women in rural communities (widows, divorced, under-served women with income below \$2 daily) receive skills training and become entrepreneurs and earn a living from selling affordable (\$1) flip-flops manufactured in Bata-owned factories in Bangladesh. These women, known as Aparajitas – the Bengali name for a ‘woman who never gives up’ – earn a good commission from their sales, allowing them to have an average income of \$80-120 per month (while the average salary in urban areas ranges from \$32-72 per month). As Bata’s product range is inclusive of all income groups and genders, RSP plays a pivotal role in penetrating the periphery and under-served markets. It has generated considerable response both from women entrepreneurs as well as customers, for whom Bata shoes are more than footwear but represent opportunities for greater mobility, protection against disease and increased safety at work.

After women receive training, they purchase Bata shoes in bulk at wholesale prices at the nearest Hub or depo. They receive a Bata carry bags, and an umbrella to protect from sun and rain shoe catalogues as well as basic measurement tools (to measure customer shoe size, etc.). They work in the designated communities and receive a commission on sales. Each region has a main regional Hub which is further subdivided into district hubs. Each Hub deploys service personnel to ensure product availability which reduces transportation cost and time.

The results and the success of RSP have been exceptional. Other multinational and domestic companies working in Bangladesh such as BIC, Unilever and Renata Limited have joined the venture since, enabling the expansion of products and market coverage, while providing the rural poor with a dignified source of income, and advancing important development goals such as combatting poverty, gender equality, decent work and economic growth, reduced inequalities and sustainable livelihood creation. Moreover, the program has successfully been scaled to other markets. Thus, RSP-inspired Aquarella initiative was launched in Colombia and later scaled up to Bolivia and Peru. As of today, over 12,000 sales entrepreneurs, 97% of whom are women, are part of the Aquarella catalogue sale program in Latin America.

Bata is currently working together with Jita Bangladesh/Care Bangladesh, a social enterprise with the goal of empowering women who never had formal education and earned their own income. Bata will leverage Jita Bangladesh/Care’s existing linkages to deliver its affordable products to the most hard-to-reach areas of the country and expand its customer base to 10 million people and act as the agent of change for rural women in those communities.

Key objectives of the initiative are:

- To continue Bata’s contribution to empowerment, skills and income-generating activities of the rural poor women of Bangladesh, thus contributing to long-term sustainability and development of BoP communities.
- To have strong presence of Bata products in the rural areas and increase its geographic reach to areas where BoP populations do not yet use Bata products.
- To leverage Jita/Care Bangladesh networks and achieve 150% business growth with expansion of Hubs as shoe distribution points.

- To strengthen partnerships with Jita/CARE Bangladesh and ensure a consolidated impact and contribution to local development.

Bata intends to train and employ 5,000 women at the BoP as independent sales representatives while expanding its reach to 40 districts in rural Bangladesh. Simultaneously, by 2020 the company will reach 10 million new customers with its affordable and accessible shoes, which for Bata customers go beyond footwear but represent opportunities for greater mobility, protect against disease and increase safety at work.

Endnd of 2015, Bata launched its women empowerment program in Zimbabwe. There the initiative will be complemented by the Retail Empowerment Associates Program (REAP), which enables Bata employees who have entrepreneurial potential and motivation to start and run their own business.

### **Results and Social Impact:**

Economic empowerment via access to training and income improves the welfare of women and their families in Bangladesh who are among the poorest people in the world, often living on less than \$2 a day. The Rural Sales Program offers a skills training and sustainable source of income, lifting thousands of women out of poverty and offering them a dignified life. Bata shoes are not just a fashion item, for many people throughout the world they provide protection against disease, enable people to be more mobile, provide comfort, help people to work safely, and enable people to participate in sports and leisure activities. Across the world, there are people who rely on Bata not only to provide shoes, but also to build livelihoods, grow businesses and educate children. By building manufacturing base in the countries where they sell their shoes, Bata is able to expand the definition of who needs shoes far beyond the customers, to include the schoolchildren, entrepreneurs who build businesses around distribution and recycling, small businesses alongside the factories, and families who have benefited from Bata's high standards of employee welfare. This project created a breakthrough in traditional living for rural and semi-urban women in Bangladesh, increased their bargaining power, upheld their livelihood, provided access to modern technologies especially in communication, and connected them to ever changing world dynamics. Each woman now earns approximately \$4 every day, double their previous income.

Additionally, as sales representatives in a Muslim country, women are often facing social pressures and while they are eager to improve their skills and earn their own income, additional counselling and motivational training are needed in addition to skills training. Some feared that door-to-door selling – a clear breach of purja community norms– might affect women's standing in their communities and potentially undermine CARE's moral influence in Bangladesh.

After the first year pilot many women had lost the will to continue selling shoes because they were tired of being objects of ridicule, chased by children who poked fun at them for walking unaccompanied, and were worn down by adults who appeared to be whispering behind their backs for breaking purja norms. And several women had confessed to that touching a strange man's feet in order to fit him for sandals had been one of their most humiliating life experiences. The solution was found as it was decided to identify marginalized women that they could claim some immunity from norms such as purja – and place BATA shoes in a mixed basket of goods, allowing women to pad their incomes and lighten their reliance on shoes.

Objectives for the initiative by 2020:

- 1) By 2020, expand Rural Sales Program to 40 districts in rural Bangladesh and train and employ 5,000 women at the bottom of the pyramid as Bata's sales representatives.
- 2) By 2020, reach 10 million new customers with Bata's affordable and accessible products in Bangladesh
- 3) Achieve scale for women empowerment initiatives globally: by the end of 2015 launch the program in Zimbabwe and by 2020 double the number of women participants in Latin America to 25,000.

**Keywords:** skill-building, bottom of the pyramid, employment, empowerment, Bangladesh

**Sector:** Retail, consumer goods & lifestyle