

StartupLanes Research Report

Startup Name	Marketing King Online Pvt. Ltd.
Location	India
Co-Founders	Shivam Mishra
Funding Required	75,00,000 INR
Equity Dilution	3.75%
Industry	Leather Footwear
Report By	Aditya Kumar
Email id	aditya@startuplanes.com



Summary

Marketing King is a UP based Leather Footwear seller under a registered brand name of "ATTITUDIST" which currently sells only on its own website - www.attitudist.com and serves its PAN India Coverage and has recently moved to Delhi for better supply chain management and also has plans to go Global by 2025. they have successfully cracked the Indianized demand for specific designs with the in-house research team.

Problem

In India, Leather Footwear is the least penetrated Footwear, International players are limited only to

1. Premium COSTLY designs – which appear costly and limited to wealthy buyers.
2. Standard SIZE - uncomfortable to our Indian Customers and results in a frequent shift from any brand
3. DURABILITY – Genuine Leather products are very less durable as compared to other similar material products and this also results in a frequent shift from any brand.



Solution

Marketing King has successfully designed and presented a variety of products keeping up with the problem statement –

1. Marketing King offers export quality leather shoes/sandals at affordable prices of just Rs. 999/- for any range of shoes/sandals.
2. Since this is an Indian brand for Indian customers therefore it automatically eradicates the Sizing issues with international brands.
3. It uses Micro-foam Leather which elongates the life/durability of the product drastically compared to traditional leather.

Also, I would like to mention that out of their multiple types of research they have also identified their USP in this line of products, they are best in – (i) Cushioning (ii) Latest Fashion trends (iii) Sweat-absorbent (iv) Anti-odor (v) Light weight Footwear even in this leather segment.



Disruption (Price)

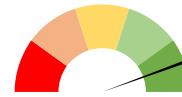
The company offers export quality leather shoes/sandals at almost half of what their competitors are charging. Also, they have a great margin at current times, therefore, if there is any head-on fight with any of its competitors it can fight back by reducing its price drastically and still become profitable.



Disruption (Convenience)

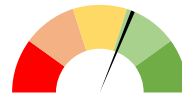
The company have successfully established their own website from where customers can order online with the convenience of

1. PAN India delivery services.
2. Return of Product within 15 days of purchase.
3. Replacement for any Size mismatch case.



Product/Service Quality

They have successfully Identified the need of a customer in a formal shoe/sandal and is serving based on that by providing best in class Micro-foam Leather, Cushioning, trendy designs, sweat-absorbent, Anti-odor, and Light-weight products. It has Return/Replacement policies in place to ensure customer satisfaction.



Influence over Customers

They also have a great influence over customers as they are covering the demand for the Latest trendy and comfortable designs and that too at an affordable and catchy price of Rs. 999. It has become a go-to choice for customers who want a comfortable formal shoe/sandal with a twist of unique new classy and trendy designs.



Influence over Suppliers

Marketing King is a potential clients with good payment terms with their manufacturers. The company has multiple vendors for each of the raw materials which fetch them the best competitive prices for their procurement.



Domain Expertise of the Team

Shivam Mishra (Founder) is a Digital Marketing Expert with experience of around 12 years - In this Industry where marketing contributes to more than 50 % of the business growth and having such an experience on board in my opinion is a great driving factor for the organization's growth. The In-house Design and production team has experience of more than 5 years in this line of business.



Market Size and Relevance

The Footwear market in India was valued at USD 9.36 billion in 2020. Footwear demand is projected to exhibit strong growth with a CAGR of 8% reaching USD 13.75 billion by 2025.

Formal leather shoes are a common product for every office going professional and durability of any such footwear is 1 to 1.5 years and they again have to have it and they also have some designs for party wear formal shoes, daily wear leather sandals, etc., therefore, there is a Continuous demand for this product.



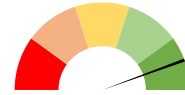
Entry Barrier for New Entrants

The entry barrier for the Leather footwear industry is not much but Marketing King has attained certain economies of scale at which it is very difficult for new entrants to provide such a product at this price.



Business Model

The company primarily has only one source of revenue i.e. company owned company operated website (D2C), However, they are keen to grow our scale our business by thriving to the E-commerce giants like - Amazon, Flipkart, Myntra, etc.



Domestic Scalability

The company's revenue is currently coming from its own online Webstore which has a limited Audience at this time, so by utilizing the space of the E-commerce giants like Amazon, Flipkart, etc. it can scale its business by selling its products on multiple folds from now. Also, they can go with Offline stores and people can accept it for its catchy price of just Rs. 999.



International Scalability

While utilizing the Amazon warehousing fulfillment center it can have a supply and distribution over most of the countries wherever the Amazon FBA services are available.



Profit Margins

It has a gross profit margin of 50%.



Profitability Outlook

They are currently operating at 50% of its capacity which is costing them on the higher side. However, once they increase their capacity and widen their Audience, they can increase their profitability by achieving economies of scale in production, increasing no. of customers, etc.



Paying Customers

It has many paying customers across the country, they are one of the growing brands with a high customer satisfaction rating of 4.4 out of 5 on its website. they are serving around 15 thousand orders per month.



Burn Rate

They are currently burning in totality but the majority of its burn is covered by its revenues. The average net monthly burn is coming at Rs 2,55,545 for 2022-23.



Monthly Run Rate

The avg. monthly Run Rate (2022-23) of Marketing King is INR 92,61,250.



Industry Growth Prospects

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Exit Options for Investors

The team is planning to raise funds in multiple subsequent rounds, each round will be with increased valuation and a better growth trajectory. Investors can exit in the next round through discounting or may hold the equity till IPO or Acquisition.



Acquisition/Next Funding Outlook

This is a consumer-tech industry, which is an attractive investment for any VC, some of the big investment firms have created a reserved fund for consumer-tech as there are tensions going on between countries for which every nation wants to be self-reliant. To fuel the next growth engine, Marketing King would raise the next round of funds in 12-18 months with an aim to scale their business in the existing Indian Market and enter the Global market.



Overall Risk

Overall Risk is Moderate to low because they provide an excellent budget-friendly product that is commonly used by every man. Positive scope of growth and sustainability. One of the risks would be a Lockdown where the demand for everything other than food becomes zero.



Overall Rating

In my opinion, Marketing King is a good investment after careful analysis of all the aspects. This start-up will grow at a fast pace in the coming future. The scope of Industry would increase with the years.



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