Ugg Australia™ And India

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The new advancements in travel and communication have made the world a global village. Many nations that are far apart can now engage in global businesses. For instance, Ugg Australia, which is one of the largest footwear companies in the country, has made a move to look for a market niche in India. India provided all the requirements that Ugg Australia wanted for its establishment in the region. India's political, cultural, technological, legal, social and economic environments were fit for the company's establishment. It was also crucial for Ugg Australia to set a base in India as one way to conquer the entire continent of Asia. With good marketing strategies, Ugg Australia can be the next big thing in Asia.

1.0 Background Of Ugg Australia™ And India

Ugg footwear Australia's history is connected to the Australian culture of people using heavy sheepskin shoes for their farming and other activities. Originally, the boots were used by individuals who used to surf at sea to keep them warm after staying long at sea. (Larkin, 2010). In the 1970s, Brian Smith, who was a surfer from Australia, visited the United States, bringing the Ugg with him. Upon seeing how they were liked and demanded by the citizens of California, he decided to start selling them. Later, in 1978, Smith registered his company. (Larkin, 2010). Around 150,000 skins are processed per year, producing around 50,000 pairs of Ugg boots per year. Each pair of sheepskin boots is sold at around $78, which is approximately $4 million in annual revenue. (Johnson, 2015). In 1995, Brian Smith sold the company's rights to Deckers Outdoor Corporation at the cost of $15 million. Decker grew the company into a global brand, which was later recognized in 2003 (Bhasin, 2014). For the fiscal year ended March 31, 2026, Deckers Outdoor Corporation reported total net sales of approximately $5.472 billion, including about $2.739 billion in net sales from the UGG brand. The good quality of footwear that the company makes has made it accepted internationally, and for this reason, UGG Australia has a higher chance of penetrating the Indian market.

India is one of the largest nations in South Asia, with 28 states independent of the national government. The total population of India contributes to approximately one-sixth of the world's entire population of over 1.2 billion people (Stein, 2010). India's nominal GDP is estimated at $2.7 trillion, making it 7th in the world and per capita of $ 1,990. Apart from the large population, the nation attracts an average of 8.9 million annually, making it the best market for UGG Australia products (Stein, 2010).

2.0 Environmental Variables In India

2.1 Political Environment

India has a democratic government that controls almost all the country's business affairs, with 28 states and seven territories. The central government is comprised of three branches: Legislative, Executive and the Judiciary ("India," 2015). Any political shift in the country has a significant impact on the business community. For instance, in 1980, IBM left India due to the strict policies (Stein, 2010). All the businesses in the nation have to adhere to the policies that have been set by the government. The Indian National Congress has a core objective of t reducing the levels of poverty in the region. Due to this, they are encouraging businesses in the country (Rao, 2015). The current India National Congress, which was at the forefront during India's fight for independence, supports investors and partnerships between the private and public sectors (Rao, 2015).

In the previous years, the Indian government has made numerous changes in different policies that govern business activities in the country. The most important was the abolishment of controls on foreign exchange and the encouragement of foreign direct investment ("foreign direct investment in India, 2012"). The move has attracted many international corporations to the country. Also, the political stability in the country is a key factor that has promoted economic growth over the past years. Although the political system in the country has some weaknesses, it has tried to be honest, efficient and dynamic to compete internationally with other economies that are doing well (Rao, 2015)

2.2 Economic Environment

According to the Central Statistics Organization (CSO) and the International Monetary Fund (IMF), India is one of the fastest-developing economies in the world. Between 2017 and 2018, India's gross domestic product (GDP) increased by 6.6%, and the value is likely to increase by 7.3% in the following year (Dubey & Tiwari, 2018). Most of the revenue is from tax collection, which is done by the central government and the state government. Between 2015 and 2016, the total tax collection amounted to $220 billion (Dubey & Tiwari, 2018). There was also an increase in the amount of direct taxes collected in April 2017 – February 2018 by 19.5%. Statistics that were carried out by the Ministry of Statistics and Programme Implementation indicated that India's annual inflation was 3.8% in 2015, which was a decrease of 5.8% in 2011. The Wholesale Price Index of all the items is used to measure inflation in India (Paul & Ramachandran, 2016).

The country has two major stock markets, the National Stock Exchange and the Bombay Stock Exchange, with 1,200 and 4,700 listed companies, respectively. Trading in these markets is always carried out through the open electronic limit order book, whereby a trading computer is used to match the orders (Prashant, 2014). India's stock market primarily uses Nifty and Sensex as its main indexes. The Securities & Exchange Board of India (SEBI), which was established in 1992, controls and supervises the country's stock markets. The body formulates policies that match the existing market policies (Lazar & Jose, 2010). India's personal consumption is about 60% of the GDP, meaning that consumer confidence has a significant influence on the economy.

2.3 Social Environment

India has a population of 1.2 billion people, which is made up of consumers, investors, employees, and the local community, who have a retirement of 60 years for men and women. The country is divided into three classes of people: the upper class, which is the most powerful, and the middle and lower class, which is many in number. They always decide on what should be done (Dhamija & Bhide, 2011). With India's high population, the percentage of wealthy people is small compared to the poor. Many individuals have an average annual income of $9,300 (Pathak & Mishra, 2015).

Both the private and public sectors provide education in India, and there is a mandatory constitutional rule for all children between the ages of 6 and 14 to join school. In 2011, the level of literacy in the country was 74% (Gautam, Tiwari, Singh & Arya, 2016). The nation is divided into many social groups and gangs, such as the Caste gang. As the population continues growing, the number of drug addicts is also increasing, and it's estimated to be at 3 million (Gupta, 2014).

2.4 Cultural Environment

Indians mostly use three languages: Bengali, Hindi, and Urdu. The country has $68 billion in domestic markets for both footwear and clothing, with four large fashion industries (Kalman, 2011). Most of the information is received from Facebook, YouTube, and WhatsApp, with an estimated 168 million users in 2016. Also, the use of television and radio in advertisements has a large audience in India (Barat, 2017). The entertainment industry in India is one of the largest sectors in the country, with each city having social halls that hold concerts and other performances. Attendance is always high, mostly when it's an Indian form of entertainment, such as classical Indian music and movies (Barat, 2017). The local artists and culture are more welcome and appreciated than foreign cultures. There are almost 72 famous Indian artists who receive an overwhelming audience (Barat, 2017).

2.5 Technological Environment

In many cases, the growth of any business is dependent on the levels of technology, the dynamic nature of the technologies and the kind of technologies available. For many years, the Indians have been reluctant to adopt the new form of technology, and this has led to a tremendous economic downfall (Anttiroiko, Bailey & Valkama, 2011). However, after the globalization and liberalization of India, the country started making significant advancements in technology. Globalization also paved the way for the abolishment of all restrictions that hindered innovations (Anttiroiko, Bailey & Valkama, 2011). The duty levied on imported technology has been reduced. The nation has a mandatory requirement that all inventions be patented to avoid the misuse of rights and to control pricing (Anttiroiko, Bailey & Valkama, 2011). India has also started producing its own high-tech innovations, such as edible spoons (Sreekumar, 2011).

The government funds some of the inventions in the country, but the India Innovation Fund, which is a registered body, invests in the early stages of the inventions. Mrs Pratibha made a declaration in 2012 that the decade was a “Decade of Innovation” (Nation Innovation Council, 2010). Several strategies, such as the formulation of conducive policies, were put in place to ensure that the objective is achieved. The main reason why the government is using a lot of funds to support innovations is that they believe that innovation is the base of entrepreneurial activities that will, in turn, boost the economy spoons (Sreekumar, 2011).

3.0 Conclusion

Although India has some setbacks, the country is a ready market for UGG Australia. The cultural environment creates the best niche for the trendy and classic footwear that UGG Australia provides. As pointed out earlier, for any business to be successful, the government must have favourable terms that support international industries. The Indian government encourages foreign investors to invest in the nation, making it easy for UGG Australia to establish itself. India also provides a possible customer base of 1.2 billion. With good advertisement and the right market strategies, the company can acquire millions of clients in the country. Finally, it is clear that India is the best market for UGG Australia if it wants to take over the whole of Asia.

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