

Why the industry will be completely different five years from now

The chief executive of Spanish footwear group Hergar, Basilio García, has said the footwear industry will look very different five years from now.

In a recent conversation with specialist media in Spain, Mr García, who is also a vice-president of industry association FICE, said that the main protagonists in the footwear supply chain used to be the retailers but are now the consumers and that this changes everything.

He explained that in the 1980s and 1990s, the “kings” of footwear were the retailers, and that controlling distribution of the finished product then was even more important than controlling production. “Now the consumer is king,” he said, “and the rest of us are at the service of consumers and have to bring our offerings to them.” Increasingly, though, competitors all over the world are able to offer their collections to the same consumers, through multiple channels.

Basilio García said he believes the way forward is to take a leaf out of fast fashion’s book and run a production set-up that allows companies to design, make and launch shoe collections, not by season, but at the time and in the quantities that the market demands.

Online sales can work for smaller companies too, Bells Shoes says

Bells Shoes, a small, family-run footwear business based in the market town of Buxton believes it represents proof that the phenomenon of online shoe shopping can be good news for companies of its size.

Online shopping is booming across most of the world. In Bells Shoes' home market, shoppers are predicted to spend £60 billion online in 2016 according to retail research organisations. To be able to make an impression on this market, Bells works with delivery partner CollectPlus, which allows online buyers to pick up their shoes at a time that suits them from a network of 5,800 small local shops or petrol stations. They can also use CollectPlus to return goods if they change their minds about buying them.

Louissa Wragg, who runs the company's website, has told footwearbiz that in 2007, Bells Shoes' first year of selling footwear on the internet, the company dispatched 2,000 pairs. By 2015, this had increased to 23,000 pairs for the year. Ms Wragg made it clear that the partnership with CollectPlus has played "a crucial role" in helping her company achieve this growth of more than 1000%.

Skechers to increase presence in India

US footwear brand Skechers plans to double the number of stores it operates in India, according to a company official.

“This year we plan to add 50 stores, taking out count to 100,” Skechers South Asia CEO Rahul Vira told local media. “We plan to have a healthy mix of own stores and franchise-owned (stores) and going forward the (number of) franchise business would be slightly on the higher side,” he added.

The company, which already sells footwear in the country, also intends to launch its apparel and accessories collection in the country next year.

“We are evaluating apparel and accessories and hopefully we should be able to bring these product lines soon for our customers, probably next year,” Mr Vira said.

According to Mr Vira, the setting up of a manufacturing unit in India is in the Skechers “mid- to long-term plan” with a target of “three to five years” should the company continue to see success in this market.

Record exhibitors expected at Asia Outdoor

A record number of exhibitors are expected at Nanjing-based Asia Outdoor 2016 in June.

So far, 410 exhibitors have signed up, an increase of about 13% on the same period last year.

The second Outdoor China Summit will take place on the day before the show (June 29), hosted by the Chinese Outdoor Association.

Richard Li, project director of Asia Outdoor, said: “Especially in tough market conditions, it is key to align all players in the market to share and exchange information and build trustful cooperation and partnerships.”

Paraguayan prisoners set up leather goods factory

Twenty-five people detained in a penitentiary in Paraguay have been given the go-ahead by the country's ministry of justice to operate a small leather goods and footwear factory inside Tacumbú prison in Asunción.

Justice minister, Sheila Abed, formally opened the facility at the start of August, saying it was a welcome part of a wider programme of prisoner rehabilitation. She said offering prisoners the chance to work would help them become part of society again and would also serve to "humanise prisons".

The government has provided machinery and materials.

China: analysts warn of slowest growth in shoe sales in years

Footwear and clothing sales for the month of March 2016 in the domestic market in China grew by 4% year on year. Analysts said this was lowest growth rate for shoe and apparel sales in recent years; the rate in January and February this year was 8%.

However, online sales in this category achieved an annual growth rate of 30% in March.

Shoes even faster than apparel in fast fashion

As a result of the way the volume footwear market is changing today, fast-fashion-focused retailers and brands are now bringing new footwear collections to mass market more quickly than they are able to change their clothing collections.

This comment came from Bernadette Kissane, from market research organisation Euromonitor, in a talk she gave at the Expo Riva Schuh exhibition, which focuses on the volume market, in mid-January. This, the eighty-fifth edition of the event, attracted 1,408 exhibitors, 1,097 of them from outside host country, Italy.

Dongguan's days of footwear domination may be numbered

Reports from China suggest Dongguan's days of being the shoe capital of the world are in doubt owing to rising labour costs.

A recent report from the China Leather Industry Association (CLIA) says that, 10% of all the shoes made in the world used to be produced in and around the city of Dongguan, giving the area an annual output of close to 2 billion pairs.

However, CLIA says production companies have begun to move away from the area owing to higher labour costs and a downturn in orders. It has pointed out that orders from mainstream retailers have declined as more consumers have begun to buy shoes online. According to CLIA, this has led to companies producing in other parts of China and even in other Asian countries and also to large manufacturing groups fracturing in an attempt to respond better to online demand as smaller, leaner producers.

Rising labour costs have had a big impact too. CLIA's figures suggest that an average monthly salary for shoe factory workers has risen from around \$160 per month in 2008 to three or even four times that amount now.

CTCR promises footwear breakthrough from milk waste

CTCR, the dedicated footwear technology centre in the Spanish region of La Rioja, has launched a new project called Lactishoe with the aim of developing new value-add applications for footwear using microencapsulated lactic acid.

Officials at the centre said on launching the project that they expect enhanced skin health as the main benefit to wearers of the shoes thanks to the rejuvenating and moisturising properties of lactic acid. If the idea works, people wearing the shoes should find their skin becomes softer and more supple.

Technologists at CTCR plan to develop a new hybrid fermentation process to extract lactic acid with particularly high levels of purity and performance from whey. After microencapsulation, the idea is to put the lactic acid into the soles and linings of shoes. "Whey has never been used in the footwear industry before," the centre said. "It's a waste material and we believe this represents an important innovation in the footwear sector, one that has an important environmental benefit."

CTCR, situated in the footwear manufacturing hub of Arnedo, is currently engaged with shoe companies in 29 different innovation projects and has been involved in more than 150 projects in all since its inception in 2007. The partners it will work on for Lactishoe are safety footwear manufacturer Garmaryga and insole specialist Arneplant, both local companies.

Stahl will partner tanners at shoes and leathersgoods Centre of Excellence

Chemicals manufacturer Stahl has opened a Centre of Excellence focused on shoes and leathersgoods in Castelfranco di Sotto, Italy.

“It will enable us to meet the needs of the fashion industry as well as those of leathersgoods tanneries. We can provide tailor-made solutions for the entire production process from raw hides to finish and aftercare,” said Alberto Cantone, a general manager for Stahl in Italy.

Stahl aims to develop technologies and create customised solutions based on the needs of clients.

Mr Cantone added: “By working close together with our partners, we can combine our strengths and create high-end leather goods processed with our chemicals.”

INDIAN ONLINE RETAIL

NEW DELHI: The Indian online retail industry is set to grow at a robust pace by 2020 as the number of online shoppers will jump three times to 175 million shoppers by then, a latest study conducted by Google and A.T. Kearney said.

The study says that the top one-third of the customers or the 60 million of the 175 million shoppers in 2020 will be "high-value customers" and that segment will "drive two-thirds of the total spend. Women buyers will also double their share in the online spends to about 40% in 2020."

Some factors including being able to choose their delivery time, picking up shipment without divulging personal details are things which are expected to increase spend across categories, the survey said. The survey conducted on more than 3,000 respondents further reported that, "one in four women respondents said they will start shopping online if e-tailers also have an offline presence," giving further credence to the Omni-channel retail.

The survey found that men typically purchase consumer electronics, lifestyle and books and media while women prefer lifestyle, consumer electronics and personal care products more.

On the supply side, the online sellers will have to grow by five times in order to cater to the expected surge in demand in the next four years, the study found. Recently an introduced government rule that mandates marketplaces with foreign investments to cap sales originating from a single seller to 25% will spur e-tailer's to diversify their seller base. However, this must include education and awareness on the part of the seller about the benefits of going online and financing, the Google-AT Kearney report said. "Back-end operations and delays in settlement of cash payments" are among the other points of contention which might discourage sellers from going online and which need to be addressed as soon as possible, it said.

By K V L Akshay

SATRA membership hits an eight-year high

The number of companies around the world taking up formal membership of research and testing organisation SATRA rose to an eight-year high in 2015, including a 3% increase on the previous year.

Chief executive, Austin Simmons, said on announcing the figures: “The recession in 2007 saw many of our members experience significant difficulties and a number even went out of business. Since then our membership has gradually recovered, increasing year on year. During 2015 we had, numerically and financially, the best year we have had for members for almost ten years.”

SATRA members comprise material and component suppliers, distributors, sourcing companies, retailers and end users, as well as manufacturers throughout the footwear and leathers goods supply chain. More than one-quarter of SATRA members today are from China or a neighbouring country.

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