



CREDIT: IILF

Women and children first

In total contrast to the markets in North America and Europe, footwear sales in India are mostly in the men's sector. For makers of women's shoes, the Indian market has always been tough, but change is on the horizon.

The population of India is 1.1 billion people, just under half of whom are female. The middle-class, as we hear every day, is expanding rapidly, but still—for most Indian families—the main reason for this under-investment in feminine footwear is cost.

"It's always been a challenge to sell women's shoes here," says Indereshwar Singh Paul, managing director of Chennai-based manufacturer Drish Shoes. "In India the woman is normally

the boss, but that stops short of deciding that she can spend a substantial proportion of the family budget on shoes for herself."

On the retail side, Gopalakrishnan Sankar, chief executive of the newly-founded Reliance Footwear, agrees. The bulk of budgets for footwear goes on shoes for the man of the house, with women and children dividing up what's left.

"Women are getting a raw deal," he says, "but this will change. When more women work they will have more clout and they will spend more on shoes for themselves." He explains that it is a central plank of his company's strategy (see separate article in this issue) to do "something

serious" for women.

While it's true that, for now, Reliance's flagship Footprint shops have more men's shoes in stock than women's, it is the women's lines that receive most prominence. They are the first products that customers see when they come through the doors of the stores that have opened so far.

To say the least, this is unusual for India, but Mr Sankar believes it's already paying off. "In our Bangalore store we are already selling 50% more women's than men's shoes," he explains. "There are a lot of young women there. It's in quite an affluent area with a high proportion of working women."

"A lot of these young women in



Reliance Footwear is devoting prime space in its flagship Footprint stores to women's shoes. The company says that promoting shoe-shopping among Indian women is a central plank of its strategy. CREDIT: RELIANCE FOOTWEAR

Bangalore have told me that this is what they have been waiting for; we're offering them the choice and giving them the priority they wanted."

Reasons he offers for the slower development of the women's footwear market in India include the fact that sandals rather than shoes are part of traditional dress. But as people travel more and become increasingly influenced by the media they are certain to take what he calls "a more western approach" to dress.

On the question of cost, he makes it clear that Reliance hopes to use its muscle (it's the biggest private-sector organisation in the land) to make attractive brands available to its footwear customers.

"We want to challenge mono-brand stores," he says. "We are trying to work out a way of giving customers the same shoes as they would find by visiting a whole range of mono-brand

stores, but with a price-advantage, even though we're not a discount chain. We know it's not going to be easy, but we'll find a way."

He suggests that exports of Indian-manufactured footwear are coming under pressure because of the high value of the rupee, which strengthened by 12% against the US dollar in the course of 2007. This may persuade some producers to take the domestic market more seriously than they have in the past. The more product-options footwear manufacturers make available to Indian customers, the more "meaningful and important" the domestic market will become for them.

Indereshwar Singh Paul insists that there is more to this argument than merely a question of fashion choices. He says Indian women need proper, comfortable shoes because they spend the entire day on their feet. It's

a health matter.

The same question, applied to children's shoes, is even more critical, he argues. And for manufacturers like him, there is a very tricky balancing act to strike. He can make the shoes, but the Indian public needs to be willing to pay the going rate.

"We cannot make good-quality children's shoes for less than \$8 or \$10 a pair," he says, "so a change in mentality and a change in pricing are required. The children of India need better shoes for health reasons, otherwise they will have problems in later life with osteoarthritis, or a whole host of other medical conditions."

He agrees that the change in mentality he refers to has already begun to happen in the women's footwear arena. Until 2004, he says there was no way a woman in an ordinary Indian family would pay as much as \$25 for a pair of shoes. This

“...the importance of correct fitting...”



Normal foot of a 6-month-old child / Elderly foot damaged by footwear.

FEET FOR LIFE

Feet are essential for mobility, so well-made and correctly fitting shoes are vital for children because any harm done in the early years when the foot is still developing can lead to serious complications in later life. A child's foot is not a just small version of an adult's as it is structurally and functionally different, making constant changes to the effects from the developing skeleton with its constant postural changes. Young children's feet are also composed of varying amounts of relatively soft hyaline cartilage which is particularly easily deformed so, the correct type of footwear for each stage of development, is therefore extremely important. The images show just what can happen after years of wearing ill-fitting footwear.

While women's and men's shoes can be sold in the same retail outlet, children's shoes ideally need to be handled by specialist retailers with a staff trained to know how to advise the customer on the right shoes to suit the age of the child and to then make sure they fit correctly. This costs money. Making the shoes in the best way to encourage foot health is also relatively more expensive than just producing small size versions of adult fashions as there are essential design and structural features that must be incorporated. Children also have a habit of growing up faster than parents might like and needing regular and expensive new shoes. So, while Indian fathers are well-known for indulging their children in many ways, will they be prepared to forego those extra pairs of shoes for themselves in order to satisfy the needs not only of their wives but, more importantly, their children?

is no longer the case, Mr Paul insists; now you can easily see women in most big Indian cities paying twice that for shoes that they like.

Drish Shoes—which has European brands such as Manas and Fortune in Germany among its customers—has no intention of casting aside its commitment to keeping shoes affordable. For example, it carries out some of its manufacturing in the north-western state of Himlal Pradesh where the tax and excise regimes are more favourable for manufacturers. This, however, is only a supplement to its activity in Chennai, which Mr Paul says is the main area for footwear manufacturing in India.

His company and others like it believe they are beginning to convince the Indian public that spending money on good shoes for children is an important investment, and Mr Paul has a very clear idea on what footwear producers, retailers and the authorities must do to drive the message home. “It is by convincing the mother that we will make the breakthrough with children's shoes,” he says.

As the pace of change picks up in the coming years, it seems certain that shoe-shopping in India will receive a serious boost. Gopalakrishnan Sankar is realistic enough to realise that other retail groups are likely to emulate

what Reliance has done and try to claim a piece of this action. Wal-Mart, Tesco and Carrefour are all keen to make an impression on the country's footwear market. This too will be good news for the consumer, although Mr Sankar makes it clear that Reliance Footwear is keen to hold onto its early-mover advantage.

“They will come, but those companies are two years away from being a meaningful threat to us,” says the chief executive. “And we will have gone a long way by the time they do arrive.” His company's focus on women's and children's shoes looks like being an important contributor to its progress. 