

A recent survey showed that around 25% of footwear sales now take place out of season in Italy.

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Off-season is off the agenda

The footwear industry is an incredibly competitive one, with manufacturers battling for business against other producers in their regions as well as with overseas shoemakers. In recent years, price has been one of the defining market factors, with countries, particularly in Asia, looking to produce the cheapest shoes possible to appeal to the low-end mass market.

At the other end of the scale, quality is the biggest issue. The top-of-the-range manufacturers are always on the lookout for the best leathers and components and the most skilled craftsmen to give them the edge. Nevertheless, it seems a new pattern is emerging, one that could significantly change the supply and demand balance, and that is the blurring of seasons and the disappearance of the traditional 'off-season' for shoes.

Shift in demand

According to a recent study conducted by research group Area Studi Diomedea on behalf of shoe fair Expo Riva Schuh, the Italian shoe sector has certainly been experiencing this shift. As we have already seen in the textile and apparel arena, the fast fashion philosophy now seems to have become a reality for many shoe manufacturers. Retailers don't want to wait until the next spring-summer range is out, or until the latest winter boots are available; they want new styles and they want them now.

The research, entitled 'Footwear goes at double the speed: the footwear sector and quick producers', shows that an increasing amount of production is now taking place outside the traditional spring-summer and autumn-winter seasons. Manufacturers can choose

“...as a matter of fact...”

Footwear production fell 12.1% in volume in 2009 to 198 million pairs, while production value fell 11.6% to €6.5 billion.

Bearing in mind the sector exports 80% of the footwear it produces, the export figures were also fairly negative. Compared with a rise of 0.5% in 2008, when times were already tough, 2009 exports fell 13.3% in volume and 15.9% in value last year. In percentage terms, this is the biggest fall since 1980. Figures show 192.3 million pairs were exported in 2009 with a value of €5.8 billion.

However, the National Association of Italian Footwear Manufacturers (ANCI) has suggested the situation may be starting to improve.

“Whilst it is not yet possible to talk about a proper recovery, there are already some positive signals,” the association said when delivering the figures.

Its preliminary data for March shows that total leather sector exports, including finished footwear and shoe parts, finished leather and leathersgoods have risen 22.9% in value of export compared with the corresponding month in 2009.

ANCI chairman, Vito Artioli, partly attributed the recent decline in shoe exports to “biased competition conditions”. “It is time to enhance the features that set our products and companies apart from the rest,” he said.

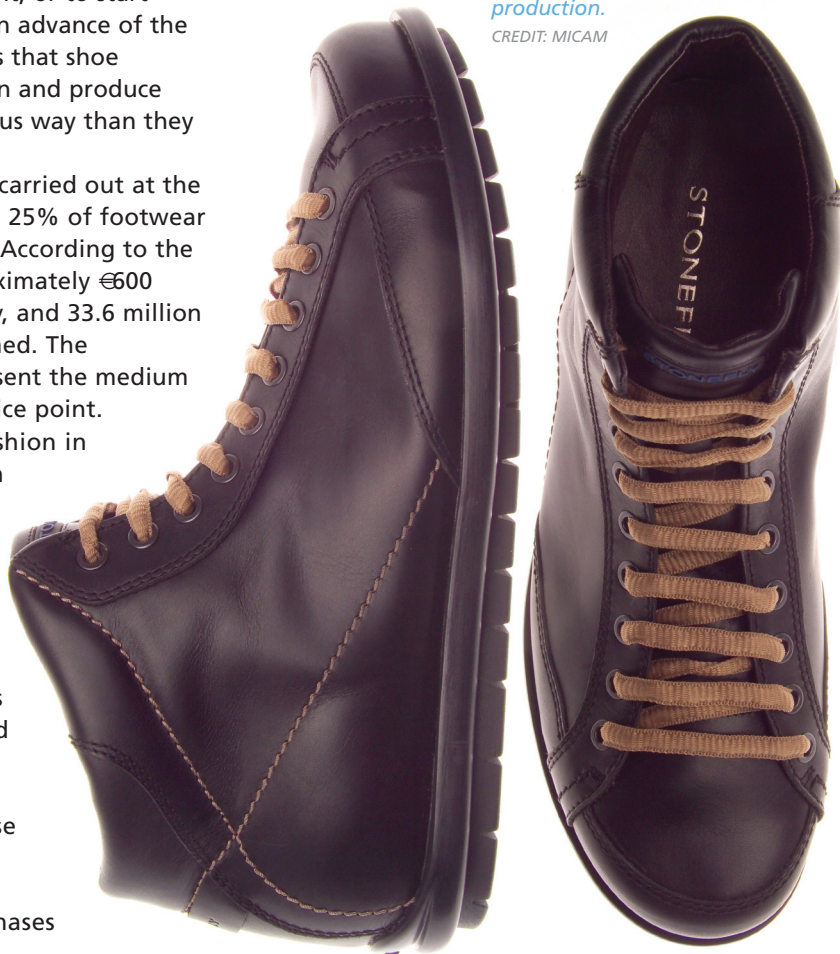
whether to produce a seasonal range and then extend it beyond the traditional cut-off point, or to start producing for the next season way in advance of the usual schedules. The impact of this is that shoe companies are having to plan, design and produce collections in a much more continuous way than they have done in the past.

The figures, derived from surveys carried out at the last Riva event, showed that around 25% of footwear sales now take place out of season. According to the researchers, this accounts for approximately €600 million, or 8% of retail sales, in Italy, and 33.6 million pairs, or 17% of the volume consumed. The companies surveyed primarily represent the medium price point and the mid to lower price point.

“A logic similar to that of fast fashion in clothing is also establishing itself in the footwear sector,” explains Enrico Cietta, research coordinator and manager at Area Studi Diomedea. “This is quick production; in other words a strategy with delayed creative timescales, because mini-collections are presented later, and accelerated production timescales, with a turnaround time of 30 to 60 days maximum. The combination of these two processes allows producers to correct their collections and distributors to integrate their purchases with the latest market trends.”

The fast-fashion philosophy seems to be extending from clothing into footwear production.

CREDIT: MICAM



Managing the risk

According to Mr Cietta, international chains such as Zara and H&M, along with some of the smaller Italian brands including Patrizia Pepe, Pinko and Liu Jo are adopting a fast-fashion approach for their footwear ranges. However, he claims there are two important differences compared with clothing production. The first is that shoe manufacture tends to be much more complex compared with producing a basic item of clothing. Second, companies have a choice as to whether they want to pre-plan extended production processes that will need to survive beyond the normal end of season, or whether they will endeavour to respond ultra quickly to new fashion trends and produce the latest looks in a shorter space of time. Both methods can create anxiety for the manufacturer as each is accompanied by a certain level of risk.

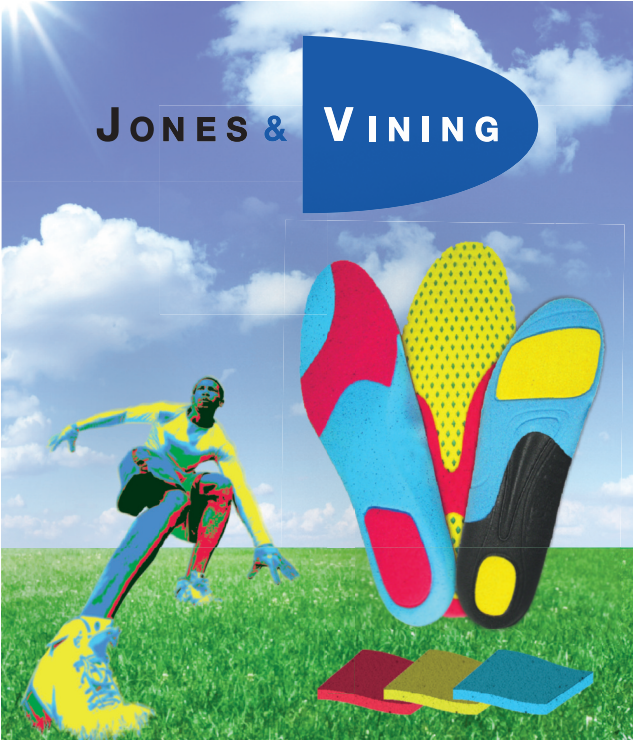
Manager of Expo Riva Schuh, Brigitta Bancher, says this shift in timescales has changed the way buyers behave when they visit the fair. Until recently, companies would visit the January and July shows to preview the collections, place orders and obtain samples. But now buyers still seem to be making inquiries about collections they saw at the previous show and around 35% are opting to make past-season purchases rather than looking forward to future seasons. According to the survey, around 46% of attendees are expressing an interest in brands that can work to short production timelines.

Around 77% of survey respondents believe the trend for delayed purchases in the form of mini collections has grown over the last five years and 88% predict this purchase method will increase over the next five years. One of the positives here for manufacturers is that the shelf life of the product can be prolonged, which can create cost savings as well as simplifying production processes and reducing risk factors.

Giovanni Laezza, director of Riva del Garda Fierecongressi, explains. "Quick production is ... a way of lengthening the life of a creative investment because, while it is true that design is restyled several times, what is proposed at the tail end of the season is then picked up on in the following season," he says. "The models that belong to the final summer 2010 mini-collection, in fact, can also be represented in the main spring-summer 2011 collection."

High-fashion ladies' shoe firm Alfiere, based in the country's famous Le Marche leather and footwear hub, says it has definitely noticed an increase in the amount of off-season footwear production. Although it hasn't yet adopted this method itself, it has not entirely ruled it out. "Our company is still experiencing 'off-seasons' but we know the market has changed because retailers need quick turnover and fashion is very fast," says the company's chief executive, Claudio Sagripanti. It seems Italian shoe manufacturers will need to at least consider rethinking their approach to seasons if they are to stay in tune with shifting buyer demand. 🌐





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