CBI
Ministry of Foreign Affairs

# CBI Product Factsheet:

# Fashion Footwear in Europe

The fashion footwear segment is very interesting if you are capable, as a developing country exporter, of identifying interesting new (high-)fashion trends and converting them into saleable footwear products for mid-market and lower-end buyers. It is important to realise that this market often involves very specific requirements. regarding materials, colours or design details, for instance. Also bear in mind that while hot trends can lead to sudden volume peaks, they can also disappear very quickly, increasing the risk in this business. Here are some pointers toward success in this market:

1. Look out constantly for emerging fashion trends and respond to them quickly and with maximum flexibility in terms of volumes, materials et cetera;
2. Develop your own creativity and design skills to introduce new trends and to inspire buyers with fresh, distinctive products and techniques;
3. Invest seriously and consistently in research and development in order to gain credit with buyers;
4. While Germany offers the largest and most stable market for all footwear, other European countries, such as France, Spain or Italy offer exciting opportunities if you are willing to explore and take more risk.

## Introduction

### High-end, mid-market and low-end fashion

The fashion footwear market spans all of the price segments in footwear. Usually, fashion trends start in the high-fashion segment, with leading brands such as Prada or Dior producing new models at prices ranging from €500 to, say, €1,000. These trends are then tapped into by upper mid-market players, such as Stuart Weizman. Soon after that, popular lower-end fashion players follow, such as Zara, H&M or Primark. To give an example: a high-end brand may introduce an exclusive, all-bamboo shoe. The mid-market will then develop lookalikes with bamboo components. Then the popular lower-end footwear market will be flooded with shoes in which bamboo is used in different - sometimes innovative, but less trend-setting – ways.

### Men's  and women's footwear

Apart from segmentation by market/price level, the fashion footwear market can also be divided into men's and women's footwear. We can divide these groups into the following categories:

**Women's**
Women's shoes cemented;
Women's slippers;
Women's sports;
Women's boots;
Women's espadrilles;
Women's high heels.

**Men's**
Cemented casual;
Cemented sports;
Classic leather dress shoes.

## Product definitions

### General

Fashion footwear comes in a vast range of models and materials, with women's footwear clearly leading the way in diversity and extravagance. As trends come and go, basic models are constantly adapted, with the focus shifting from one aspect to the next all the time. It is important in looking at this segment to recognise the distinction between high fashion footwear and the mid- and lower-market fashion segments. The main difference is that high fashion always represents a new trend offering its products a unique character: novelty and experimenting are key words in high fashion. These high fashion products usually spill over into the mainstream market, but mainstream fashion is less experimental and distinctive. New footwear trends can be set off by minor incidents – such as a celebrity photographed in some hitherto unfashionable footwear. Trends frequently clash with or disrupt current tastes, as in the example of the sudden comeback in Europe of à la mode polyurethane (PU) boots, or Wellingtons, in a market dominated by breathable footwear. Sometimes, fashion results from model merging, as in the example of Nike's Sneakerboots for women, which combine an innovative fashionability with a sporty look and all-weather functionality, thus introducing a new, experimental model in fashion footwear. This shows you that fashion footwear is not just a matter of materials, colours and designs, but also of the merging of styles.

## Women’s fashion footwear

Mainstream women’s footwear is obviously fashion-sensitive, with its range of basic models that recur each season in a new variation. However, these mainstream footwear products do not belong in the high fashion segment, which is characterised by unique, new designs and characters, often rich in colour and featuring a surprising variety of materials and details. Typically, high fashion trends appear and disappear at a very high pace. Check the images on these pages for up-to-date examples.

## Men’s fashion footwear

Compared to the women’s segment, men’s fashion footwear is considerably more conservative. In men’s footwear, high fashion primarily means higher prices. Not that men’s footwear is unaffected by fashion trends, but the effects are far less pronounced. Like women’s fashion footwear, this segment also has its combinations of styles and categories. The old distinction between casual, sport and dress has faded, opening the floor to new fashion combinations. Check the images on these pages for up-to-date examples.

| **Fashion footwear category** | **Key characteristics** |
|---|---|
| Women’s | Huge diversity of models<br>Often rich in colour<br>Wide variety of materials and details<br>Fashion trends come and go at high speed |
| Men’s | New trends often begin in the higher price segment<br>More conservative use of colours than the women’s segment<br>Less experimental than the women’s segment |

### HS Codes

64042090 (footwear with outer soles of leather or composition leather and uppers of textile materials)
15201445 (rubber, plastic or leather outer soles)
64052010 (footwear with uppers of textile materials an outer soles of wood or cork)
15201446 (outer soles of other materials)
64052099 (footwear with uppers of textile materials an outer soles of other materials)
64041100 (sports footwear, incl. tennis, basketball, gym, training shoes & the like, outer soles of rubber or plastics & uppers of textile materials)
15202100 (sports footwear with rubber or plastic outer soles & textile uppers)

## Fashion footwear in pictures




*Above: fashion metal details (above left), the use of perforated leather and a pointed nose (above right), bright red lacquer (lower left) and a blend of sports and fashionability give these women's footwear products an experimental, high-fashion appeal.*


*Above: women's  boots with a distinctive shape and high-fashion details; colourful cross-model boots and wedge-heeled boot.*




*Above: these examples of high fashion in men's footwear illustrate the experimental nature of this segment. Clockwise from the top left: a dress shoe with a blue synthetic outsole, a dress shoe with a distinctly sporty-looking outsole, a dress shoe with an air outsole and a colourful dress shoe based on unusual materials, such as jute.*

**Tips:**

- High fashion brands tend to demand great flexibility (in terms of volumes and production techniques) as well as high service standards. If your company is geared to meeting such demands, this may be the right segment for you.
- If you want to keep in step with high fashion, or to convert high-fashion trends into mid- or lower-market variations, invest in knowledge of different production methods and techniques and experiment with them, as any new trend may require a new approach.
- Look for crossovers between footwear materials and styles that could represent a fresh product not seen before.

## Product specifications

### High production costs

High fashion is experimental by nature. This means production can be costly: special moulds have to be developed and low volumes mean high production costs. However, if a new model finds its way to the mainstream market, volumes go up and the cost price goes down. Typically, new high fashion models are first produced in Europe; if a breakthrough into the mainstream market occurs, production is then relocated to Asia.

### Materials and colours

Colour is often of the essence in high fashion footwear. The innovative character of high fashion often hinges on some combination of colours, quality and model that does not yet exist. The absence of examples can make production challenging and as a producer operating in this segment you have to realise that your buyers will not want to compromise on their vision.

### Shape and profile

In women's high fashion, in particular, developers and designers are constantly seeking new shapes and profiles to eclipse those of the previous season. It's all about being different!

**Production methods**

As fashionability transcends the requirements and wishes of producers, production methods vary widely in high fashion footwear. Each new development in production methods and techniques can result in a new trend – whether handcrafted boots from Italy or Wellingtons made in China.

## Pricing

Fashion footwear is available in all price segments. Below is a rough price indication per segment:

| Price range | Type of product |
|---|---|
| €0 to €60 | Low-end fashion footwear, low quality, high volumes |
| €50 to €200 | Mid-market fashion footwear, higher quality, relatively high volumes |
| €150 to €400 | Upper mid-market, high quality, lower volumes, high fashionability |
| €500 to €1,000 | Unique, trendsetting high-fashion produced by leading fashion brands |

**Tips:**

- Encourage your designers and developers to experiment. High fashion, by nature, is experimental, different, unique. As a producer, you have to dare to try and 'break the mould' in order to come up with novel ideas that may start a trend. For up-to-date fashion insights, see CBI's online Fashion Forecast.
- Watch the fashion shows and keep your eyes open for novelties in global footwear. You may recognise a trend before it has emerged.
- High fashion models usually trickle down into lower price segments over time. As a low-cost producer, you can tap into this opportunity by monitoring high fashion trends at shows and fairs and looking for ways to convert new trends into cheaper concepts.

# General footwear facts

## Labelling

All footwear sold in Europe is required to have labels offering information on the main materials used for the three main parts of the shoe: the upper, the lining and insock, and the outer sole. Each label must state – in words or pictograms prescribed by the EU Directive on this topic – whether the material is "leather", "coated leather", " textile" or "other".

### Made-in labelling

The European Commission is working on mandatory origin labelling (the 'made-in label') in Europe for all non-food products, including footwear. Until now, made-in labelling is optional, but some buyers already require made-in labelling from their suppliers. Others will be seeking to experiment with it in the coming years in anticipation of EU legislation. *Read more on footwear labelling requirements in the EU Export Helpdesk.*

## Packaging

The EU has general legislation on packaging and liability that applies to all goods marketed in the EU. Regarding footwear, there is an ongoing trend towards the reduction packaging materials and waste. A good example of this outside the high fashion segment is Puma's 'Clever Little Bag', a shoebox made with a minimum amount of cardboard (*see photo*).

## Buyer requirements

In addition to the legal requirements you will face as a developing country footwear exporter accessing the European market, you will also face specific buyer requirements. For a full overview of these requirements, please consult CBI's Market Information database at http://www.cbi.eu/market-information/footwear/buyer-requirements.

## Product safety

The European Commission's General Product Safety Directive (accessible via the EU Export Helpdesk) basically states that all products marketed in the EU must be safe to use. The Directive provides an overall framework for all specific legislation established for specific products and issues. This means that even if no specific legal requirements have been established for your product and its uses, the General Product Safety Directive still applies. In footwear, one important scheme to be aware of is the REACH scheme (Registration, Evaluation and Authorisation of Chemicals). Also, it is important to note that the use of some materials, such as PVC, in footwear is not allowed.

**Tips:**

- In order to get an idea of possible incompliances, check the RAPEX database used by EU Member States to exchange information on unsafe products,.
- Make sure you ask your buyer about specific safety requirements he may have. Some will be content with compliance with EU legislation, leaving you to find out for yourself what these requirements entail. Others may, for example, provide information on which specific substances are not allowed.

### Chemicals

The European Union has strict legislation on the use of chemicals in any product, including footwear. For a full overview of EU requirements in this field, please consult CBI's Market Information database at http://www.cbi.eu/market-information/footwear/buyer-requirements.

## Trade & Macro-Economic Statistics

### General Macro-Economic Statistics

Germany is the largest footwear market in the EU-28, because of its large population (80.5 million). Germans consumers accounted for footwear sales of € 131 per capita in 2013. Per capita consumption in the other leading EU countries was higher: Italy € 162, the UK € 157, France € 156 and Spain € 144 (Source: Eurostat).

| | 2009 | 2010 | 2011 | 2012 | 2013 | *2014* | *2015* | *2016* |
|---|---|---|---|---|---|---|---|---|
| France | -2.9 | 2.0 | 2.1 | 0.3 | 0.3 | *0.3* | *1.1* | *1.4* |
| Germany | -5.6 | 4.1 | 3.6 | 0.4 | 0.1 | *1.6* | *1.6* | *1.5* |
| Italy | -5.5 | 1.7 | 0.6 | -2.3 | -1.9 | *-0.2* | *0.7* | *1.4* |
| Spain | -3.8 | -0.2 | 0.1 | -1.6 | -1.2 | *1.3* | *1.8* | *2.5* |
| UK | -4.3 | 1.9 | 1.6 | 0.7 | 1.7 | *2.9* | *2.5* | *2.2* |

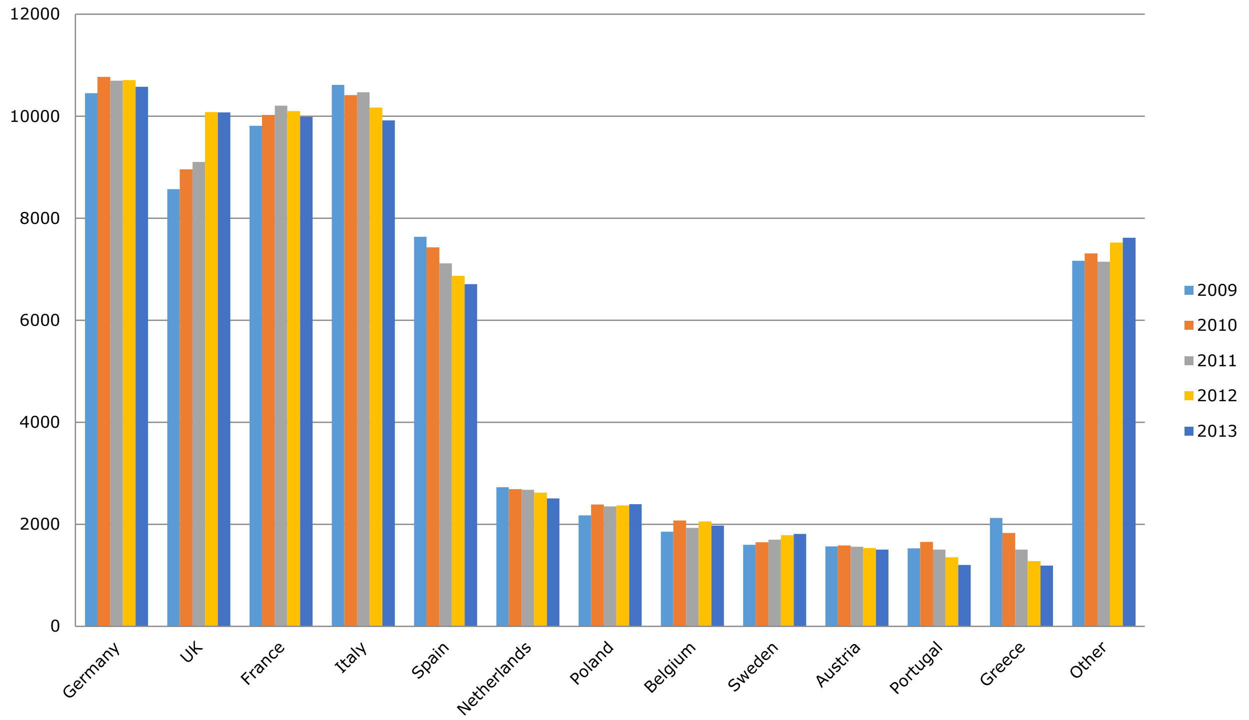
*Gross Domestic Product (GDP) annual growth rate in current prices, 2009-2016, based on 2014-2016 estimates (Source: Eurostat, 2014)*

| | 2009 | 2010 | 2011 | 2012 | 2013 | *2014* | *2015* | *2016* |
|---|---|---|---|---|---|---|---|---|
| France | 1,060 | 1,088 | 1,114 | 1,129 | 1,140 | *1,146* | *1,170* | *1,202* |
| Germany | 1,335 | 1,372 | 1,429 | 1,457 | 1,487 | *1,518* | *1,560* | *1,607* |
| Italy | 961 | 987 | 1,017 | 1,005 | 990 | *995* | *1,013* | *1,042* |
| Spain | 611 | 624 | 635 | 634 | 631 | *645* | *661* | *688* |
| UK | 911 | 956 | 992 | 1,026 | 1,065 | *1,110* | *1,160* | *1,211* |

*Total consumer expenditure in € billion (current prices), 2009-2016, based on 2014-2016 estimates (Source: Eurostat, 2014)*

### Sings of Renewed Growth

Economic uncertainty makes it difficult to predict the future of Europe's economy in general and its footwear market in particular. What is clear is that after a period of slight decline, the EU footwear market seems to be growing again since 2014. As EU footwear players look for ways to cut cost and innovate, new opportunities are emerging for developing country manufacturers.




*Footwear consumption in the top-12 EU countries, in € million (Source: Eurostat, Market Line, Euromonitor and trade estimates, 2014)*

## Import Statistics

Between 2009 and 2013, Germany was Europe's leading importer with an import share of 19% in terms of value. During the first nine months of 2014, Germany's sports footwear imports increased by 35% compared to the same period in 2013. Textile uppers showed particular growth, both from outside the EU (+57%) and from other EU countries (+26%). Germany was followed by France (14%), the UK (13%) and Italy (12%). The Netherlands ranked 6th (8%), followed by Belgium (7%) and Spain (6%). In the two figures below you can see, first, how sports footwear compares with other segments in terms of imports, and, second, how Germany's footwear imports have developed. A few import highlights:

- Imports are growing strongly (10% and more) in Slovakia, the Baltic states, Poland, Romania and Sweden;
- imports in Greece, Croatia, Ireland, Luxembourg, Cyprus and Malta are decreasing.

Much of the footwear sold within the EU is imported from developing countries in South-East Asia, in particular China. In the period 2011-2013, EU imports from China showed a sharp decline. China struggled with rising wages and material costs, while other developing countries succeeded in offering more favourable prices. The large share of imports from other EU countries (intra-EU trade) can be attributed to re-exports (including transito).

| | **2009** | **2011** | **2013** | **CAGR 2009-13** | **Change 2012-13** |
|---|---|---|---|---|---|
| Rubber/plastic uppers | | | | | |
| - waterproof | 306.7 | 509.2 | 442.6 | 9.6% | 4.6% |
| **- sports** | **818.7** | **997.6** | **997.3** | **5.1%** | **1.3%** |
| - indoor | 68.9 | 70.2 | 60.7 | -3.1% | 2.2% |
| - other outdoor | 4,767.4 | 6,259.9 | 6,375.8 | 7.5% | 2.0% |
| Total | **5,961.7** | **7,836.9** | **7,876.4** | **7.2%** | **2.1%** |
| Leather uppers | | | | | |
| **- sports** | **666.2** | **634.7** | **640.7** | **-1.0%** | **-6.9%** |
| - indoor | 105.9 | 114.4 | 104.6 | -0.3% | 1.0% |
| - other outdoor | 14,840.7 | 16,933.3 | 17,656.9 | 4.4% | 2.9% |
| Total | **15,612.8** | **17,682.4** | **18,402.2** | **4.2%** | **2.5%** |
| Textiles uppers | | | | | |
| **- sports** | **1,566.2** | **2,041.5** | **2,674.4** | **14.3%** | **13.1%** |
| - indoor | 523.7 | 641.0 | 613.4 | 4.0% | 7.2% |
| - other outdoor | 2,779.0 | 4,173.9 | 4,855.7 | 15.0% | 4.7% |
| Total | **4,868.9** | **6,856.4** | **8,143.5** | **13.7%** | **7.5%** |
| Parts of footwear | **2,732.7** | **3,968.2** | **3,677.0** | **7.7%** | **11.6%** |
| **Total** | **29,176.1** | **36,343.9** | **38,099.1** | **6.9%** | **4.3%** |

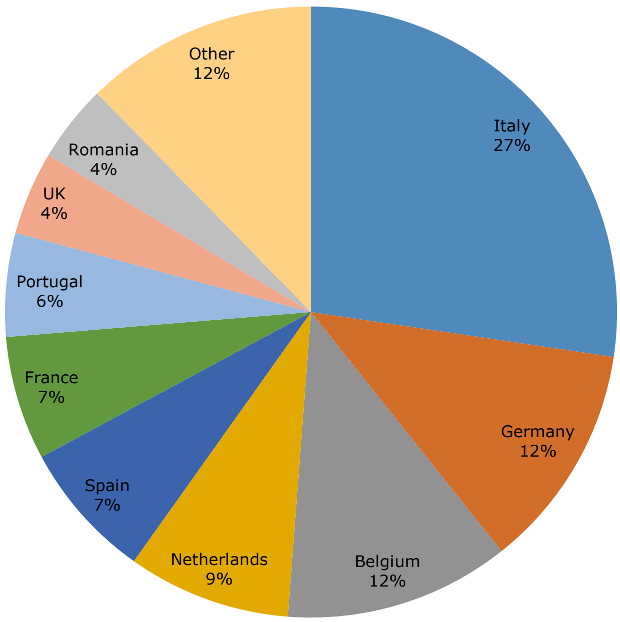
*EU imports of footwear by product groups, 2009-2013, in € million (Source: Eurostat, 2014)*

| | 2009 | 2011 | 2013 | CAGR 2009-13 | Change 2012-13 |
|---|---|---|---|---|---|
| Rubber or plastic uppers | | | | | |
| - Ski boots | 375 | 473 | 472 | 4.4% | 7.3% |
| - Snowboard boots | 51 | 49 | 48 | -5.2% | -16.2% |
| - Other sports footwear | 1,417 | 1,960 | 2,034 | 6.9% | -1.6% |
| | | | | | |
| Leather uppers | | | | | |
| - Ski boots | 6 | 6 | 22 | 34.2% | -11.0% |
| - Other sports footwear | 2,444 | 2,520 | 1,205 | -15.5% | -31.3% |
| Textile uppers | 5,066 | 5,394 | 8,482 | 15.4% | 26.9% |
| Total | **9,359** | **10,402** | **12,263** | **11.1%** | **17.7%** |

*Imports into Germany of sports footwear, 2009-2013 in '000 pairs (Source: Eurostat, 2014)*

## Export Statistics

Footwear exports from the EU, particularly leather uppers, have continued to rise in recent years. These exports include so-called re-exports, i.e. imported products that are exported to other (mainly EU) countries. This explains why Europe's export figures are higher than its import figures. Re-export percentages are highest in Germany, Belgium and the Netherlands. The pie chart below shows which EU countries are the biggest exporters. Specific data on sports footwear (re-)exports are not available.




*Above: Footwear exports by EU countries in 2013, in € million (Source: Eurostat, 2014)*

## Production Statistics

Production of sports footwear is slowly decreasing in many European countries. One of the reasons is increased competition from low-cost countries outside of Europe, notably developing countries. As an illustration of this trend, the tables below shows footwear production figures for two of Europe's leading markets in this sector, Germany and France.

| | 2009 | 2010 | 2011 | 2012 | 2013 | CAGR 2009-13 |
|---|---|---|---|---|---|---|
| Rubber or plastic outer soles and textile uppers | 6,112 | 10,261 | 4,686 | 5,417 | 5,384 | -3.1% |
| Other sports footwear (excl. snow board and ski-boots) | 24,545 | 30,239 | 32,528 | 32,437 | 28,266 | 3.6% |
| **Total** | **30,657** | **40,500** | **37,214** | **37,854** | **33,650** | **2.4%** |

*Production of sports footwear in Germany, 2009-2013, in € thousands (Source: Prodcom, 2014)*

| | 2009 | 2010 | 2011 | 2012 | 2013 | CAGR 2009-13 |
|---|---|---|---|---|---|---|
| Rubber or plastic outer soles and textile uppers | c | 920 | c | c | c | - |
| Other sports footwear (excl. snow board and ski-boots) | 17,734 | 17,310 | 10,911 | 2,818 | 1,814 | -43.4% |

*c= confidential*
*Production of sports footwear in France, 2009-2013, in € thousands (Source: Prodcom, 2014)*

## Trends

### The health trend is fuelling sports and outdoor footwear sales

An important trend affecting footwear is the health trend. Europeans are more health-conscious than ever nowadays. This means there are exciting opportunities for many kinds of sports and outdoor footwear, whether in high-performance, functional or mass-market products.

### The footwear market is moving towards a higher level of professional

Another important trend that will eventually affect the whole footwear branch is that the industry is becoming more professional. Having lagged behind the fashion industry for many years in terms of speed, efficiency, transparency and overall performance, footwear players around the world are beginning to step forward and take control of their business and supply chains.

**Tips:**

- The push for greater professionalism in footwear means buyers will be placing higher demands on suppliers. As a developing country exporter, you can distinguish yourself from others by offering:
  - maximum transparency and traceability;
  - above-average design and collection development skills;
  - shorter delivery times;
  - a quicker response to fashion trends;
  - et cetera.

### More on trends

If you're interested in an overview of these and other important trends affecting European and global footwear, please consult CBI's Trends for Footwear on our website.

- For up-to-date fashion insights, see CBI's online Fashion Forecast.
- Click here for an online CBI study on the European market for alternative materials.

## Market Channels & Segments

If you need more insight in the market channels and segments in European footwear, please consult CBI's Market Channels & Segments for Footwear on our website. Generally speaking, low-end footwear is sold primarily in high volumes by typical mass-market retailers, such as Deichmann and Scapino. An interesting exception are the non-footwear outlets that offer cheap footwear, such as supermarkets, fuel stations and DIY chains.

## Field of Competition

If you need more insight in the competitive forces affecting European and global footwear, please consult CBI's Field of Competition for the Footwear Sector on our website.

## Useful sources

Below are some useful resources if you are interested in broadening your understanding European and global footwear:

- Riva Italy: www.exporivaschuh.it
- GDS Germany: www.messe-duesseldorf.com
- Canton shoe fair: www.chinaexhibition.com
- Guangzhou shoe fair: www.chinaexhibition.com, www.worldfootwear.com
- Ispo Munich: www.ispo.com
- Shoe fair Shanghai/Hongkong: www.hktdc.com
- ISO 9001: www.iso.org
- SGS chemical testing: www.sgs.com
- Satra research & testing: www.satra.co.uk
- Duty calculator: www.dutycalculator.com/popular-import-items/import-duty-and-taxes-for-leather-shoes/

**CBI Market Intelligence**

P.O. Box 93144
2509 AC The Hague
The Netherlands

www.cbi.eu/market-information

marketintel@cbi.eu

This survey was produced for the CBI by Giovanni Beatrice and Stephen Teeuwen with input from various (EU market) sources, including Scapino, Pwh and Jente Hageman of New World China.



April 2015