

The Rise of Affordable Footwear

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Love My Shoes in Babylon, N.Y.

Photo By George Chinsee



Competition is heating up in the lower-tier footwear market, as more players introduce looks for less than \$100.

Vendors told Footwear News that quality is better than ever — even at such low prices — and, coupled with an unstable economy, consumer demand for affordable product continues to rise.

“[Price points] are very important, especially with the recession,” said Amy Shea, EVP and global director of brand development at Brand Keys, a market research and consultant firm based in New York. “As long as the style is there and the quality is not abysmal, women are looking for [affordable] footwear, and there is a greater willingness to mix [high-end with low-end]. There is no more closet shame to it.”

In fact, Nicole Jones, president of Chicago-based boutique To The Nines (formerly Sensual Steps), said she’s reorganized her entire business plan around that idea. About 65 percent of her business now comes from under-\$100 merchandise, from brands such as Go Max, Envy, JP Original, Carlos by Carlos Santana and Jessica Simpson.

“The focus is on providing affordable and unique shoes that are easy on [customers’] pocketbooks,” she said. “People probably got a big wake-up call about life and spending during the economic downturn. If you

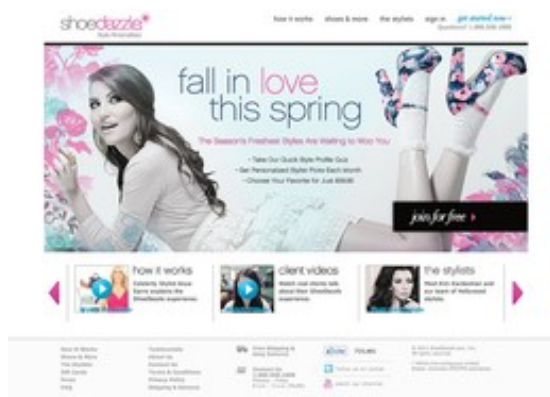
A Rampage boot for fall '11.

Photo By: Courtesy Photo



Shoe Market in Brooklyn

Photo By: Courtesy Photo



Shoedazzle.com

Photo By: Courtesy Photo

want to cater to the vast majority of women, you have to satisfy them with unique and affordable shoes."

Robert Yeganeh, owner of Love My Shoes, a Long Island, N.Y.-based retailer that operates five locations, has built a business primarily around product for \$100 or less.

"[That price point] is where the bread and butter is, where the money is," said Yeganeh, adding that about 70 percent of his sales come from that tier, and from standout performers such as BCBGeneration, Jessica Simpson and Dollhouse.

When it relaunched in 2001, Dollhouse started selling footwear for about \$55, but in the last five years the brand has reduced prices even more, to \$39 to \$69 at retail, due to the changing economy.

"We saved our business because of that decision," said Dollhouse President Serge Grobman. "Right now we are experiencing growth, and going forward, price points are going to be even more important."

Grobman admitted that the \$39 price might be more difficult to maintain as sourcing costs continue to increase, but said he will strive for a smooth transition. For example, Dollhouse could raise its entry point to \$45 over the next three years.

"It's really important because the [consumer] is not prepared to pay more," said Grobman. "Therefore, the prices will change slowly, but it won't be a shock from season to season."

Shoedazzle.com, which was founded two years ago, has taken the price competition a step further by offering every branded style on the site for \$40. Members of the site receive a selection of five shoes each month and can choose their favorite for delivery. The site has also launched new categories such as jewelry and handbags.

"We're giving [women] a great style that they can afford once a month," said Hope Neiman, chief marketing officer for Shoedazzle.com. "[Regular shoe shopping] stops being a luxury and becomes a must-have within [the customer's] monthly budget."

At Rampage, which has a \$50-to-\$75 price tag on the majority of its styles, affordability has always been a core strategy, according to Lanie List, chief merchandising officer at Rampage's parent company, Iconix Brand Group Inc. And even as the economy improves, consumers still want the option to buy more items for less rather than investment pieces, she said.

"[Under \$100] has been our sweet spot, and it will continue to be," said List. "We're going to give our [consumer] more newness. The shoe category is the way a [customer] updates her outfit, with three pairs of shoes to match one black dress."

Now the challenge is standing out amongst the competition. Joe Antebi, chairman and CEO of Antebi Footwear LLC, which manufactures the Paris Hilton brand, said the way to do that is to offer the best quality for the price. "[Customers] are becoming more savvy, and product is getting better across brands," said Antebi. "Wanting a deal is going to be in the consumer's language for a really long time."

Online retailer Shoebuy.com offers a wide range of prices, including styles from Steve Madden, Bearpaw and Skechers for under \$100.

"The category has been growing very well, especially with a lot of great brands that make really terrific, high-quality product at a great value," said CEO Scott Savitz.

Christine Rojek, manager of Brooklyn, N.Y.-based Shoe Market, agreed. The economy prompted the store to stock a selection of under-\$100 favorites, including Keds, Toms Shoes and Tretorn, and now about 60 percent of sales comes from merchandise in that range. "In this economy, it's important to have lower price points," said Rojek. "We'll always need that category."