

FOOTWEAR MARKET IN HONG KONG

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1 OUTLOOK OF FOOTWEAR IN HONG KONG

1.1 Introduction

Hong Kong people perceive shoes as one of the most important accessories to go with fashion rather than just for practical purpose. Hong Kong, being a dynamic fashion city in the world, has many international footwear brands that already established their shops in this region. Since consumers are more demanding in style, it makes buyers more eager to source good taste and fashionable shoes from overseas in order to serve the market. Besides, Hong Kong's geographical and cultural proximity to China strengthens its intermediate role to assist foreign companies to enter the China market by various kinds of channels. The economic and business environment of Hong Kong recovered in these two years as there has been a strong growth of tourists from China and the unemployment rate has been decreasing. Such situations positively affect the imports, consumer spending and retail sales of clothing especially for high-end fashion items. This research targets to assist foreign companies which want to do business in Hong Kong since it is important for these companies to understand the real situation and analyse their own competitive advantages in order to create opportunity in the Hong Kong footwear market.

1.2 Market segment

Shoes market in Hong Kong is diversified. Generally speaking, it could be divided into 2 segments. One is the upmarket / high-end / brand name shoes involved in high price bracket. These are usually high quality shoes, majority being imported from Europe, e.g. Italy. For the upmarket group, they are the trendiest shoes and the shoes are usually made of high-quality materials, with more sophisticated product design, quality workmanship and are therefore more durable. Brand names influence Hong Kong consumers from all walks of life. They are fascinated by brands, and many of them are even spending majority of their earnings on high-priced designer labels.

Another segment is the local products. They are usually lower priced, trendy but with styles "copying" those from Europe. They are mainly products imported from China or other Asian countries like Taiwan or Indonesia. For this group of customers, shoes need to be able to withstand constant wear and tear, value for money, be functional and good for mix and match. These consumers choose the most price competitive merchandise regardless of brands. Nevertheless, they might also buy the brand named or shoes imported from Europe during winter and summer sale periods.

1.3 Market trend

Consumers in general have undoubtedly become more 'value' conscious. In fact, the shoes marketplace is complicated. As in Hong Kong there are some big importers e.g. Lane Crawford which has already exclusivity of many brands. Although there are different kinds of shoe retailers, wholesalers, agents in the distribution channels, the room of shoes business becomes limit. On the other hand, retailers become more diversified and they source from everywhere in order to increase the competitiveness. Buyers have more sources than before; they are not searching footwear and handbags only from Europe but also Japan, etc. Besides, they also set up buying offices overseas in order to purchase more unique products. For example, I.T., one of the very uprising and leading multi-brand stores in these few years, source at least 50 worldwide labels from Europe and Japan each season to keep up with the hottest trend. The strong branding strategy captures the high social group who are rich and willing to spend for latest fashion.

2 PRODUCT FEATURES

2.1 Style trend

Generally speaking, Hong Kong consumers are trend followers. Colours, cutting, styles, decorative details and brand names are important factors to consider during purchase. Young executives accept colourful shoes nowadays especially for summer shoes and causal shoes for both women and men. Beige, sand or mixed colours are hit for summer, dark colours like black and brown are easy-sell items for ladies. For men in Hong Kong, black is still the best accepted colour for working executives. For causal and weekend shoes, people also wear fancy style and colours.

2.2 Size

The size of Asian ladies is smaller than the European ones and the average size of shoes for ladies is 36 – 37, up to around 39. For men, normal size is around 41 – 42, and up to 45.

2.3 Brands

There are shoes and fashion shops, of both local and worldwide brands, in Hong Kong. Each of them has its own style and target market in Hong Kong. In order to be easier to figure out the shoes style in Hong Kong, we try to categorise their styles into 4 categories: Luxury high fashion; Working chic; Mature elegant; and Casual weekend.

LUXURY HIGH FASHION: High price, high quality, unique design and imported from Europe. Examples are Gucci, LV, Prada, Sergio Rossi, Salvatore Ferragamo, Tod's, and brands being sold at Lane Crawford, Seibu, I.T., etc

WORKING CHIC: With fashion details and very suitable for young working ladies, medium priced, and comfortable. Both imported brands from overseas or local design. Examples are the medium brands sold at chain stores like Staccato, Millies, Le Saunda, Gay Giano, inNiu, Liliana, Nine West etc

MATURE ELEGANT: Classic and comfortable style. Suitable for mature ladies for work or different occasions. Examples are Fratelli Rossetti, Church, etc.

CAUSAL WEEKEND: Both comfortable and very trendy style, suitable for casual wear and weekend. Examples are shoes sold at stores like Extravaganza, i.t., Catalogue, Walker, Mirabell, etc,

2.4 Seasonal feature

Footwear in Hong Kong is significantly influenced by the season and the weather. It is quite clear-cut among spring, summer, autumn and winter in Hong Kong. Nevertheless, spring is relatively short and humid. And in summer it is very hot and it rains very often. Therefore, sandals are always popular for this weather.

Autumn is relatively short as well but the weather is stable, fine and cool. Since the winter in Hong Kong becomes warmer, so that ankle to middle boots become as popular as the long boots. Of course, these all depend on the trend and demand of fashion customers.

3. MARKETING STRATEGIES

3.1 Price analysis

Pricing of shoes depends mainly on cost, competition, and other elements of the marketing factors. Materials and workmanship are the major factors affecting the cost. For example, a pair of sandals can be marked up lower than a pair of pumps, on the other hands, a pair of long boots can be marked up double as a pair of pump shoes. Each company has its own mark-up calculation that usually around 2 – 4 times of the cost. Compare with other fashion goods, the price range of shoes in Hong Kong does not have a big variance. For imported shoes, the retail price of medium to high range shoes is from around HK\$600 to HK\$2500. For those made in China and Taiwan, the price range is usually set around below HK\$400. Here the price range is divided into Premium, Middle-high, Middle-low and Inexpensive.

3.1.1 Premium

Retail Price: HK\$2000 +

Brands: e.g. Louis Vuitton, a.testoni, Chanel, Celine, Gucci, Helmut Lang, Jil Sander, Manolo Blahnik, Miu Miu, On Pedder, Prada, Salvatore Ferragamo, Sergio Rossi, Tod's

Shop Location: Central – Landmark, Admiralty – Pacific Place

3.1.2 Middle-high

Retail Price: HK\$1000 +

Brands: Those sold at On Pedder, Extravaganza, I.T., Millies, Seibu, Liliana, inNiu

Shop Location: Causeway Bay– Times Square, Paterson Street, Tsim Sha Tsui – Harbour City

3.1.3 Middle- low

Price: HK\$500 +

Brands: Those sold at Joy & Peace, Le Saunda, Mirabell, Millies, Nine West, Staccato

Shop Location: Causeway bay – Times Square, Tsim Sha Tsui – Harbour City, Kowloon Tong – Festival Walk

3.1.4 Mass

Price: Around HK\$100-300

Brand: Unknown label

Shop Location: Mongkok, New Territories

3.2 PROMOTION

3.2.1 Sales promotion

Sale promotion is the major strategy to stimulate people to buy. Especially for chain store, they are used to do special sale by “celebrating” different occasions such as Mother’s day, Father’s day, Easter, “Golden week” etc. Also joint promotion with credit cards for special sale and private sale are getting very popular, especially for fashion retailers. One reason is to offer discount to increase the sale and clear the stock. Another reason is to pour the new arrival into the shop to refresh the customers.

The major sale periods are focused on summer and winter respectively. Summer sale usually begins in late June or early July, but it is earlier than before nowadays and in some cases it can be as early as in May and finishes in August. Then the new collections for fall / winter start in early September. Winter sale starts in early / mid of December. Christmas is one of the peak periods for sale. Chinese New Year is another peak for people to buy shoes because of the traditional practice to buy new clothes for Chinese people. The period is usually between end January and early February.

3.2.2 Trade promotion

In Hong Kong, there is an exhibition for leather and shoes / leather goods named as the Asia Pacific Leather Fair, which is held twice a year in March/April and September/October. Many companies take advantage of this exhibition to launch new products and expand distribution in Asia Pacific region. The exhibits include leather fashion footwear, handbags, small leather goods & accessories and garments, as well as those important materials that are used to produce casual and sports shoes, bags and many kinds of luggage. The fair provides buyers with a platform of enormous variety, to enable buyers to source extensively in different categories and at different price levels. Most of the buyers come to look for new suppliers, source for new items and place orders while some of them come to consolidate contacts and collect market / product information.

3.2.3 Magazines & newspaper

In Hong Kong, there is no specialized shoes magazine for consumers. But there is a trade magazine named "Hong Kong Footwear" that is published by Hong Kong Trade Development Council. This is a bi-annual magazine that looks into the latest industry developments and showcases a wide range of shoes manufactured by Hong Kong companies. Products cover Men's Shoes, Ladies' Shoes, Beach Shoes, Hiking Shoes, Sports Shoes, Canvas Shoes, Safety Shoes, Infant Shoes, Sandals, Slippers, Children's Shoes, Speciality Shoes, boots and other footwear.

On the other hand, there are different kinds of fashion magazines that also cover the latest shoe trends. Elle, Marie Claire, Cosmopolitan, Bazaar, Jessica, Zip, Esquire, Uno and Sisters, etc. are popular fashion magazines in Hong Kong. The editors are used to present the new collection with photos, i.e. product shots or mix-and-match photos together with clothing, with notes of brand and price.

3.3 DISTRIBUTION

3.3.1 Agent

Agent is one of the most important channels in the shoe business. In Hong Kong, the role of agent becomes more important when most of Italian shoe exporters deliver the shoes through the agents to China market. The agents can help the exporters to distribute, that widely simplifies the procedure of importation (tax and transportation) and enables the exporters to pay less tax to enter into the china market.

3.3.2 Concept store

On Pedder, a renowned shoes concept store and a sister company of Lane Crawford is a multi-brand shoe shop transmitting a unique high-class concept to the local market. The brands carried include Anna Sui, Emma Hope, Emesto Esposito, Paura Lopez, Casadei, Cesare Catini, Marc Jacob, Giuseppe Zanotti, Balin, L'Autre Chose, Sergio Rossi, Sebastian, Jimmy Choo, Dove Nuotano gli Sqauli.

3.3.3 Fashion boutique

In fact, most of fashion boutiques carry shoes and handbags in order to provide more choice for customers to mix and match. Therefore it is common that some fashion boutiques are also interested in importing some shoes for this purpose. Besides, some of them look for manufacturers (local or foreign) to produce their private labels, while some of them will keep the original brands of the shoes and handbags.

3.3.4 International brand

In Hong Kong, there are many well known shoes labels that are welcomed by Hong Kong customers like Tod's, Salvatore Ferragamo, Bally, Church, Gucci, Prada, a.testoni etc. Those brands have set up their own offices to operate the retail business in Hong Kong.

3.3.5 Department store

In Hong Kong, the major department stores that import shoes have their own shoes section including Lane Crawford, Seibu, Wing On, Sincere and Sogo. Lane Crawford and Seibu belong to high-end specialty department stores that sell fashion and life-style products. Whereas Wing On, Sincere and Sogo belong to middle-end general department stores that sell wide variety of products.

3.3.6 Chain store

Leading chain store include Mirabell, Joy & Peace, Millies, Le Saunda, Staccato, Walker Shop. Most of these chain stores now design and produce their own collection in China so that the price could be more competitive. Their shops are widely distributed in different various locations in Hong Kong.

4. TRADE

4.1 Import

According to Hong Kong Census & Statistics Department and World Trade Atlas, Hong Kong's total imports of footwear was US\$4964.63 million in the whole year of 2004 which declined slightly by 1% when compared with 2003. China was the market leader of Hong Kong's shoes market, which shared almost 93% of Hong Kong import in the past 3 years. China provides middle-low price footwear to Hong Kong market. Italy was the second top country after China in supplying footwear to Hong Kong, attained an around 3.2% market share, with amount of US\$160 million. Italy recorded a strong growth of 21% in 2004 over 2003. The third supplying country was United States with import value of US\$45 million, registered an increase of 15%. The fourth was Vietnam with US\$42.9 million and a leap of 51% over the past 3 years. The fifth was Spain, amounted to US\$20.8 million and recorded a sound performance of 30% increase.

The category HS 6403 “Footwear with leather uppers” was the major imported item. In the whole year of 2004, the total imports of HS 6403 Leather footwear recorded US\$2,912 million with slight decrease of 2% as compared with 2003 and shared 59% among all imported footwear sectors. The second major item was HS 6402 “Other footwear that with uppers of rubber or plastics”, which recorded US\$1,412 million import amount and shared 29% among other categories. However the demand was diminishing in the past 3 years gradually, with import value fell 1% in 2004. Another item HS 6404 “Footwear with uppers of textile materials” also decreased slightly by 0.6% and amounted to US\$287.67 million.

Hong Kong's Import of Footwear - Top 10 countries

Rank	Country	January – December Millions of US Dollars			Share %			Change % - 04/03 -
		2002	2003	2004	2002	2003	2004	
0	Total	5,039,18	5,016,34	4,964,63	100	100	100	-1.03
1	China	4,705,87	4,690,16	4,588,94	93.39	93.5	92.43	-2.16
2	Italy	126,43	131,82	159,56	2.51	2.63	3.21	21.04
3	US	46,38	38,95	44,96	0.92	0.78	0.91	15.43
4	Vietnam	19,05	28,32	42,85	0.38	0.56	0.86	51.35
5	Spain	17,52	16,11	20,81	0.35	0.32	0.42	29.14
6	Taiwan	15,99	16,22	16,36	0.32	0.32	0.33	0.89
7	Japan	13,43	11,27	13,31	0.27	0.23	0.27	18.07
8	Indonesia	17,27	13,98	11,47	0.34	0.28	0.23	-17.96
9	Thailand	12,61	13,61	7,66	0.25	0.27	0.15	-43.72
10	S. Korea	7,72	6,33	6,30	0.15	0.13	0.13	-0.47

Hong Kong Census and Statistics Department

Hong Kong's Import of Footwear– By category

HS	64	January – December Millions of US Dollars			% Share			% Change - 04/03 -
		2002	2003	2004	2002	2003	2004	
	Total	5,039,18	5,016,34	4,964,63	100	100	100	-1,03
6403	With leather uppers	2,933,31	2,976,67	2,912,20	58,21	59,34	58,66	-2,17
6402	Other, Rubber/Plastic	1,503,35	1,432,69	1,411,84	29,83	28,56	28,44	-1,45
6404	With textile uppers	293,19	289,28	287,67	5,82	5,77	5,79	-0,56
6406	Part ; Insole ; Gaiters	263,97	263,05	285,92	5,24	5,24	5,76	8,7
6405	Other footwear	38,83	49,41	58,61	0,77	0,99	1,18	18,63
6401	Waterproof	6,53	5,24	8,39	0,13	0,11	0,17	60,05

Hong Kong Census and Statistics Department

4.2 Export

Hong Kong's footwear exports dropped year-on-year. In the whole year of 2004, it declined 0.8% in value, amounted to US\$5,707 million. Re-exports, accounting for almost all footwear exports from Hong Kong, declined also by 0.8%.

Hong Kong's major key exporting customers, e.g. US and Japan reduced their order in 2004. The US market took up 50% of the total footwear exports from Hong Kong and declined by 3%. Following the US were Japan and Canada, accounted for 12% and 4% of Hong Kong's export, declined by 5% and increased by 8% respectively as compared with 2003. Footwear exported to China recorded strong increase of 30%, amounted to US\$217 million; while those exported to UK decreased by 0.33% with export value in 2004 amounted to US\$215 million.

Hong Kong Footwear Total Exports – Top 10 countries

Rank	Country	January – December Millions of US Dollars			% Share			% Change - 04/03 -
		2002	2003	2004	2002	2003	2004	
0	--The World--	5.772,57	5.751,92	5.706,64	100	100	100	-0,79
1	US	3.118,74	2.901,53	2.809,78	54	50,4	49,2	-3,16
2	Japan	692,21	716,74	684,58	12	12,5	12	-4,49
3	Canada	215,58	215,41	233,51	3,73	3,75	4,09	8,4
4	China	163,41	166,63	216,67	2,83	2,9	3,8	30,03
5	UK	196,09	216,12	215,40	3,4	3,76	3,77	-0,33
6	Netherlands	148,44	175,61	164,60	2,57	3,05	2,88	-6,27
7	Australia	143,64	133,44	142,48	2,49	2,32	2,5	6,77
8	Germany	106,10	127,00	127,20	1,84	2,21	2,23	0,16
9	Taiwan	85,16	109,43	119,18	1,48	1,9	2,09	8,91
10	Italy	70,43	91,79	102,37	1,22	1,6	1,79	11,53

Hong Kong Footwear Re-Exports – Top 10 Countries

Rank	Country	January - December Millions of US Dollars			% Share			%Change - 04/03 -
		2002	2003	2004	2002	2003	2004	
0	--The World--	5.762,65	5.740,60	5.694,65	100	100	100	-0,8
1	US	3.118,62	2.901,09	2.809,21	54,12	50,54	49,33	-3,17
2	Japan	691,50	716,68	684,43	12	12,48	12,02	-4,5
3	Canada	214,80	214,86	233,49	3,73	3,74	4,1	8,67
4	China	162,30	166,39	216,51	2,82	2,9	3,8	30,12
5	UK	194,03	210,58	211,66	3,37	3,67	3,72	0,52
6	Netherlands	146,78	174,12	162,32	2,55	3,03	2,85	-6,78
7	Australia	143,62	133,42	142,30	2,49	2,32	2,5	6,65
8	Germany	105,70	126,70	126,25	1,83	2,21	2,22	-0,36
9	Taiwan	83,84	109,00	118,83	1,46	1,9	2,09	9,02
10	Italy	70,10	91,28	102,35	1,22	1,59	1,8	12,13

Category HS6403 “Footwear with leather uppers” almost shared 60% of the total export items, amounted to US\$3,356 million. It also had a slight decrease of 2.76% in 2004. The second was HS6402 “Other footwear with rubber or plastics” of which the export value was about US\$1,655 million and shared 29% with increase of 1.2% compared with 2004. The third was HS6406 “Parts of footwear” increased by 10%, which shared 6% with US\$325 million. HS6404 “Footwear with Textile uppers” and HS6405 “Other footwear” have respectively amounted to US\$311 million, 5% share with a decrease of and US\$54 million, 1% share with increase of 9%. HS 6401 “Waterproof footwear” only had small proportion 0.09% amongst other categories; however, it showed a 128% increase when compared with 2003 with an export amount of US\$5 million.

Hong Kong total Exports of Footwear – by category

HS	Description	Millions of US Dollar			Share %			Change % - 04/03 -
		2002	2003	2004	2002	2003	2004	
	64 Footwear	5.772,57	5.751,92	5.706,64	100	100	100	-0,79
6403	WITH LEATHER UPPERS	3.358,34	3.451,15	3.356,05	58,18	60	58,81	-2,76
6402	OTHER,RUBBER/PLASTIC	1.736,81	1.635,92	1.655,32	30,09	28,44	29,01	1,19
6406	PART;INSOLE;GAITOR	301,11	296,24	325,00	5,22	5,15	5,7	9,71
6404	WITH TEXTILE UPPERS	334,29	316,71	311,02	5,79	5,51	5,45	-1,8
6405	OTHER FOOTWEAR	39,13	49,70	54,19	0,68	0,86	0,95	9,04
6401	WATRPROOF RUB/PL SOLE	2,89	2,22	5,07	0,05	0,04	0,09	128,44

Hong Kong Census and Statistics Department

4.3 Trade with Italy

4.3.1 Import

Italy is primarily a luxury shoes exporting country. In the whole year of 2004, the total import of footwear from Italy to Hong Kong recorded a positive growth of 21%, reaching an amount of US\$160 million. Besides, Italian shoes were still at the top rank of imported footwear in Hong Kong after China.

HS6403 Leather shoes were the key item among other kinds of footwear from Italy, amounted to US\$125 million with a 15% increase. HS 6406 Parts of footwear e.g. insole and gaiter for production increased by 57%. HS 6404 Footwear made of textile and other materials, HS6402 Other rubber/plastic footwear and HS6405 Other footwear as well as HS6401 Waterproof sole footwear all recorded dramatic growths of 34%, 90%, 24% and 19% respectively.

Hong Kong Footwear Imports - 2002, 2003, 2004

Rank	Country	January – December Millions of US Dollars			Share %			Change % - 04/03 -
		2002	2003	2004	2002	2003	2004	
0	Total	5.039,18	5.016,34	4.964,63	100	100	100	-1.03
1	China	4.705,87	4.690,16	4.588,94	93.39	93.5	92.43	-2.16
2	Italy	126,43	131,82	159,56	2.51	2.63	3.21	21.04
3	US	46,38	38,95	44,96	0.92	0.78	0.91	15.43
4	Vietnam	19,05	28,32	42,85	0.38	0.56	0.86	51.35
5	Spain	17,52	16,11	20,81	0.35	0.32	0.42	29.14
6	Taiwan	15,99	16,22	16,36	0.32	0.32	0.33	0.89
7	Japan	13,43	11,27	13,31	0.27	0.23	0.27	18.07
8	Indonesia	17,27	13,98	11,47	0.34	0.28	0.23	-17.96
9	Thailand	12,61	13,61	7,66	0.25	0.27	0.15	-43.72
10	S. Korea	7,72	6,33	6,30	0.15	0.13	0.13	-0.47

Source: Hong Kong Census and Statistics Department

Hong Kong Footwear Imports from Italy – By category

HS	Description	Millions of US Dollars			2002	% Share 2003	2004	% Change - 04/03 -
		2002	2003	2004				
	Italy 64 Footwear	126,43	131,82	159,56	2,51	2,63	3,21	21,04
6403	WITH LEATHER UPPERS	107,58	108,20	124,63	85,09	82,08	78,11	15,18
6406	PART;INSOLE;GAITOR	6,51	8,49	13,36	5,15	6,44	8,38	57,33
6404	WITH TEXTILE UPPERS	7,27	9,61	12,88	5,75	7,29	8,07	34,05
6402	OTHER,RUBBER/PLASTIC	2,07	2,80	5,32	1,64	2,12	3,33	89,96
6405	OTHER FOOTWEAR	2,96	2,65	3,29	2,34	2,01	2,06	24,15
6401	WATRPROOF RUB/PL SOLE	0,03	0,07	0,08	0,03	0,05	0,05	19,13

4.3.2 Export

Italy ranked 10th among Hong Kong's footwear exporting countries. In the whole year of 2004, Hong Kong exported US\$102 million footwear to Italy that shared 2% among other countries. Almost 50% of the exported footwear to Italy was made of leather upper, with the value of US\$50 million. HS6402 Other footwear that made of rubber and plastic was the 2nd major export item and in 2004, Hong Kong exported US\$38 million of this item to Italy which shared 37% among other export items to Italy, up 51% when compared with 2003.

Hong Kong Footwear Exports to Italy – By category

HS	Description	January - December Millions of US Dollars			Share %			Change %
		2002	2003	2004	2002	2003	2004	
	64 FOOTWEAR	70,43	91,79	102,37	1,22	1,6	1,79	- 04/03 - 11,53
6403	WITH LEATHER UPPERS	38,30	53,21	50,02	54,38	57,98	48,87	-5,99
6402	OTHER,RUBBER/PLASTIC	23,30	25,31	38,12	33,08	27,57	37,24	50,63
6404	WITH TEXTILE UPPERS	5,70	10,37	9,92	8,09	11,3	9,69	-4,34
6406	PART;INSOLE;GAITOR ET	2,37	2,36	3,98	3,36	2,57	3,89	69,03
6405	OTHER FOOTWEAR	0,76	0,48	0,31	1,08	0,52	0,3	-36,17
6401	WATRPROOF RUB/PL SOLE	0,01	0,06	0,02	0,01	0,06	0,02	-70,69

5. SUGGESTIONS FOR ITALIAN COMPANIES

5.1 Research

To globalize your product, the key is to analyze your product to see if it is suitable for the Hong Kong market even if you are selling very well already in domestic market. To achieve this, conducting research about the competitors in the market and style preference, etc. would be very useful to decide if your product is competitive enough in the market. Information from government, fashion libraries, chamber of commerce, trade associations, and even the media are all great resources and can point you to the right direction. For buying goods, you may check out trade magazines and catalogues, surf the internet, or even better, attend trade fairs. These provide good networking opportunities. Indeed, an easy sourcing strategy is to ask the help of friends who are already familiar with and who are frequent visitors to the region. Besides, you might simply take a look at domestic competitors who are exporting shoes like yours to see if they succeed or not and analyse the reasons. If there are no exporters like you, you might be the pioneer. Therefore, a market research is very important for the business plan.

A careful plan for the distribution and promotion is very important for exports. Italian Trade Commission is a bridge especially for newcomers. As a government agent, we not only provide you with information of local market, but also introduce you some potential new clients. Of course, the success depends on your products, your company's mission, marketing strategy, financial support, and management's mindset. Beside, knowing more about your competitors in the local market would be an advantage in your export strategy.

5.2 Agent

If you want to globalise, but you are a relatively small company and you do not have the resources to expand and take the risks that associate with new market entry, it is a sensible act to find a partner to share the risks. Find a retailer and wholesaler which have a solid grasp of the local market who know where you ought to go, whom you should sell to and the product ranges that will work. They usually can recognize the problems and have experience to give you advices. In return, you provide them with support in brand identity, advertising, product fits, rules for merchandising, all the main guidelines as to how your brand should be presented. For administration, operational activities, distribution and stock control could be left to the dealer.

5.3 Quick fashion

Quick fashion service may be very attractive to retailers as it enables them to renew their window display and consequently to stimulate demand, thus developing a possible source of advantage over their competitors. One of the recent developments is the creation of smaller collections at more frequent intervals as compared to the traditional autumn/winter and spring/summer timing (flash fashion). That is reducing the time gap between designing the product and the time of consumption. Another formula involves launching autumn/winter proposals as early as the month of June with the idea of bringing the new trends to the public's attention. This means that retailers will be able to prepare their window displays and buy in stocks prior to the summer holidays instead of in September, with a possible advantage in terms of forward planning on their fashion retailers. But it will also lead to a change in relations with suppliers, in particular the possibility of avoiding bottlenecks in shoes manufacturing firms by spacing out orders for leather over a longer time scale.

5.4 Branding

Brand identity is particular crucial for fashion business. Branding strategy has led to a rise in turnover together with increased brand awareness among customers and greater market power of the firm's branded products. In the shoes manufacturing industry in general, create a new brand and to be a successful brand take long time and big investment. This is especially true for global brand.

5.5 Product design

Unique design can reduce the opportunity of copy from local manufacturers. Hong Kong footwear industry mainly produces casual and sport shoes of real and synthetic leather. Some companies specialised in men's casual shoes like boat shoes and moccasins. Buyers of imported brands always expect Italian shoes to have unique design, high quality material and good workmanship that are different from local shoes. For those importers, they must compare with many other sources from local and overseas suppliers in order to compete in this diversified Hong Kong market. Besides, Italian shoes makers must bear in mind that, Hong Kong consumers has very sophisticated tastes which differ greatly from those in Europe or even other Asian like Japanese and Taiwanese. In addition, Chinese have differently shaped feet, for example, southern part of China like Hong Kong and Canton, the feet is a bit fatter and flatter than northern part of china.

5.6 Communication

Communication is a quick solution, both sides get to know each other and understand the variation in corporate culture. However, there may be problems because of cultural difference. It is important that both sides make an effort to learn about the other's national culture and to make allowance for that. But it is also vital that efforts are made in order to ensure that a flexible approach is taken and maintain the ability to adapt to these other cultures. Be prepared to listen to the needs of local markets. Develop effective communication structures, not just for the flow of ordering information etc, but also for the transference of the solutions.

6. SHOPPING PLACE

Shopping Malls	Location	MTR Station
Festival Walk	80 Tat Chee Road, Kowloon Tong, Kowloon	Kowloon Tong
Harbour City	Canton Road, Tsim Sha Tsui, Kowloon	Tsim Sha Tsui
IFC Mall	Finance Street 8, IFC Mall, Central	Central or Hong Kong Station
New World Centre	20-24 Salisbury Road, Tsim Sha Tsui, Kowloon	Tsim Sha Tsui
Ocean Centre	Canton Road, Tsim Sha Tsui, Kowloon	Tsim Sha Tsui
Pacific Place	Queensway, Admiralty, Hong Kong	Admiralty
The Landmark	Des Voeux Road, Central, Hong Kong	Central
The Lee Garden	Hysan Ave, Causeway Bay, Hong Kong	Causeway Bay
The Peninsula Hotel	Salisbury Road, Kowloon, Hong Kong	Tsim Sha Tsui
Times Square	Russell Street, Causeway Bay, Hong Kong	Causeway Bay
Windsor House	Great George Street, Causeway Bay, Hong Kong	Causeway Bay

Department Stores	Location	MTR Station
Chinese Arts & Craft	Star House, 3 Salisbury Road, Tsimshatsui, Kowloon	Tsim Sha Tsui
	China Resources Building, 26 Harbour Road, Wanchai, Hongkong	Wanchai
	Shop 230, Phase 2, The Mall, Pacific Place, 88 Queensway, Hongkong	Admiralty
	Nathan Hotel, 378 Nathan Road, Kowloon	Jordan
CRC Department Store	488 Hennessy Road, Causeway Bay, Hong Kong	Causeway Bay
	Chaio Shang Bldg., 92 Queen's Road C., Central, Hong Kong	Central

	<p>Argyle Centre Tower I, 65 Argyle Road, Mongkok, Kowloon</p> <p>Site 3, Whampao Garden, Hung Hom, Kowloon</p> <p>Jubilant Place, 33 Ma Tau Kok Road, Tokwawan, Kowloon</p>	<p>Mongkok</p> <p>Hung Hom</p> <p>Tokwawan</p>
Jusco	<p>Kornhill Plaza (South), 2 Kornhill Road, Quarry Bay, Hong Kong</p> <p>Shops 1, 301, 302 & 307, Lok Fu Shopping Centre II, Junction Road, Lok Fu, Kowloon</p> <p>Level 1-4, Tsuen Wan Plaza, 4-30 Tai Pa Street, Yuen Tun Circuit, Tsuen Wan, N.T.</p> <p>Shop 108 & 208, Zone B, Tai Po Mega Mall, 8 & 10 On Pong Road, Tai Po, N.T.</p> <p>Shop 177 & 227, Level 1 & 2, East Point City, No. 8 Chung Wa Road, Tseung Kwan O, N.T.</p> <p>Shop 517 & 603, Tsz Wan Shan Shopping Centre, 23 Yuk Wah Street, Tsz Wan Shan, Kln.</p> <p>G/F & Basement One Site 5 & 6 , Whampoa Garden, Hunghom, Kln.</p> <p>Upper Ground & First Floor, Phase 1 Tuen Mun Town Plaza, 1 Tuen Shun St., Tuen Mun, N. T.</p>	<p>Taikoo</p> <p>Lok Fu</p> <p>Tsuen Wan</p> <p>Tai Po</p> <p>Tseung Kwan O</p> <p>Tsz Wan Shan</p> <p>Whampoa</p> <p>Tuen Mun</p>
Lane Crawford	<p>Ocean Terminal, Tsim Sha Tsui, Kowloon</p> <p>Ifc, Central, Hong Kong</p> <p>Pacific Place, Admiralty, Hong Kong</p> <p>Times Square, Causeway Bay, Hong Kong</p>	<p>Tsim Sha Tsui</p> <p>Central</p> <p>Admiralty</p> <p>Causeway Bay</p>
Mitsukoshi	<p>Hennessy Centre, 500 Hennessy Road, Causeway Bay, Hong Kong</p>	<p>Causeway Bay</p>

Seibu	Pacific Place, Admiralty, Hong Kong Windor House, Causeway Bay, Hong Kong	<i>Admiralty</i> <i>Causeway Bay</i>
	Langham Palace, Mong Kok, Hong Kong	<i>Mong Kok</i>
Sincere	173 Des Voeux Road, Central, Hong Kong 73 Argyle St, Mongkok, Kowloon L1&2 Grand Century Place, 193 Prince Edward Rd W, Mongkok, Kowloon L1-3 Dragon Centre, 37K Yen Chow St, Shamshuipo, Kowloon	<i>Sheung Wan</i> Mongkok Prince Edward Sham Shui Po
Sogo	555 Hennessey Road, Causeway Bay, Hong Kong	Causeway Bay
Wing On	Shop 114, Block C, Discovery Bay Plaza, Discovery Bay, Lantau Island Wing On Kowloon Centre, 345 Nathan Road, Kowloon Wong On Centre, 211 Des Voeux Road Central, Sheung Wan, Hong Kong City Plaza, Unit 074 & 114, 18 Taikoo Shing Road, Taikoo Shing, Hong Kong	Lantau Island Yau Ma Tei Sheung Wan Taikoo

European/ Japanese Fashion Wholesale Centre	Location	MTR Station
Causeway Bay Centre	Causeway Bay Centre, 15-23 Sugar Street, Causeway Bay, Hong Kong	Causeway Bay
Pedder Building	Pedder Building, 12 Pedder Street, Central, Hong Kong	Central
Hung Lung Centre	Hung Lung Centre, Paterson Street, Causeway Bay, Hong Kong	Causeway Bay
Hanford House	Hanford House, 221 C-D Nathan Road, Jordan, Kowloon	Jordan
Everest Building	Everest Building, 241-243 Nathan Road, Jordan, Kowloon	Jordan

HK Local Fashion Wholesale Centre	Location	<i>MTR Station</i>
Trendy Centre	Trendy Centre, 682-684 Castle Peak Road, Lai Chi Kok, Kowloon	Lai Chi Kok
Hong Kong Industry Centre	Hong Kong Industry Centre, 491-489 Castle Peak Road, Lai Chi Kok, Kowloon	Lai Chi Kok

Major Local Fashion Shopping Area	Location	MTR Station
Granville Road	Granville Road, Tsim Sha Tsui, Hong Kong	Tsim Sha Tsui
Park Lane Shopper's Boulevard	Nathan Road, Tsim Sha Tsui, Kowloon	Tsim Sha Tsui
Paterson Street (Fashion Walk/ Fashion Island)	Paterson Street, Causeway Bay, Hong Kong	Causeway Bay
Sai Yeung Choi Street	Sai Yeung Choi Street, Mongkok, Kowloon	Mongkok
Temple Street	Temple Street, Yau Ma Tei, Kowloon	Yau Ma Tei