

COVID-19

# **WORLD FOOTWEAR GUIDEBOOK FOR RE-OPENING RETAIL**

**30 Business Tips  
for Brand Managers**

**70 Health & Safety  
Recommendations  
for Retailers**



**WORLD FOOTWEAR**

by Portuguese Shoes

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### **Who we are**

World Footwear is an initiative of APICCAPS, the Portuguese Footwear, Components and Leather Goods Manufacturers' Association, and it includes two communication channels: an annual edition of the World Footwear Yearbook and an electronic platform with updated industry news ([www.worldfootwear.com](http://www.worldfootwear.com)).

The first edition of the World Footwear Yearbook, a comprehensive report that analyses the main trends within the footwear sector around the world, was released in September 2011, with new updated editions published on a yearly basis. Each report is published with the most updated data up to the previous year and analyzes the position of the relevant countries of the footwear industry in terms of different variables (Production, Exports, Imports and Consumption) and evaluates the strategic positioning of the different sector players. The World Footwear Website disseminates all relevant news about the worldwide footwear industry on a daily basis.

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### **Disclaimer**

This report was prepared by the Research Centre in Management and Applied Economics (CEGEA) of Católica Porto Business School for APICCAPS and by CTCP - Portuguese Footwear Technological Centre.

Although due care has been taken in the preparation of this report, APICCAPS cannot guarantee the accuracy or completeness of the report and cannot be held responsible for any error or the opinions expressed herein.

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# Contents

## 04 Executive Summary

## 05 Context

### PART I

## 08 Trends and Tips

- Inventory
- New Shopping Experience
- Comfort at Home
- Buy Less, Buy Better
- Supply Chain: From Global to Local
- All Together: Cooperation to Thrive
- Digital Presence

### PART II

## 16 Health & Safety Recommendations

- Re-opening the Store
- Access and Circulation in the Store
- Social Distancing
- Spaces
- Individual Protection Measures
- Ventilation
- Cleaning and Disinfection
- Payments
- Orders and Mail
- Returns, Exchanges and Repairs
- Other Considerations in Store
- E-commerce and Online Presence
- Employees

## PART I

# Trends and Tips

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In this part, we will provide 30 business tips for retailers and brand managers returning to their activities. Tips are categorized into 7 major trends that are expected to influence the future of fashion retail. We include suggestions on how to plan and manage inventory for the next season, how to adapt to a new shopping experience, how to articulate the management of global supply chains with the need for a local response, and how to keep up with digital networks and markets. Finally, we underline the importance of having a spirit of cooperation to thrive in this uncertain future.

# 1. Inventory

Supply chain management has to consider both in-store and online operations. A quick and adapted response to consumer demands depends on the collection and monitoring of relevant data regarding sales and consumer preferences. For physical stores, brand managers must prepare for the next fall season ahead as things are not expected to get back to normal that soon. Brand managers will have to be inventive in managing inventory stuck in closed stores to make way for the next season's collection. Inventory decisions must guarantee that brand managers have what they need as soon as the shops reopen, but also be adjusted to an expected decrease in sales in comparison to previous years.

## • Control the flow of inventory

Inventory is a sensitive topic to every business. There is an equilibrium between overstocking, which requires space and investment, and underestimating sales, which directly leads to losses. For retailers operating online, inventory becomes even more important as consumers buying online tend to prefer short delivery times. This calls for an accurate monitoring of sales and demand information.

## • Prepare the next season ahead

As production from most factories stopped during the lockdown period, footwear retailers should anticipate their orders for the next season as soon as possible so as to avoid shortages.

## • Consider kid's footwear a priority

As schools are about to reopen in the next fall semester, kid's footwear will continue to sell. These sales may suffer an eventual delay if schools' opening occurs later than usual.

## • Discontinue current collection items

Spring footwear of the current season may be discontinued, but some may be kept in stores for current sales as stores reopen.

## • Be flexible

Some strategies to get rid of current spring/summer items could include the delay for next year's collection, to keep some items to mid-season sales or to relegate others to outlet facilities.

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## 2. New Shopping Experience

Fashion retailers will face new challenges over a new shopping experience. After reopening, it is likely that customers will not be willing to touch the products they are buying or feel safe trying on clothes and shoes in fitting rooms. As this new shopping experience is all about reducing physical contact, it is the time for virtual fitting solutions, self-checkout options and cashless payments to become disseminated. Although some of these solutions are not affordable to every small business and even large retailers are still running experiments in this domain, others have already been underway and are becoming a global trend.

- **Invest in virtual fitting solutions**

These solutions allow consumers to see how clothes and accessories will look like on them without the need for physically trying them on. Unfortunately, these technologies are only affordable for a very specific segment of the market and, even for them, they are still in an early phase of implementation.

- **Consider implementing booking systems**

Customers could book a fitting room, sterilized between visits, and enjoy a customized shopping experience. Of course, this is most likely an option for luxury brands, many of which already have private shopping suites in their facilities.

- **Limit access to fitting rooms**

For fast fashion brands, working with low mark-ups, the costs of implementing a booking system strategy would be difficult to compensate. These may decide to close fitting rooms for a while or to limit access to ensure proper cleaning between visits.

- **Ensure proper monitoring**

In large stores, use voice warnings to keep customers aware of the need for social distancing, avoiding the concentration of two or more people in the same aisle.

- **Consider implementing self-checkout systems**

Self-checkout options, most commonly seen in food retail, have already arrived at fashion stores, and even high-fashion brands are adhering to this technology. These solutions are becoming increasingly popular among brand managers and consumers and the need for social distancing may constitute the perfect opportunity for their implementation to become a generalized trend.

- **Give preference to contactless payments**

Contactless payments are already very popular worldwide. In response to the current pandemic, these payment options should be prioritized. Recommendations over payments will be explored in Part II.

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## 3. Comfort at Home

Even after the phased reopening of regions, schools, restaurants, public facilities and stores, people are more likely to spend more time at home or to engage in individual leisure activities than to gather in crowded events as before. In addition, teleworking will continue to prevail in every activity where it is possible, which means that people will continue to spend more time at home than anywhere else. As a result, footwear consumption patterns will naturally be affected by these new routines. Evidence from the last months suggests that stay-at-home routines lead consumers worldwide to look for comfort instead of fashion.

- **Expect comfort sales: slippers and clogs**

Slippers are a comfortable type of footwear to wear at home and they also appear as an alternative now that it is not advisable to bring outdoor footwear indoor. Rubber clogs, on the other hand, are especially fitted for healthcare providers due to their lightweight and ease of cleaning. Nevertheless, they also constitute a comfortable alternative to slippers to wear at home.

- **Offer machine-washable shoes**

If the idea of being able to wash our shoes in the washing machine would be convenient at all times, it is increasingly so when we are all ultimately concerned with hygiene. This type of footwear may become a new trend.

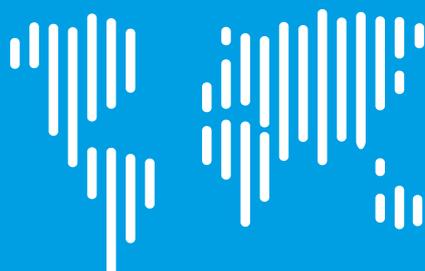
- **Expect a decreased demand for formal shoes**

As teleworking is expected to prevail as a new trend after the pandemic crisis, the demand for formal shoes may face a decrease as people are likely to dress more comfortably while working from home.

- **Be cautious about athletic footwear**

Many countries are still under some sort of restrictions that includes the practice of most collective sports and the use of indoor gyms. Therefore, athletic footwear sales are likely to continue down, but sales of specific products related to outdoor activities, individual sports or running may evolve positively.





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