

# AEROSOLES



## WE OFFER FLEXIBLE PRODUCTS SUITABLE FOR THE INDIAN TERRAIN



N. Mohan



Fernando Brogueira

*Tata International, a global trading and distribution company of Tata Group, launched the American women's footwear brand Aerosoles in India. Aerogroup International and Tata International had first announced the strategic alliance to produce and market Aerosoles brand in Europe and India in 2012. N. Mohan, Global Business Head, Footwear and Leather Garments, Tata International, and Fernando Brogueira, Executive Director, Move-On, Tata International's European Subsidiary, explained to S&A how the market has responded and what strategy it has adopted to advance its operation.*

**Tell us something about some of the key aspects on which Aerosoles is built as a global brand.**

**N. Mohan:** Aerosoles is a worldwide brand, known for its comfortable and high quality shoes. These key aspects fit perfectly with our vision of what a shoe should be. Aerosoles offers a full range of styles that are made from the softest leathers and unique constructions. Comfort, traditionally found only in casual shoes, can now be found in everything from dress pumps to boots to sandals. To top that, we are constantly aiming to innovate and offer a better product to our customers.

We take pride in the fact that we understand our customer and 'her' needs; comfort that 'she' can count on, through a range of styles that cover all the areas of 'her' busy lifestyle.

The bottom line is that we are product lovers in non-stop search for improvements which translates in a better product, that offers most of all, maximum comfort with style and updated vision.

**What makes it possible for Aerosoles to position itself as a brand of such status and allows it to have leverage over others?**

**Fernando Brogueira:** Aerosoles are pioneers in making comfortable shoes around the world and the first ones to use the stitch and turn technology. We have adapted this technology and have built a whole new range keeping the Indian customer in mind. We have also patented the diamond flex sole technology. This helps us ensure that we offer a flexible product suitable for long use in the Indian terrain. Further, close control on material development as well as selection and in-house production ensures greater consistency in delivering comfort.

With more than 20 years of accumulated know-how. You can summarize our main strength in two main axes: 1) Product and experience, and 2) High quality and well-designed products.

Our products have the following fundamental characteristics: 1) The flexibility of soles 2) Padding of the insoles, and 3) Naturalness and subtlety of materials and linings, then keeping a constant demand for an actual design, with the conscience to follow fashion trends, and never forgetting the objective for comfort footwear.

Our shoes are built from the bottom up. Diamond pattern soles act as the base for comfort. We develop our own unique constructions to create shoes that offer the ultimate in comfort and flexibility.

The production processes are the most innovative, to ensure the best product with the best comfort. Proof of this is the Stitch and Turn technology technique that ensures to our products, all the flexibility for an absolute comfort.



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**What product lines are available in the market, and what new ones are you planning to launch in the near future?**

**Mohan:** We have entered the market with our range of dress pumps, sandals, wedges and comfort wear. However, we would want the brand to be a part of every woman's wardrobe and have strong plans to extend our range and distribution to cover the demand across the sub-continent.

**In what parts of the country do you witness strong demand?**

**Brogueira:** Our current presence is in Western and Southern parts of India, primarily in Mumbai, Bangalore, Chennai and a few doors in North India that will be operational by March.

We also have a few doors in Indore, Pune, Bhopal and Ahmedabad. We would further look at expansion based on demand. We expect to be present in at least 120 Doors by March'15.

**Who are your direct competitors?**

**Mohan:** We are competing with all the major players in ladies' comfort footwear, like Clarks, Hush Puppies, Dr. Scholl's, Fitflop, Geox, Naturalizer.

**What are the price points of your product lines?**

**Brogueira:** Our range varies from products priced at ₹2495 to products at ₹4995 & above

**How do you project Aerosoles on the advertising front?**

**Mohan:** The USP of Aerosoles is comfort footwear, designed for use over long durations. We plan to highlight these key aspects and improve awareness through Fashion Magazines, PR & Advertorials, Social Media and Inflight Magazines.

**What are some of the challenges that you see in the Indian market?**

**Brogueira:** Any brand which is introduced in India needs to create awareness among consumers. From our research in other markets we have found that our customers develop a very strong loyalty once they slip into our shoes. India is no different and we have got a lot of repeat purchases in the past few months. The Brand is catching up fast especially with younger consumers. We will be launching a lot of Work wear Styles which we are confident will be an instant success with the Young working women due to the comfort that our shoes offer.

Today, as we initiate, we have limited online presence. However, this situation is something that we will be correcting. We will be tying up with a few E-commerce partners over the next 3 months.

**How difficult was it in the beginning, especially launching the brand? Kindly elaborate.**

**Mohan:** Our key hurdle has been creating awareness for the brand and overcoming consumer perception. Conventionally, most of the consumers tend to perceive comfort as boring. We have been taking conscious efforts to highlight our stylish range to emphasize that comfort does not translate into boring and can be trendy as well. We believe that she can look and feel great in a comfortable shoe. Aerosoles keeps on innovating and developing stylish comfort shoes.

We have also been focusing on creating awareness about the benefits of Aerosoles. Through the years we have developed the know-how and technology that makes our shoes extremely comfortable, lightweight and at the same time stylish. We have been able to educate our existing consumers on these benefits and will continue to undertake initiatives that help us reach out to a larger consumer base.

**Online is a fast growing channel, and consumers are increasingly becoming active on digital platform. Considering these developments, what is your approach to engage with such TG?**

**Brogueira:** We have done some test marketing through an E-commerce partner and the results have been very good. However, the biggest concern in this channel is the high number of returns. The consumer behavior is very different and is still evolving. With an option to return the product after delivery, the consumer tends to reject the product for fit or quality issues. However, the response for Aerosoles has been very good and we are proud to have achieved virtually "Zero Returns" and the feedback on fitting has been excellent. This reiterates our focus on high quality product offerings that fit the Indian consumers.

**What more do you have in your disposal to ensure greater operation in the coming years?**

**Mohan:** Aerosoles has just embarked on a journey in the Indian market and has plans to grow significantly. The Indian consumer is highly aspirational and is now ready to experience the global brands. This is the most appropriate time to fulfil the aspirations of emerging younger generation.

Our main focus areas would be the following:

- ▶ Improving brand awareness, consumers need to know about AEROSOLEs and its advantages
- ▶ Increase the number of SKU, to offer a wider range that meets the demand
- ▶ Increased levels of new and innovative products at reasonable prices which represent outstanding value. SA

## TATA'S FOOTWEAR DIVISION EYES ₹1,700 CRORE IN THREE YEARS

Tata International is aiming to double its revenues to ₹1,700 crore in the next three years from leather and leather products and exports. "We are hopeful of exporting 6 million pairs of leather footwear in FY 2015 and increasing the same to 11 million pairs in three years period. Similarly, our revenue will also increase from the present ₹800 crore to ₹1,700 crore in three years' period," said N Mohan, Tata International Global Business Head, Footwear and Leather Garments.

The company, a global trading and distribution company of Tata Group, is hoping to grow its business in line with the industry's of 40 per cent in last five years, Mohan added.

The leather footwear and garments exports is expected to touch \$12 billion in three years period from the present \$6 billion.

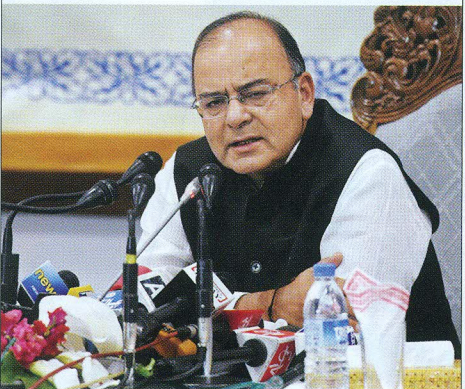
The company has been exporting to over 35 countries and is also the largest exporter of children's shoes from India.



## SUB - ₹1,000 LEATHER SHOES TO BE CHEAPER

Leather shoes priced between ₹500-1,000 will get 2-3% cheaper, thanks to the reduction in excise duty on leather footwear items. The lower price points will be mainly for ladies and kids shoes, as these are priced under ₹1,000. However, the budget announcement may not cheer men folk as footwear for gents mainly are priced above ₹1,500.

In his budget speech, Finance Minister Arun Jaitley halved excise duty on leather shoes priced in the range of ₹500-1,000 from 12% to 6%. India footwear market is around ₹30,000 crore growing at around 15% annually.



## PUMA LAUNCHES 'IGNITE' RANGE IN INDIA

Puma has introduced a performance running shoe range with innovative foam technology that, it claims, maximises the energy levels of the runner. Designed for a wide range of runners, the footwear line named Ignite has been made using the special Ignite foam that provides responsive cushioning and optimal rebound.

Speaking about the collection, the company's running expert and sports scientist, Shayamal Vallabhjee, said, "Ignite is constructed to deliver superior energy return and durability while providing comfort. The advanced technology used for the foam can make a real difference and Ignite will be a game changer for runners across India."

"The breakthrough foam technology used for the shoe has been developed after much research and testing. It has been created keeping in mind the necessity for athletes to save energy in order to optimise running performance," Puma India's MD, Abhishek Ganguly, said.

Supermodel Lisa Haydon has been signed on as the ambassador for the new footwear range. Commenting on the association, the actress said, "My running regime is pretty intense and I need a shoe that keeps my energy going and having tried Ignite I have felt it delivers exactly that. It also looks great."



## GERMAN CERTIFICATION FIRM TUV SUD SETS UP SECOND LAB IN TAMIL NADU

German testing and certification major TUV SUD has set up its second testing lab at Ranipet, a leather hub in Tamil Nadu. The firm has joined hands with South India Tanners and Dealers Association (SITDA) to set up the lab.

According to the company, "The lab is equipped with modern facilities for testing physical and chemical properties of leather, ensuring superior quality and safety standards to help the manufacturers improve their export capabilities and grow their businesses."

The company set up the first lab in 2010 at Ambur.

"Our association with SITDA for setting up the testing lab in Ranipet is an important milestone. We have received an overwhelming response from customers at Ambur and we will continue to add value to the enormous leather industry in Tamil Nadu," TUV SUD South Asia Chief Executive Officer, Niranjana Nadkarni said.

Council for Leather Exports has subsidised the investment by providing a grant of ₹7.3 crore under the ASIDE (Assistance to States for Infrastructure Development of Exports) scheme, launched by the Centre. Additionally, SITDA invested ₹3 crore for the lab.

