

# Soul To Sole

The conventional wisdom is that the multinationals call the tune and the consumers dance to it. Well not with the sports shoe. Alice Rawsthorn tells the story

There is a scene in Spike Lee's film *Do The Right Thing* of a white cyclist steaming along a Brooklyn street on a hot, hot summer day. He bumps into Buggin' Out, one of the black kids hanging out on the street.

Buggin' Out is outraged. 'Not only did you knock me down, you stepped on my brand new Air Jordans... and that's all you can say, "excuse me",' he shrieks, and lunges towards the cyclist.

For a Brooklyn boy like Buggin' Out his Nike Air Jordans are not just a pair of sports shoes but a badge of pride. The real Buggin' Out will own as many as a hundred pairs of sports shoes costing anything from \$50 to \$150 each. All in all more than 44m pairs of sports shoes will be sold in the US this year.

For a handful of multinational manufacturers that dominate the \$20 billion worldwide market, it all adds up to an extraordinarily buoyant business. But the market is changing, the axis of power is shifting away from the manufacturers towards the consumer.

It is not the technicians in Nike's research department or Reebok's marketing managers that dictate which styles will sell, but Brooklyn boys like Buggin' Out. The sports-shoe market is turning into a multinational's nightmare.

The sports shoe of today is the creation of three US companies, Nike, Reebok and Converse, which emerged in the 1980s. They used a combination of technical innovation and low-cost manufacturing to steal market share away from Adidas and Puma, the West German manufacturers that had dominated the market for decades.

These companies identified a need for smarter, more stylish shoes to suit the emerging sports of the 1980s. Nike went for running. Reebok for aerobics. They also developed a new system of subcontracting their manufacturing to companies in the low labour-cost economies of South Korea and Taiwan.

Soon sports shoes were worn by everyone from the Buggin' Outs in Brooklyn to the brokers and bankers on Wall Street and the clubbers in the night districts of Tokyo. Reebok, Nike and Converse were locked in a cycle of developing more and more styles and technical features to dangle in front of the consumer.

The sports shoe began the 1980s as an unremarkable product, the humble trainer, which came in a choice of canvas or leather in black and white. It ended the decade as one of the most sophisticated and sought-after consumer products.

Some sports shoes come in leather. Others are covered with fur. The choice



Reebok's Pump: Inflated soles and prices

of colours, styles and trimmings is endless. Some have air pumps in the soles. Others have inflatable tops. There are Alphas. There are Air Jordans. There is even a sports shoe called the Beast.

Ostensibly the multinationals have got it made. They have one of the hottest products on the market. They even have low manufacturing costs. But the tables are turning. The multinationals are so locked into the cycle of innovation that



they have lost control of the market.

As soon as a new style or feature comes on to the market - the Pump by Reebok, a baseball boot with an inflatable sole, is the latest - the old sports shoes are dropped and the new style is taken up.

The culture of the sports shoe is text-book semiotics. In the States, the kids in one city go for one brand, and in a neighbouring town for another. Nike is hot in Chicago. In Philadelphia it is

Adidas. Sometimes the styles and brands change from suburb to suburb, or even from street to street. The choice of shoe, whether the laces are tied or not, even if it is a matching pair, speaks volumes about where someone lives and who they hang out with.

The trends are set by the kids in the inner cities. The shoe worn today by the Puerto Rican kids along Bedford Avenue in Williamsburgh will soon spread to the suburbs and then out of New York

over to the West Coast. It will then become big in Europe and even in the Far East.

The problem for the multinationals is that it is impossible to predict which type of shoe the kids will choose. A few years ago British Knights became popular in Los Angeles. But sales suddenly slumped when the local kids started calling them Brother Killers. In the London and Manchester clubs this spring there was a craze for plain Puma trainers, an anti-fashion protest against the hi-tech styles from the States. It is the consumers, not the multinationals, that decide whether a new shoe will be a hit or not.

**T**he multinationals are faced with potentially a phenomenally profitable market. They *must* keep coming up with new styles to keep ahead of their competitors. Yet they are now in a situation where they can sink millions of dollars into developing a new product only to see it sink, inexplicably, without trace.

Even if a new product succeeds, a sudden slump in sales may mean that the company is lumbered with high stocks of unsaleable shoes. The fact that most companies import their shoes from cheap production sources in the Far East complicates the problem, because they place their orders so far in advance that it is difficult to respond to sudden changes in the marketplace.

The multinationals are developing defensive strategies. Converse gathers together groups of kids from the inner cities in the US to talk about the sort of trends and colours that they want to see. This forms the basis if its market research before it launches a new shoe.

Avia, one of the Reebok brands, sells small samples of new styles in a handful of inner-city stores on an experimental basis. It sees how sales go and monitors customers' comments. It then adapts the new shoe before going into full-scale production.

Nike has gone one step further. Given that it has little or no control over whether its shoes will sell, it has introduced an inbuilt-obsolence to its products by deleting most of its range every six months. This means that most of its styles are automatically withdrawn and replaced by new styles after only a few months on the market.

But the multinationals are still struggling. Puma once developed a new shoe specifically, or so it thought, for inner-city kids in the US. It went as far as it could to be wacky. It covered the shoe in fur. It even called it the Beast. But the Buggin' Outs of Brooklyn just didn't want to buy it. Maybe the cyclist did.

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