



**TPSA** | CANADA-INDONESIA TRADE AND PRIVATE SECTOR ASSISTANCE PROJECT



**SUCCESS STORY**

# Helping Indonesian Footwear SMEs Successfully Market Their Products

Exporting comes with many challenges. Exporters need to understand the importing country's needs; they need to navigate regulatory issues and packaging and labelling requirements; and they require an understanding of how to market and promote their businesses. These challenges can be even more difficult for a small or medium-sized enterprise (SME) to deal with. The TPSA project worked with five footwear SMEs to prepare them for exporting their products to the North American market.

## THE CHALLENGE: GETTING THE WORD OUT

One significant knowledge gap identified by TPSA was how to market footwear products outside the domestic Indonesian market. Buyers at North American trade shows have high expectations and expect SME representatives to expertly discuss their export offering, including products, manufacturing, models, sizing, packaging, labels, and logistics. SMEs must have good-quality promotional materials to inform buyers about the product and company, as



Workshop on exporting footwear products to Canada.



Program undertaken with the financial support of the Government of Canada provided through Global Affairs Canada

IN PARTNERSHIP WITH



MINISTRY OF TRADE



well as an English website, a social media presence, and business cards. The company's marketing team must possess sufficient resources and English-language skills to handle export marketing activities, including producing those promotional materials and websites. Company representatives should also be able to communicate comfortably in English. If the SME has not previously participated in or visited a trade show in Canada, its product packaging will likely not meet Canadian tastes and standards, and may need to be modified.

## THE STRATEGY: TRAINING AND ONE-ON-ONE ASSISTANCE

The TPSA project offered both capacity-building training and one-on-one technical assistance to the footwear SMEs. Canadian footwear expert Phil Zwibel was in constant contact with the five Indonesian SMEs via e-mail, Skype, and factory visits, offering feedback every step of the way.

## FORTUNA SHOES: MASTERING THE ART OF MARKETING

Fortuna Shoes is one of the five footwear SMEs that benefited from TPSA support. In April 2017, owner Dede Chandra and general manager Ruddi Suparman attended an overview workshop in Bandung, led by Phil, on the requirements for successfully exporting to Canada. The workshop increased their understanding of what is needed to reach buyers in North America. Phil also met with Dede and Ruddi to review their products and discuss the assistance they needed to develop a marketing plan and materials before attending their first North American trade show.



In Phil's opinion, Fortuna's shoes stand beside the best in the world, and Dede and Ruddi's skills and knowledge are unparalleled; but without proper marketing, Fortuna could offer the best shoes in North America, and no one would ever hear of them. Luckily, although the company lacked the know-how to market their shoes in North America, Phil had 30+ years of experience doing just that.

“Our promotional materials have improved significantly after receiving TPSA support. Our business cards and company profile have been ideally designed. The support from TPSA has also helped us to prepare price lists for wholesale and standard buyers. As well, our business practice on follow-up after trade shows is more disciplined and detailed.”

—Ruddi Suparman, Fortuna Shoes



Between April and August 2017, Phil helped Fortuna prepare to attend their first North American trade show: Footwear SOURCING at MAGIC in Las Vegas. The SME did a masterful job developing their buyer engagement strategy and creating concise marketing and promotional materials, including an English website, product fact sheets, brochures, catalogues, lookbooks, banners, price lists, and business cards. Phil's strong emphasis on the importance of communication with buyers was well-understood by Dede and Ruddi, who were engaged and responsive to all enquiries from buyers and proactively reignited interest through continuous follow-up after the shows. They realized that getting a deal done often depends on time-sensitive communication and commitment to deliver a world-class product.

Phil worked with Fortuna over the following year to further develop their marketing expertise. They successfully attended their second Footwear SOURCING at MAGIC trade show in February 2018. The company has gained recognition in the North American market through participation at MAGIC and demonstrated that they are committed to developing new contacts and buyers in the region.

## MAINE ST.: GROWING THROUGH MARKETING

Maine St. footwear is owned by a husband-and-wife team and has a factory in Bogor. CEO Randy Iwan and Director Lisa Yumi have a passion for shoes and are motivated to produce hard-to-make footwear with hard-to-find construction. The factory is equipped with mostly Italian machines; a large portion of its raw material, especially leather, is imported from Italy; and an Italian shoe-making expert was hired to set up the factory, train the staff, design the collections, and otherwise oversee the birth of this enterprise.

Maine St. focuses on men's dress and sport shoes under the Ftale brand. The push and pull between these two categories is one of the factory's greatest strengths. What sets Maine St. apart from the

“The greatest improvement is that we now have a line sheet, which is so useful as a promotional item at trade shows. Our business card designs are now standardized and much better. We have a deep understanding of footwear marketing strategy because of TPSA. Prior to TPSA, our company was focused on production, but now we understand the whole range of items needed to support product sales.”

—Lisa Yumi, Maine St.



Maine St. handout for trade shows.



competition is its ability to take a traditional dress-shoe construction and apply this technique to their casual-shoe collection. This is where the company's marketing approach was focused. Their hybrid shoes attracted attention at the Footwear SOURCING at MAGIC trade shows they attended in Las Vegas, demonstrating to any passersby that Maine St. was a creator of fashion, not a follower.

TPSA's coaching and on-on-one consultations with Maine St. paid off. The company clearly demonstrated that they knew how to attract potential buyers, focusing their marketing strategy on their strengths and what would attract North American buyers. They emphasized their heritage designs with a modern twist, handcrafted processing, and exclusive designs, and pointed out that they welcome start-ups and designers and accept low minimum order quantities.

At their first trade show, 21 buyers showed interest in Maine St. One of them was Sully Wong, a niche sneaker brand based in Toronto. Sully had sold shoes to Town and Brown's and was working in China. Maine St. spent considerable time explaining the various options it had available. Six months later, Sully Wong placed an order with Maine St. for 896 pairs of shoes, too small a quantity to be made in China, but a perfect opportunity to begin a great relationship. Maine St. went on to secure orders with three different buyers totalling C\$75,000 in sales, which has opened the door for their continued success in the North American market.

Maine St. has doubled their capacity since the beginning of the TPSA project. Orders are now composed of 30 per cent exports and 70 per cent for the domestic market. They have learned to adapt to what the market needs, instead of pushing their own design and style preferences. In 2018, the brand Ftale experienced 20 per cent growth in sales over the previous year.