

ECONOMIC AND TRADE NOTES

Shanghai,

China,

February 15, 1933.

Data Shoe Interests Plans for Chain-Store System (City) (Country) (Date)

Submitted by:

H. D. Robison, (Name)

Trade Commissioner. (Title)

GPO

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FOREIGN BUREAU

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FACTS FOR THE DATA SHOE COMPANY PLANS CHAIN-STORE SYSTEM FOR CHINA.

over projected in China along American and European chain-store lines, were announced here today by Mr. H. D. Robison, Trade Commissioner of the Data Shoe Company of Czechoslovakia. The Data shoe interests, the great Czechoslovakian shoe trust, recently announced to the local press plans for the establishment of a chain store system by which they expect to sell one million of the principal cities of China, through which it is expected that 1,000,000 pairs of shoes a year. Footwear made this concern which competes with rubber shoes has been sold on the China market for a number of all the chain-store units planned. Three stores already have been opened at Hongkong, Mr. Langer told the Evening Post and Mercury. The development of an extensive retail organization using Western sales methods the Shanghai stores was opened a few days ago at 207 Nanjing Road, and will be very interesting to observe. Details of the Data project good business already is being done there.

1/ are contained in the attached newspaper clipping.

General Expansion Planned.

The Nanjing Road shop was opened under the direction of Mr. Langer

who flew out from Hanoi to Saigon a few days ago. H. D. Robison continuing on by boat to Hongkong and Shanghai. Mr. Langer will remain here only another 10 days or so, however, as he will turn over charge of the local shop to

Approved for transmission:

Mr. Charles Jones, who is coming out from the home office at Zlitz, Czechoslovakia.

A. Elard Calder, of the Shanghai units of the chain-store system, Assistant Commercial Attache.

Mr. Jones will be in Shanghai the first of the coming week, and Mr. Langer

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will depart towards the end of the week. He plans, he said today, to re-

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turn to Saigon by boat, with stopovers at intermediate points, and from

Saigon he will continue on to Hanoi by air.

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**Bata Shoe Interests Plan First Chinese Chain Stores**

European Concern Enters Field with Program for Great Expansion  
Selling 1,000,000 pairs a year; Product Priced Low.  
(The Shanghai Evening Post & Mercury, Monday, February 18, 1933)

Plans for the establishment of the first chain-store system of any kind ever projected in China along American and European chain-store lines, were announced here today by Mr. K. Langer, Far Eastern representative of the Bata shoe interests, the great Czechoslovakian shoe trust.

A system of shoe chain-stores is being started with stores in all of the principal cities of China, through which it is expected upwards of 1,000,000 pairs of shoes will be sold annually with the full operation of all the chain-store units planned. Three stores already have been opened at Hongkong, Mr. Langer told the Evening Post and Mercury. The first of the Shanghai stores was opened a few days ago at 207 Nanking Road, and a good business already is being done there.

General Expansion Planned.

The Nanking Road shop was opened under the direction of Mr. Langer who flew out from Essen to Saigon a few weeks ago, continuing on by boat to Hongkong and Shanghai. Mr. Langer will remain here only another 10 days or so, however, as he will turn over charge of the local shop to Mr. Charles Seun, who is coming out from the home office at Zlin, Czechoslovakia, to take control of the Shanghai units of the chain-store system.

Mr. Seun is due in Shanghai the first of the coming week, and Mr. Langer will depart towards the end of the week. He plans, he said today, to turn to Saigon by boat, with stopovers at intermediate points, and from Saigon he will continue on to Europe by air.

Besides the Nanking Road shop which already has been opened, three or four more stores also will be opened in Shanghai, and about 10 of the small bazaar shops like Chinese stores. Later on, the Bata interests, according to Mr. Langer, plan to open two stores in Nanking, two stores in Foochow, three stores in Peiping, four stores in Tientsin, two stores in Tsingtao, one store in Chefoo, one store in Wei Hai Wei, two stores in Hangchow, two in Ningpo and one in Soochow. It is expected to require about two years' time for the opening of all these shops, and even this organization is expected to serve only as a nucleus of a far larger organization throughout China in the years later on.

#### A Million a Year.

The Far Eastern representative for Bata indicated his concern considered China as the most fertile field for future development anywhere in the world. He pointed to the fact that with the chain store organization first outlined, the company hoped to sell at least a million pairs of shoes annually. This, he explained, would involve the development of a vast new shoe market among people who have never worn shoes before since the foreign population of China and the upper class Chinese themselves could not be expected by themselves to require an additional million pair of shoes beyond those already purchased from the shoe concerns already established here.

The Czechoslovakian shoe trust has gradually extended their chain store interests farther and farther away from Europe until they have at last reached the Orient. They already have a system of more than 200 chain stores in India, Mr. Langer said, and a factory has just been opened in Calcutta to supply this vast chain-store organization.

South Already Covered.

Besides the Indian system, Bata now has in operation 15 chain-stores in the Straits Settlements, more than 50 in Java, one in Bangkok, three in Saigon, one in Hanoi, and one in Haiphong. The greater part of this vast chain store organization has been in the process of formation for a number of years, but the Oriental system is just starting. The stores in Hongkong all three of which were opened at the same time, were only established about three months ago.

With regard to the establishment of the new shoe factory at Calcutta, Mr. Langer explained the company had brought out from the home factories at Zlin the foremen, engineers and heads of the departments, but that the staff of workmen employed in the factory had been recruited there in Calcutta.

British Factory Projected.

With this addition to the list of Bata factories, there now are factories of the famous Czechoslovakian shoe trust operating in France, Poland, Holland and Germany, and property has been bought near London for the establishment of a British factory. Besides this network of what are more or less branch factories, the home plant of the shoe trust at Zlin, Czechoslovakia, a small city in itself employing some 25,000 workmen, turns out upwards of 150,000 pairs of shoes daily.

All of the shoes sold in the Asia and Oriental chain-stores come from the home factory at Zlin, though with the commencement of operations at Calcutta, much of this central and Far Eastern territory will be supplied from the Indian plant.

All Shoes Imported.

The move of the Bata interests to introduce their shoes into the Far Eastern territory is aimed neither at competition with the Chinese shoe manufacturers, nor at the American and other European shoe manufacturers. In connection with the former, it is explained that the cheapness of Chinese labor makes the Chinese shoe market so cheap as to exclude entirely any effective competition by any American or European manufacturing concern. The shoes sold in the Bata Chain-store are all imported from Europe, according to Mr. Langer, who claimed for his shoes a quality which none of the cheaper priced Chinese shoes could touch.

"The Chinese shoes are priced cheaply", the Czechoslovakian representative emphasized, "but they haven't got our quality. We have quality and moderate prices. Our prices are cheap for European shoes, and all our shoes are imported from our home plant at Zlin. There isn't a Chinese shoe in our shop."

Shoe for Depression.

As for American shoes, and the shoes of other European manufacturers, such shoes, according to Mr. Langer, "are very stylish, and sell at very high prices."

"We are different", he added. "Now in these times of depression, we have a good quality shoe, with low prices which everybody can pay. We want to follow the same policy here as we follow in Europe. We want to serve everybody. Many people think because our prices are so cheap, we have goods made here in China, but that is not so. We import everything from Europe."

Middle Class Product.

Explaining the various market prices more specifically, Mr. Langer explained, American and other European manufacturers sold their shoes at prices

...ranging from \$ 25 to \$ 40, while prices of Chinese shoes range from \$ 5 to \$ 12. The Bata shoes are aimed at the vast middle-class market between these two extremes, the Bata price range being roughly from \$ 8 to \$ 18. The great bulk of Bata shoes, however, will follow an average close to \$ 10 per pair, according to the Far Eastern representative.

Bata shoes can be bought for as low as \$ 4.90 for men's shoes and \$6.90 for women's shoes. The shoes selling at prices at around \$ 15 to \$ 18 are claimed to be of as high quality as those of any other concern in business here.

The appeal of the Bata shoes is directed equally towards the Chinese and the foreigners, though an intensive campaign is to be made to develop the market among Chinese buyers, according to Mr. Langer. "The Chinese are becoming more and more used to European styles," he explained. "They wear European hats and European clothes, and now we are going to try and sell them on the idea of European shoes".

Arthur B. Butman,  
Chief, Shoe and Leather Manufacturers Division