

Cheap shoe chain floored

**Ben Butler and
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BUDGET footwear chain Shoobiz has been crushed under the weight of even cheaper rivals.

Shoobiz will close 43 stores across Australia, including 12 in Victoria, costing 220 jobs.

Figgins, which owns Shoobiz, said increased competition from cheaper retailers such as Target and Kmart had made Shoobiz's position unviable.

Sales manager Sue Fletcher said Shoobiz was also suffering as a result of the economic downturn.

"We decided that we didn't want to compete in that part of the market any more. We would rather just compete on our niche brands," she said.

Ms Fletcher said she did not know how many workers would be laid off.

"We're in consultation with our employees," she said.

She used Figgins would try to find Shoobiz workers other jobs within the group.

Workers were told of the decision on Tuesday.

A worker at one Melbourne store said she was yet to receive written notice, and redundancy payouts had not been discussed.

"It's quite hurtful for all of us," she said.

Tony Bianco director Anthony Bianco, whose company supplies shoes to Shoobiz, said the decision was a shock to the footwear industry, but tough competition meant the lower end of the market was probably hurting the most.

"People like Target and those guys are coming in and doing fashion now," he said.

"There's a lot of cheaper shoes coming in. Those bottom-end retailers have traded up in their range."

He said the industry had also been affected by the plunge in the Australian dollar and soaring labour costs in China.

"When things like this happen, everyone is re-evaluating their business," he said.

"People don't look at it through the good times."

Bureau of Statistics figures show clothing sales, including shoes, fell by 0.3 per cent in November.



State job losses

Huyck.Wangner	150
Telstra (nat)	800
Don Smallgoods (Vic & WA)	640
Holden	more than 500
Fairfax Media	about 50
ANZ (nat)	800
Unidrive	40
South Pacific Tyres	600
AME Systems	40
Kenworth Trucks	80
Ford Australia	450
Motorways	42
National Parts	100
Starbucks (nat)	685
PBR	80
Qantas (nat)	1500
Boeing	550
GE Money	136
GM Acceptance Corp (nat)	185
Macquarie Group (Syd & Melb)	100

*Since June 2008

Overall retail sales were stagnant, rising just 0.1 per cent compared with the previous month.

Figgins also owns the Midas, Mollini, Scooter, Florshheim, Emporio and Evelyn Miles brands.

Shoobiz was the company's most affordable brand and sold a wide range of women's and men's fashion styles, generally in the \$100-\$130 range.

The company is to shut 26 Shoobiz stores by February 20; the remaining 17 are to close over the next 17 months.

Six of the Evelyn Miles boutiques, which sell luxury designer shoes, are to be turned into Midas stores.

The company is also to sell the Australian florshheim to men's shoe brand Florshheim to its finance director, David Venner.