# An In-depth Look at Footwear Retail YTD

FDRA
FOOTWEAR DISTRIBUTORS AND RETAILERS OF AMERICA

npd

# The U.S. Footwear Industry Market Drivers

## 12 months ending June 2017

## Prepared for FDRA members

# Introduction

**The NPD Group provides market information and advisory services to help our clients make better business decisions. We help companies develop and offer the right products and get them in the right places at the right prices for the right people in order to grow their businesses.**

# Highlights

## The total footwear market is estimated at $63B for 12ME June’17, down -4% YOY.

- Men’s sales were more affected by the first half of 2017 slowdown, slightly under performing the Women’s market. The Children's market makes up 14% of the total footwear volume, and declined just over -2% vs. LY.

- Brick & Mortar store sales saw a decline of -6% vs. LY. This represented a -$2.8B loss for the period. For the first time, we see a decline in online sales (-2%), although store sales made up 90% of the losses.

- Casual and Performance categories generated nearly 60% of the dollar sales, but saw the biggest declines. Combined, the two categories made up 87% of the loss, or -$3.9B total sales. In his blog, “Sneakernomics: Spring Sports Have Not Yet Sprung,” NPD Sports Industry Analyst Matt Powell noted that “The performance category struggled to gain traction earlier in the season due to the cold and wet spring keeping kids off the field. Although the spring sports business remains at the mercy of weather and that is out of our control, a lack of growth in terms of sports participation is not helping the situation.”

- The sneaker remains the largest silhouette category with $26B in dollar sales, but down -4% vs. LY due to soft performance athletic results. Slippers grew slightly (+8% vs. LY). According to Beth Goldstein, NPD’s Fashion Footwear & Accessories Industry Analyst, “While slippers is a small category that does the majority of its sales at holiday, we see brands/retailers starting to go after the opportunity to make it a more year-round business.”

- The 25-54 age group was the only age segment to show growth in the footwear market. Older Millennials (25-34) generated the most incremental dollars, gaining over +$502M vs. LY.

- Households above $100K were the only income group to grow for the period, up a combined +$2B vs. LY.

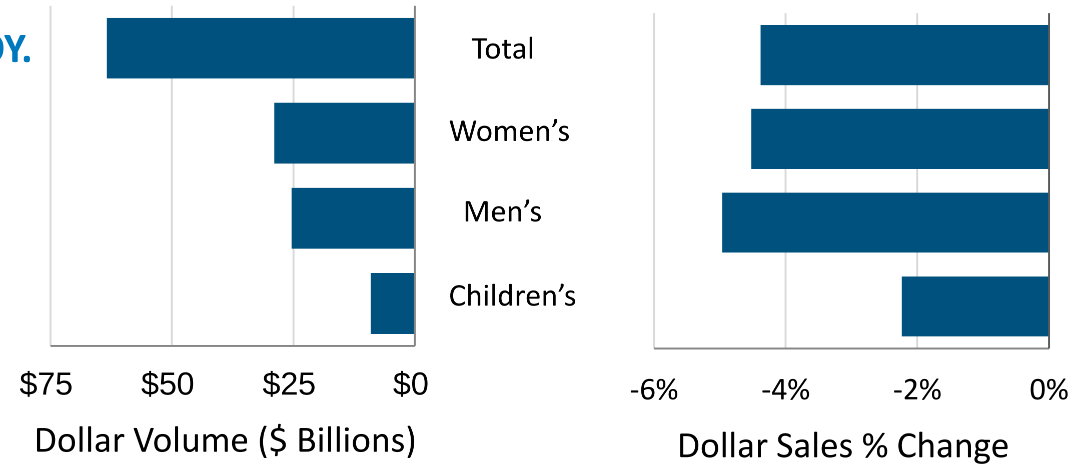
- White consumer spending continues to decline, down -2% vs. LY, but still remains the largest consumer segment at 59% of the total market. Hispanic sales have slowed dramatically (-6% for the 12ME June’17). Matt Powell states in his “Sneakernomics: Hispanics’ Sneaker Slowdown” blog, “The change in shopping behavior with Hispanics has been significant this year. Since the beginning of 2017, sales of sneakers to Hispanics slowed to a high-teens decline.”

- The Middle Atlantic outperformed the total market (flat vs. LY), however there were declines in every other division.

# Footwear Market Sales Drivers 12ME June‘17

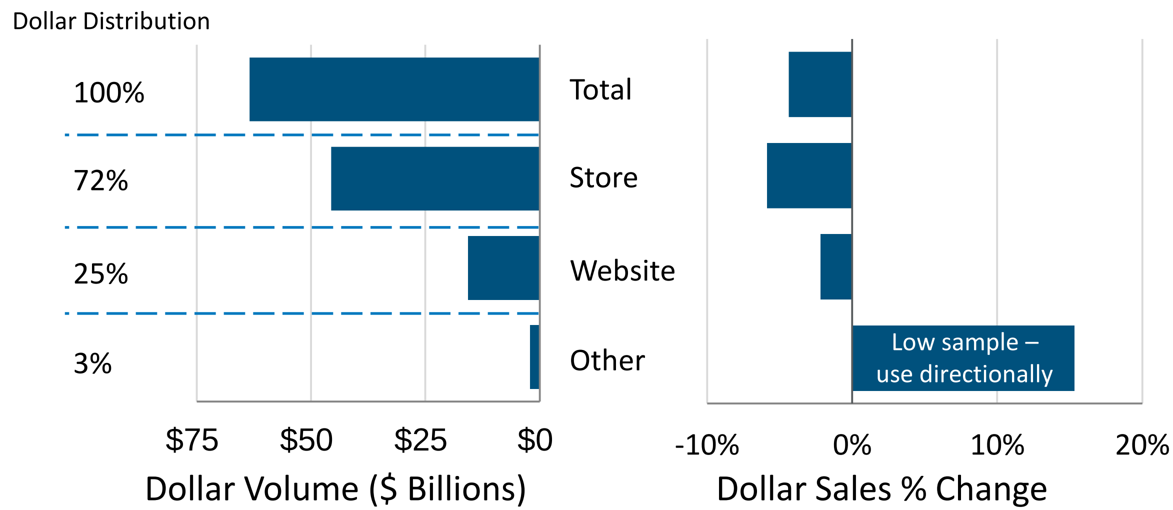
## The total footwear market is estimated at $63B for 12ME June’17, down -4% YOY.

- The total footwear market is down (-4% vs. LY) with every gender market decreasing. Men’s sales were more affected by the first half of 2017 slowdown, slightly under-performing the Women’s market. The Children's market comprised 14% of the total footwear volume, and declined just over -2% vs. LY.




## Total Footwear by Method of Purchase

- Store sales saw a decline of -6% vs. LY. This represented a -$2.8B loss for the period. For the first time, we saw a decline in online sales, although store sales made up 90% of the losses.

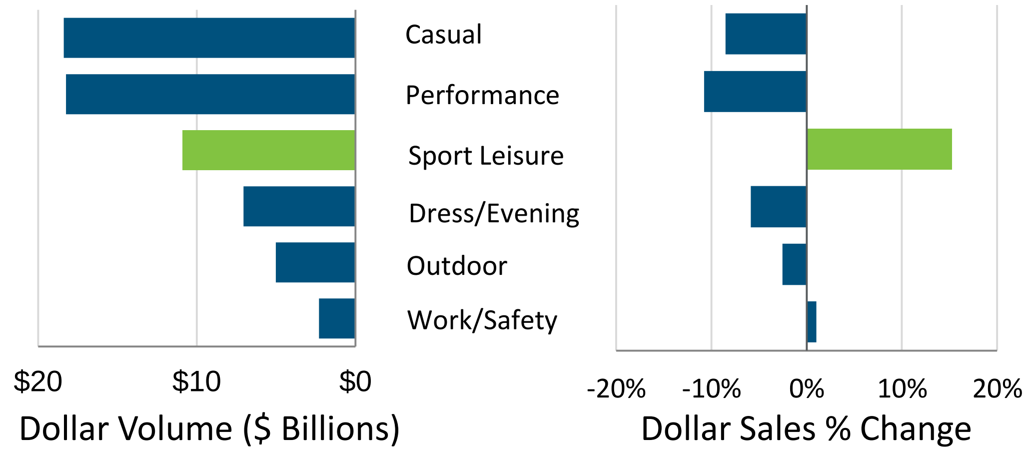



Source: The NPD Group/Consumer Tracking Service

# Footwear Market Sales Drivers 12ME June‘17

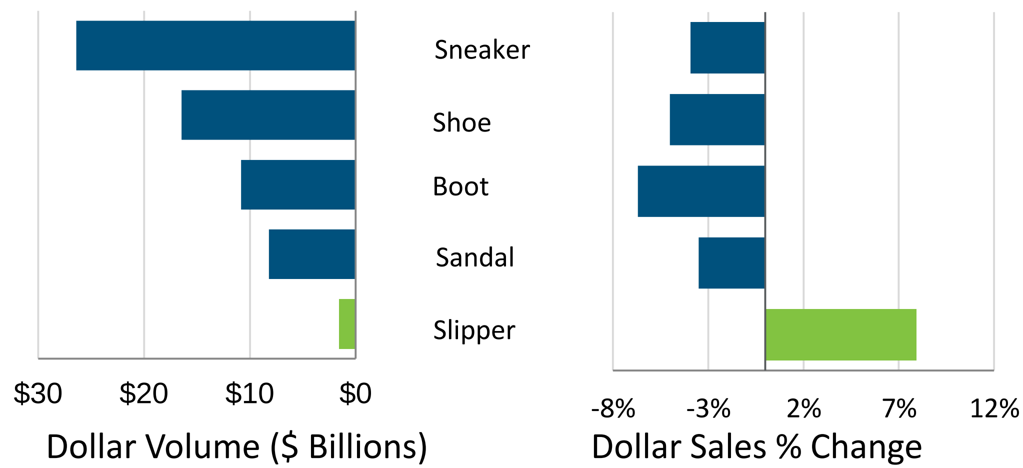
## Total Footwear by Category

- Casual and Performance generated nearly 60% of the dollar sales, but saw the biggest declines. Combined, the two categories made up 87% of the loss, or -$3.9B total sales. Sport Leisure was the only category to grow (+$1.4B).




## Total Footwear by Type

- The sneaker remains the largest segment with $26B in dollar sales, but was down -4% vs. LY due to soft performance athletic results. Slippers grew slightly (+8% vs. LY) as they become more of an all year round silhouette.

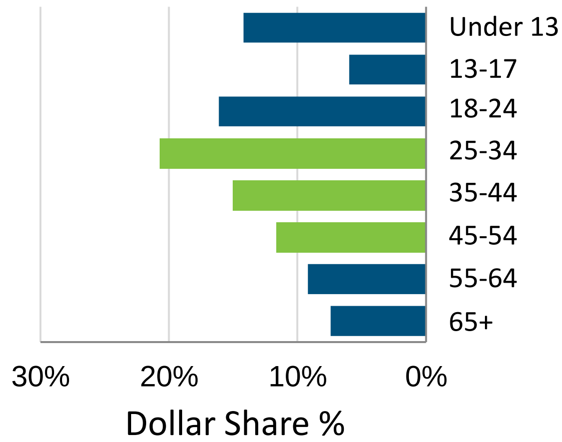


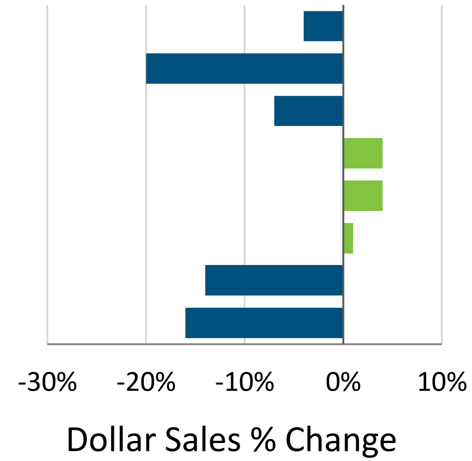

Source: The NPD Group/Consumer Tracking Service

# Footwear Market Sales Drivers 12ME June'17

## Total Footwear by Age of Wearer

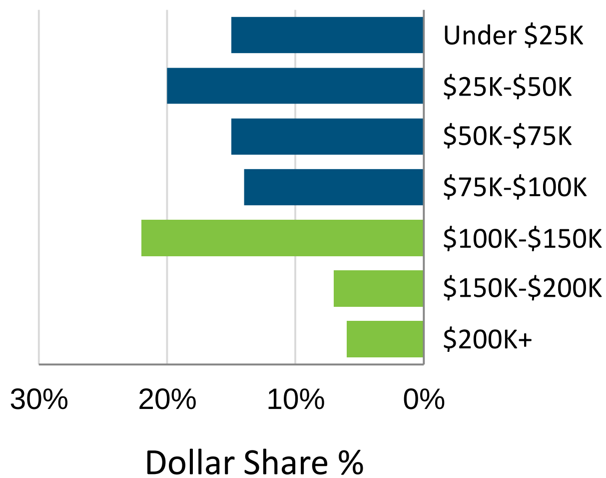
- The 25-54 age group was the only segment to show growth in the footwear market. Older Millennials (25-34) generated the most incremental dollars, gaining over +$502M vs. LY. Spending on footwear for consumers under 35 outpaced spending for those 35+ by $8.1B.

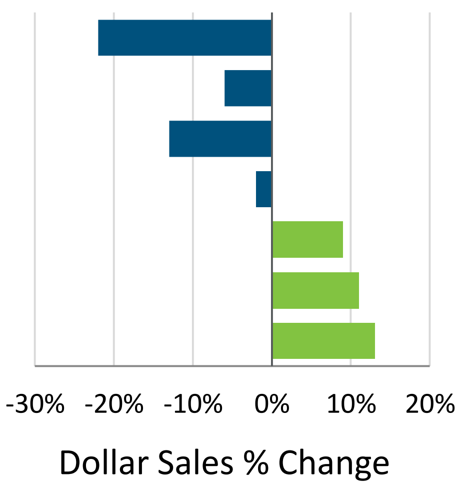



## Total Footwear by Income

- Households above $100K were the only income group to grow for the period, up a combined +$2B vs. LY, driven by the $100K-$150K segment. Dollars attributed to those under $75k declined -$4.9B, with the biggest drop in the under $25k segment, -22% vs. LY.



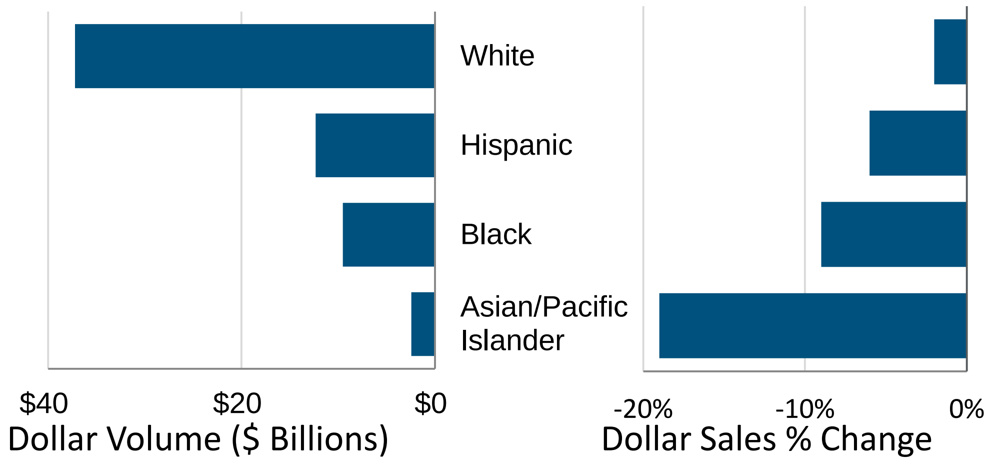




Source: The NPD Group/Consumer Tracking Service

# Footwear Market Sales Drivers 12ME June‘17

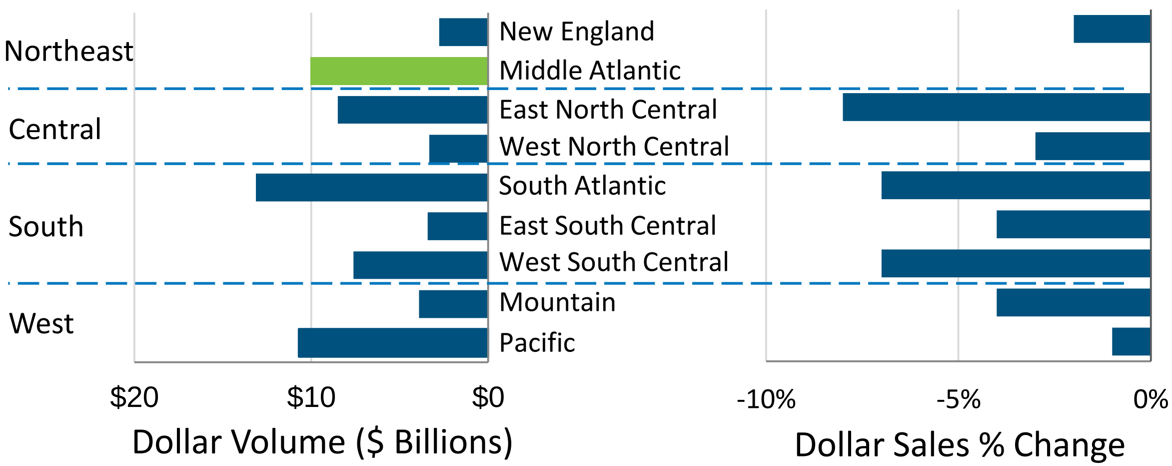
## Total Footwear by Ethnicity

- White consumer spending continues to decline, down -2% vs. LY, but still remains the largest consumer segment at 59% of the total market. Hispanic sales have slowed dramatically (6% in the 12ME June’17 period).




## Total Footwear by Region

- The South Region generated nearly 40% of the dollar sales, $24B, but contributed to nearly 60% of the loss in sales. The Middle Atlantic outperformed the total market (flat vs. LY), however there were declines in every other division.




Source: The NPD Group/Consumer Tracking Service

# NPD Credentials

**FOUNDED** 1966

**EMPLOYEES** 1300+ Worldwide

**DATA ASSETS AND SOLUTIONS**

Point-of-sale (scanner) information from more than 1,200 retailers representing approximately 165,000 stores worldwide

More than 12 million consumer interviews conducted annually

Longitudinal panel of more than 1 million consumers tracks buying behavior at the market basket-level, based on receipts for both online and brick-and-mortar retail purchases

Custom research and advanced modeling focused on identifying drivers of sales and market share. Specific solutions for Marketing Mix, Forecasting, Opportunity Identification, Category Management, Pricing Strategy, and more

**INDUSTRY EXPERTISE** Apparel, Appliances, Automotive, Beauty, Consumer Electronics, Diamonds, E-commerce, Entertainment, Fashion Accessories, Food Consumption, Foodservice, Footwear, Home, Mobile, Office Supplies, Retail, Sports, Technology, Toys, Video Games, and Watches/Jewelry

**CLIENTS** More than 2,000 of the world's leading brands and retailers

**OPERATIONS** In 20 countries in the Americas, Europe, and Asia-Pacific

# Thank you

Apparel
Appliances
Automotive
Beauty
Consumer Electronics
Diamonds
E-commerce
Entertainment
Fashion Accessories
Food Consumption
Foodservice
Footwear
Home
Mobile
Office Supplies
Retail
Sports
Technology
Toys
Video Games
Watches / Jewelry