

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 March 2017

Prepared for FDRA members

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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

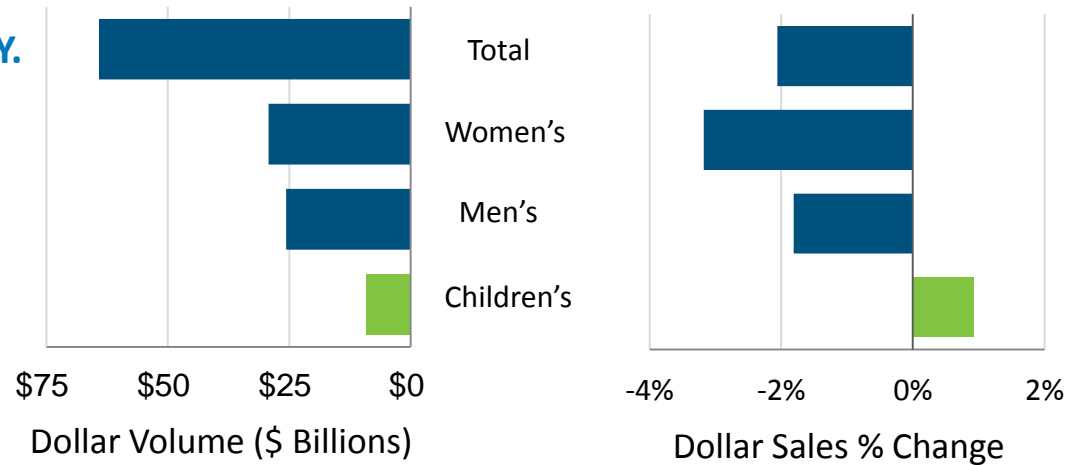
The total footwear market is estimated at \$64B for 12ME Mar'17, down -2% YOY.

- The Children's market (only 15% of the total footwear volume), posted growth of +1%. The men's and women's markets declined low single-digits.
- Store sales saw a decline of -5% vs. LY. This represented a -\$2.2B loss for the period. Online sales grew +2%.
- Casual and Performance represent nearly 50% of category performance and saw the biggest declines. Combined the two categories make up 83% of the loss, or -\$2.7B total sales.
- Sneakers continue to be the fastest growing silhouette, up +\$500M.
- The majority of growth in the footwear market is being led by those between the ages of 25 and 44. Older Millennials (25-34) generated the most incremental dollars, gaining over +\$1B vs. LY.
- Households above \$75K fueled market growth for the period, up a combined +\$2.1B vs. LY driven by the \$100K-\$150K segment.
- Hispanic consumers drove over 75% of the growth, gaining +3% in incremental sales.
- The West Region generated over half of the dollar growth volume, +\$1.4B vs. LY, led by a double digit increase from the Pacific Division.

Footwear Market Sales Drivers 12ME Mar '17

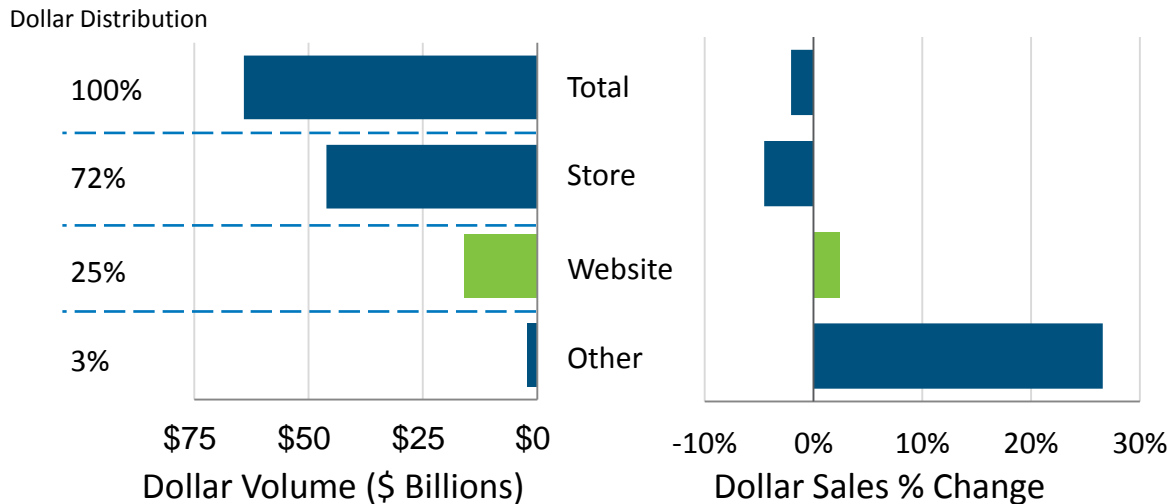
The total footwear market is estimated at \$64B for 12ME Mar'17, down -2% YOY.

- The Children's market, while only 15% of the total footwear volume, posted growth of +1%. The Women's and Men's market both declined (-3% and -2%, respectively).



Total Footwear by Method of Purchase

- Store sales saw a decline of -5% vs. LY. This represented a -\$2.2B loss for the period. However, slight growth from Online (+2% vs. LY) helped to soften the decline of the total market performance.

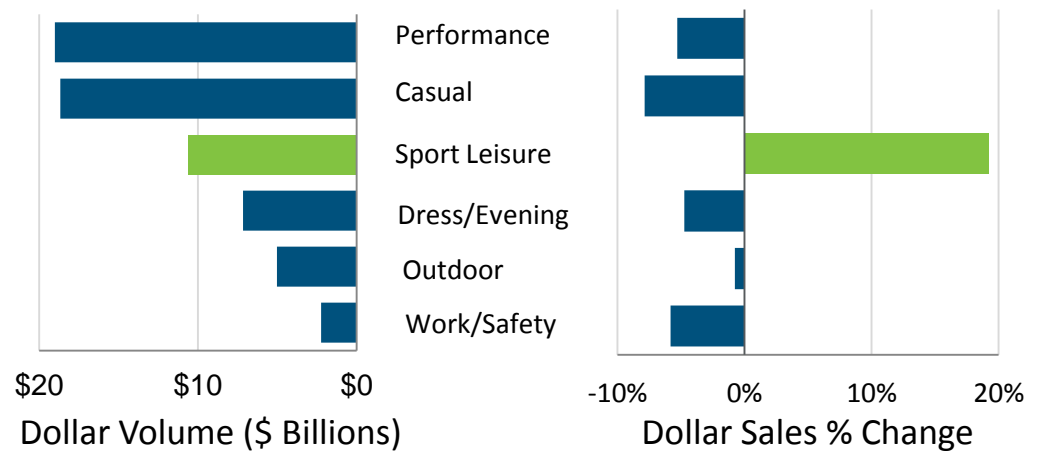


Source: The NPD Group/Consumer Tracking Service

Footwear Market Sales Drivers 12ME Mar '17

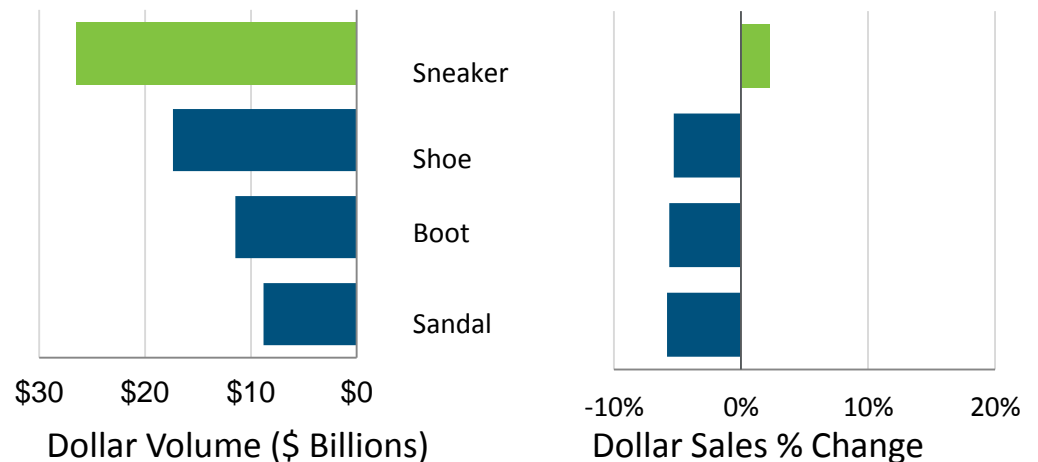
Total Footwear by Category

- Casual and Performance represent nearly 50% of category performance and saw the biggest declines. Combined, the two categories make up 83% of the loss, or -\$2.7B total sales. However, Sport Leisure was the only category to grow (+\$1.7B).



Total Footwear by Type

- Sneakers continue to be the fastest growing silhouette, up +\$500M. Boots struggled to gain traction (-6% vs. LY) as a result of warmer weather across the country and competition from athletic styles.

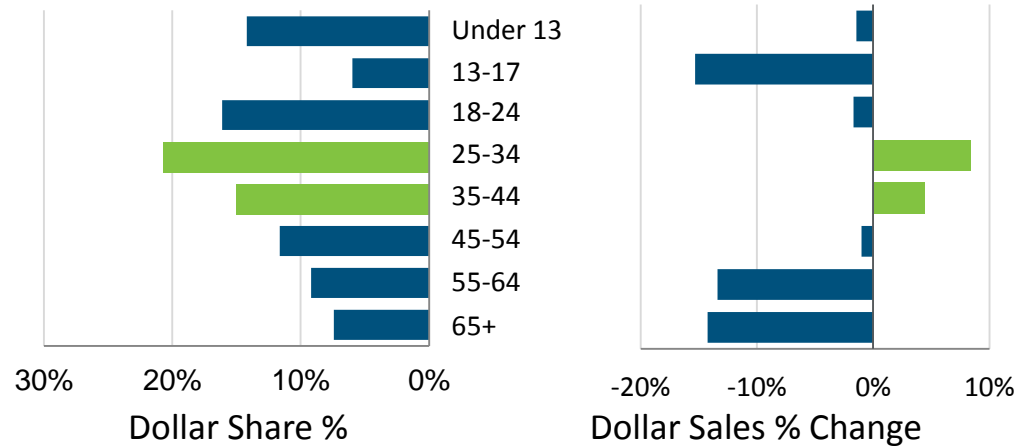


Source: The NPD Group/Consumer Tracking Service

Footwear Market Sales Drivers 12ME Mar '17

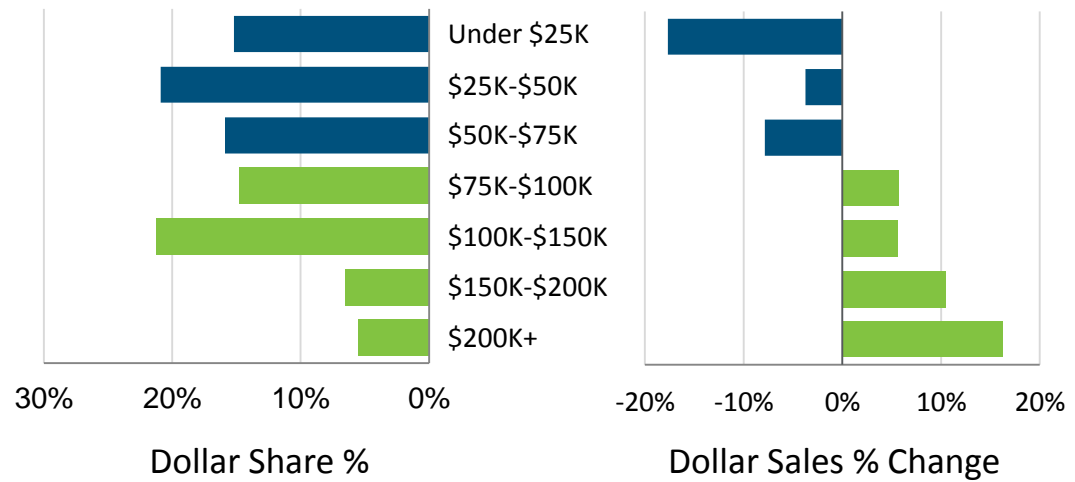
Total Footwear by Age of Wearer

- The majority of growth in the footwear market is being fueled by those between the ages of 25 and 44. Older Millennials (25-34) generated the most incremental dollars, gaining over +\$1B vs. LY. Spending on footwear for consumers under 35 outpaced spending for those 35+ by \$8.6B.



Total Footwear by Income

- Households above \$75K fueled market growth for the period, up a combined +\$2.1B vs. LY, driven by the \$100K-\$150K segment. Dollars attributed to those under \$75k declined -\$1.2B.

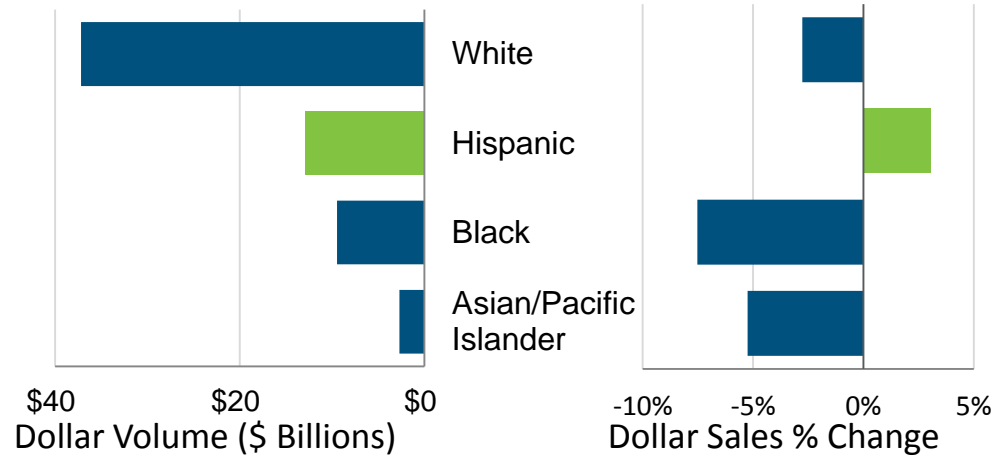


Source: The NPD Group/Consumer Tracking Service

Footwear Market Sales Drivers 12ME Mar '17

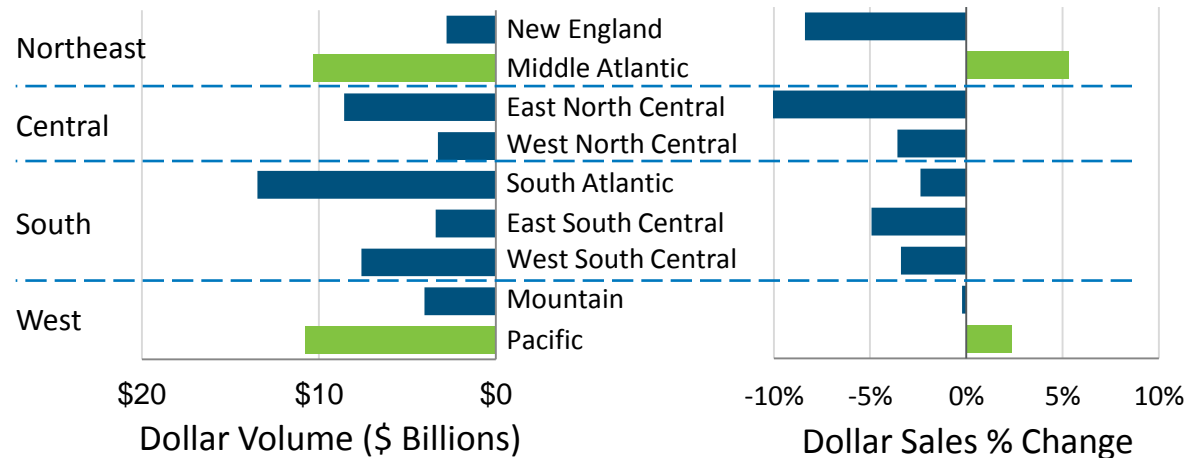
Total Footwear by Ethnicity

- Hispanic consumers drove over 75% of the growth, gaining +3% in incremental sales. White consumer spending declined, down -3% vs. LY, but still remains the largest consumer segment at 57% of the total market.



Total Footwear by Region

- The West Region generated over half of the dollar growth volume, +\$1.4B vs. LY, led by a double digit increase from the Pacific Division. Middle Atlantic was the fastest growing Census Division, up +\$523MM (+5%).



Source: The NPD Group/Consumer Tracking Service

NPD Credentials

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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

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