

# 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 December 2016

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

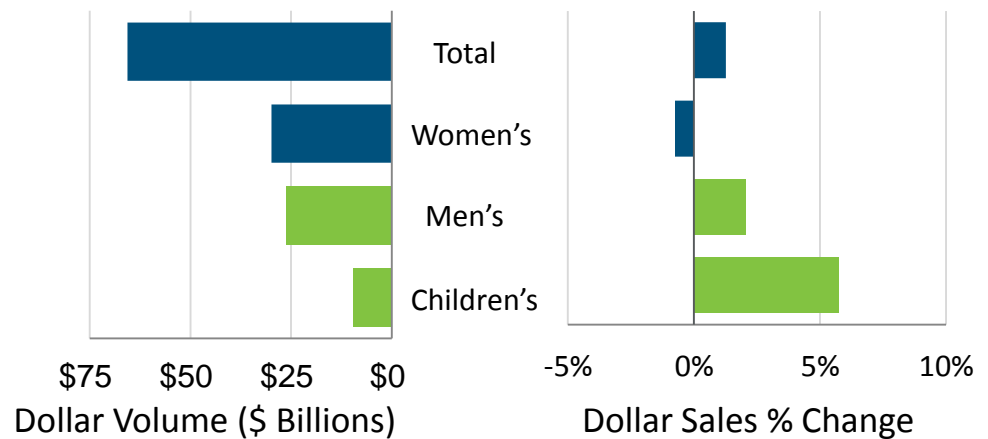
The total footwear market is estimated at \$66B for 12 months ending (ME) Dec '16 and grew +1% YOY. Active styles continue to dominate the footwear market at the expense of traditional, casual product including boots.

- Men's and Children's footwear each contributed half of total incremental sales vs. LY, as Women's footwear experienced declines (-\$227MM).
- Brick and Mortar continues to represent over 70% of the total market, but declined -2% for the period. Incremental growth from the Online category totaled over +\$870MM, allowing the market to post soft growth for the period.
- Sport Leisure outpaced all other categories with an increase of +20% vs. LY, generating +\$1.7B in incremental sales. Outdoor footwear followed and generated over \$250MM in growth dollars, but grew at a quarter of the rate (+5% vs. LY) of Sport Leisure.
- In regards to shoe type, Sneakers continue to be the main growth driver, up +\$1.6B vs. LY and fueling over 90% of total growth. Sandals followed, and saw soft gains of +\$5MM as a category (+0.1%).
- Consumers between the ages of 18 and 44 drove over 80% of incremental growth. Gen Z and Millennials outspent their Gen X and Baby Boomer counterparts by over \$9B in 2016.
- Hispanic consumers generated over three-quarters of incremental dollar growth for the period.
- The West Region generated the largest growth of all regions and produced over +\$1.4B of incremental dollars, fueled by the Pacific Division.

# Footwear Market Sales Drivers 12ME Dec '16

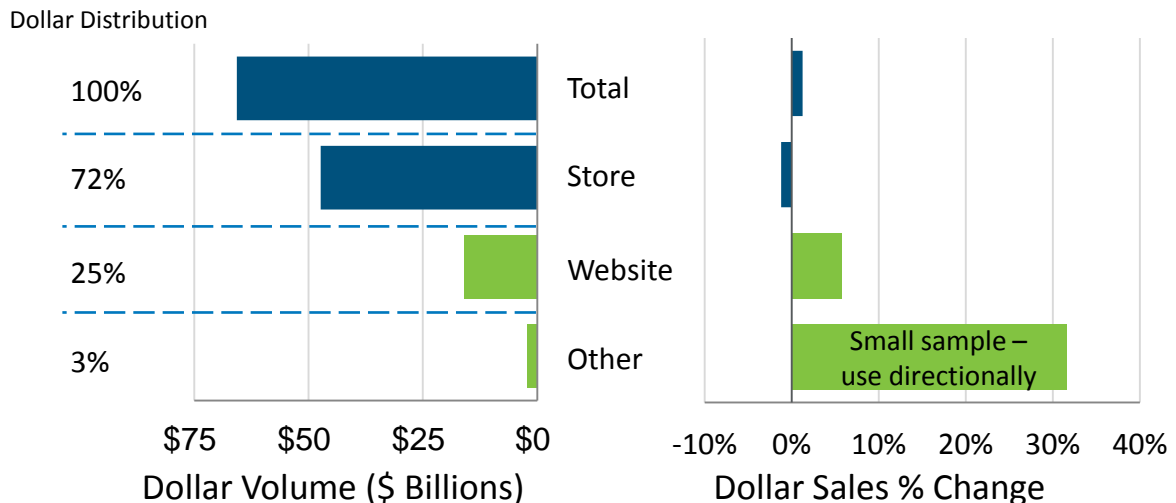
The total footwear market is estimated at \$66B for 12ME Dec'16, up +1% YOY.

- Men's footwear continued to grow in size and outpace the market, up +2% vs. LY. The Children's market, while only 15% of the total footwear volume, posted growth of +6%. The increases in Men's and Children's allowed market to remain positive despite a decline in Women's (-1% vs. LY).



## Total Footwear by Method of Purchase

- Store sales saw soft declines, down -1% vs. LY, but strong growth from Online helped to sustain positive total market performance. Website purchasing generated an incremental +\$1.1XB for the period.

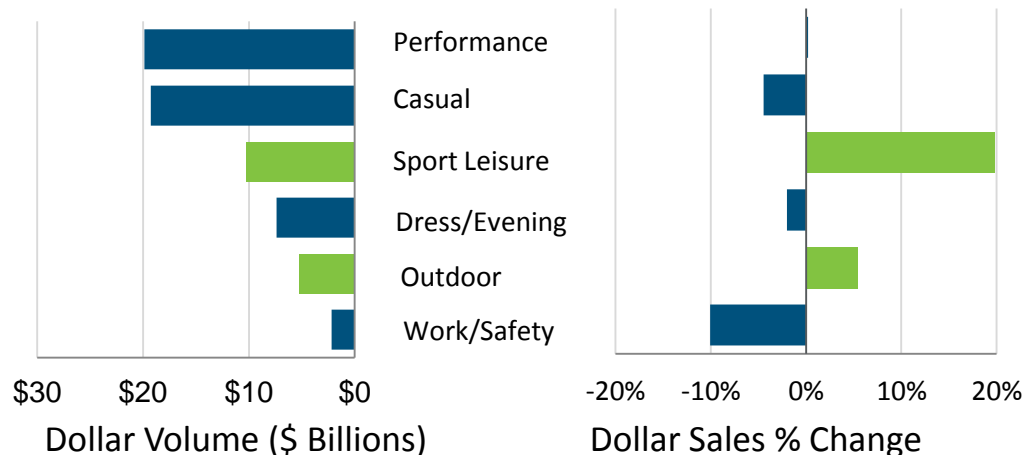


Source: The NPD Group/Consumer Tracking Service

# Footwear Market Sales Drivers 12ME Dec '16

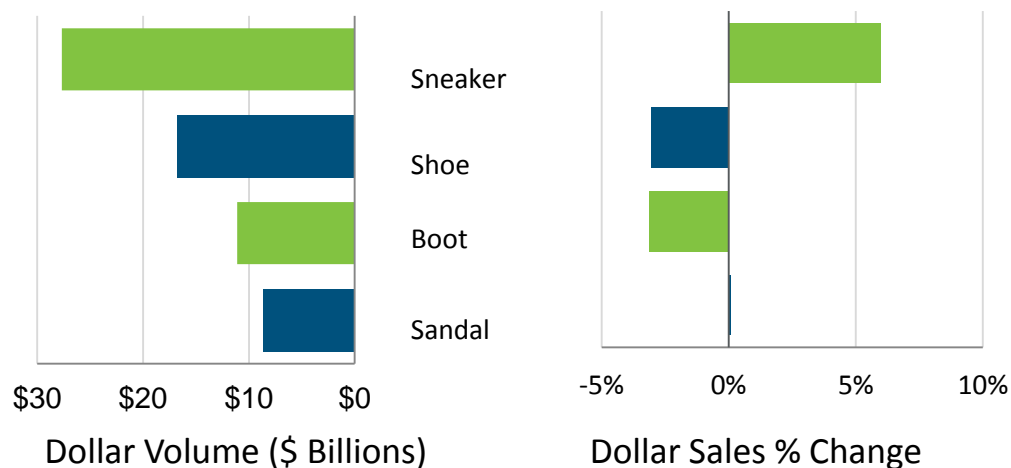
## Total Footwear by Category

- Sport Leisure generated 85% of the total market's incremental growth, up +20% vs. LY. Outdoor also continued its growth trajectory, up +5% for the period. Success in these categories came at the expense of Casual, which declined nearly -\$900MM vs. LY.



## Total Footwear by Type

- Sneakers continue to be the fastest growing silhouette, up +\$1.6B and fueled over 90% of total market growth. Boots struggled to gain traction as a result of warmer weather across the country and competition from athletic styles.

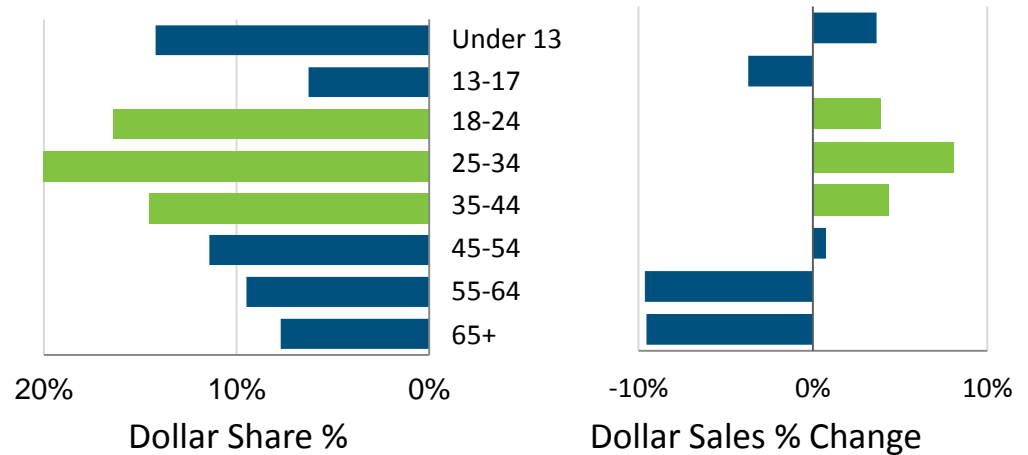


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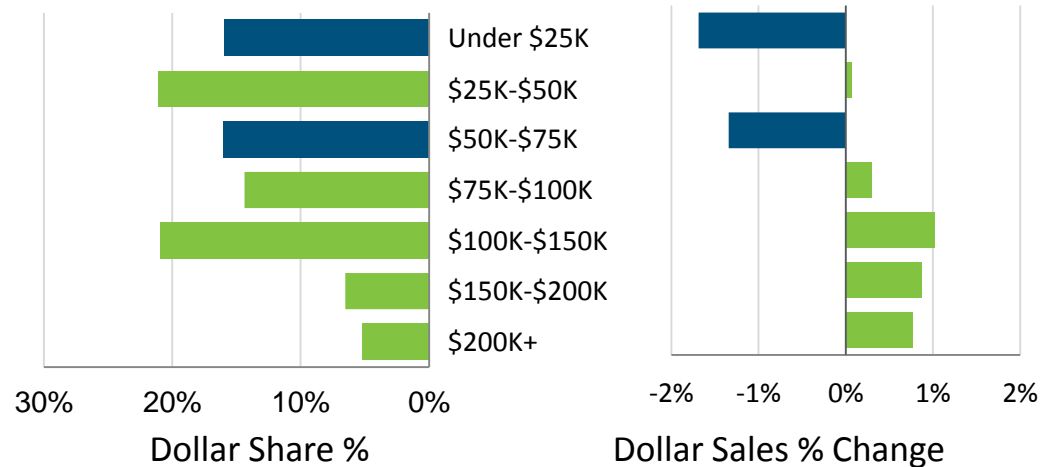
## Total Footwear by Age of Wearer

- The majority of growth in the footwear market is being fueled by those between the ages of 18 and 44. Older Millennials (25-34) generated the most incremental dollars, gaining nearly +\$1B vs. LY. Gen Z and Millennials outspent their Gen X and Baby Boomer counterparts by over \$9B vs. LY.



## Total Footwear by Income

- Households above \$75K fueled market growth for the period, up a combined +\$2.3B vs. LY driven by the \$100K-\$150K segment. While shoppers with an income under \$75K declined single digits, the \$25K-\$50K range represents one-fifth of the market and found slight growth vs. LY.



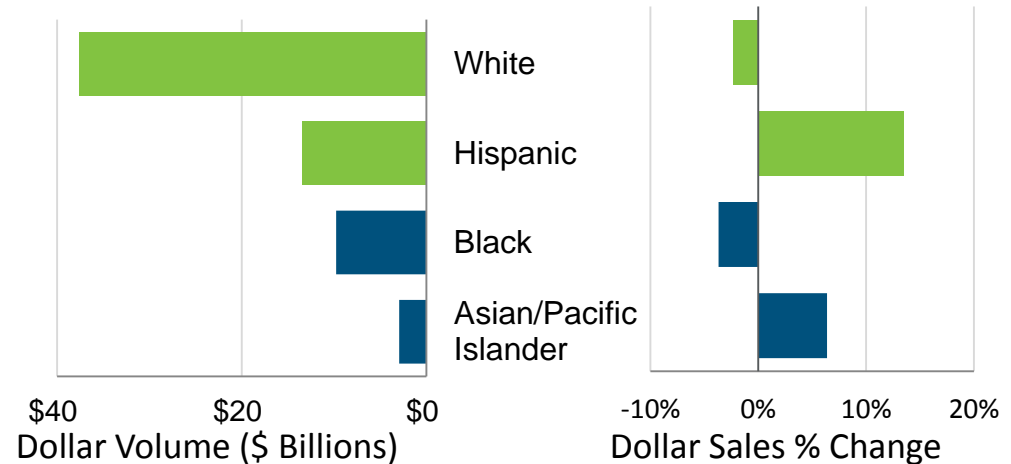
Source: The NPD Group/Consumer Tracking Service



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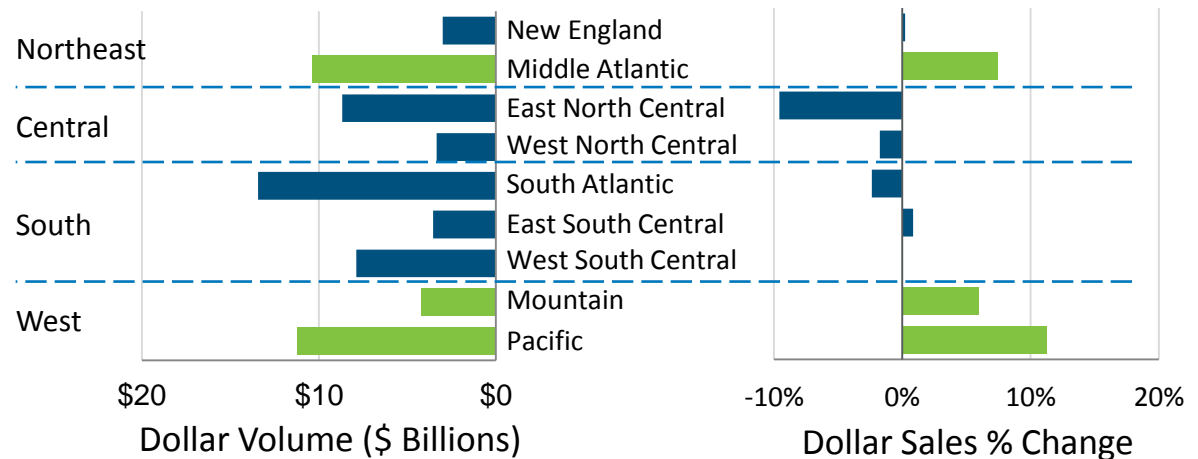
## Total Footwear by Ethnicity

- Hispanic consumers drove over 75% of the growth, gaining +\$1.5B in incremental sales. White consumer spending declined, down -2% 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 second fastest growing Census Division, up +\$715MM (+7%).



Source: The NPD Group/Consumer Tracking Service



# NPD Credentials

**FOUNDED** 1966

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**EMPLOYEES** 1300+ Worldwide

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**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

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

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



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Beauty  
Consumer Electronics  
Diamonds  
E-commerce  
Entertainment  
Fashion Accessories  
Food Consumption  
Foodservice  
Footwear  
Home  
Mobile  
Office Supplies  
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