

# The U.S. Footwear Industry Market Drivers

12 months ending September 2018

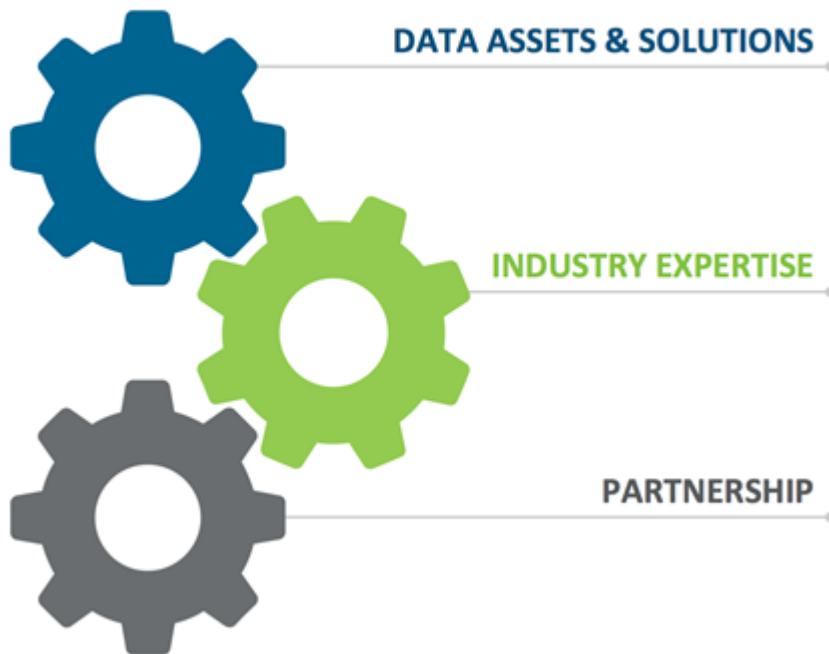
Prepared for FDRA members

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Our people are passionately committed to understanding your business and developing deep and long term relationships, working together to illuminate a path to success. We journey with you, empowering you with knowledge, and guiding you to profitable growth.

# Highlights

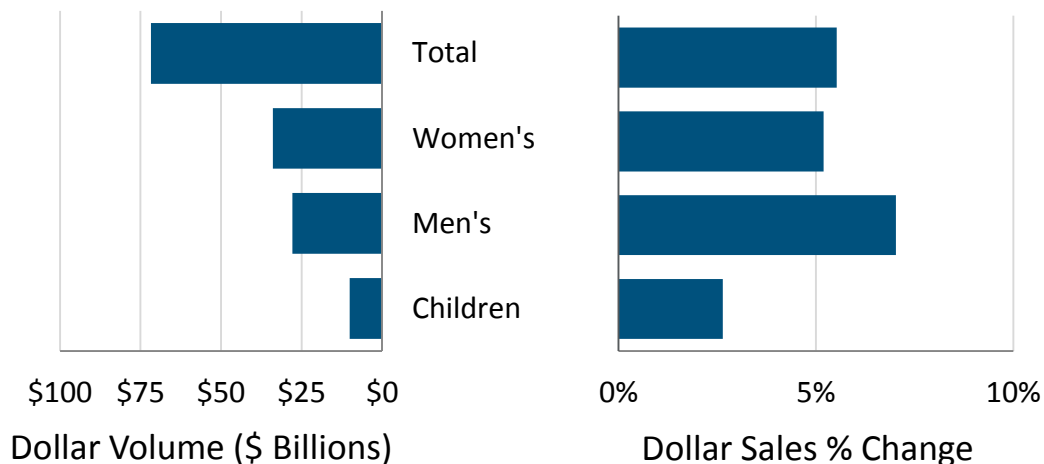
The total U.S. footwear market is estimated at \$72B for 12ME September'18, up +6% YoY.

- The total footwear market was up +6% vs. LY. All wearer segments grew.
- Online sales continue to drive the footwear market, up +\$2.3B vs. LY. In-store sales also grew, adding +\$1.1B in incremental dollars, driven by Millennial consumers.
- Sport Leisure continues to fuel the growth, accounting for 30% of dollar sales, but over 60% of the dollar growth. Performance was the only category to see slight declines. “With declines seen in key segments including basketball, training, running, and hiking, there is no evidence that performance-as-fashion will make a comeback any time soon,” stated NPD’s Senior Industry Advisor, [Matt Powell](#), in a recent blog post.
- Fashion has also seen a comeback, after experiencing declines last year, driving 32% of the growth, up +4% or +\$1.2B, mainly driven by Fashion Sandals. “This turnaround is a positive sign heading into the all-important Q4,” shared [Beth Goldstein](#), Fashion Footwear and Accessories Industry Analyst in a recent FN article.
- Sneakers maintained the largest dollar volume in footwear, but accounted for less dollar growth (approx. one-quarter) compared to Sandals and Shoes, driven by comfort, and both fueling over one-third growth.
- Millennials are the largest segment in terms of spend, accounting for one-third of sales (and driving) over 50% of the growth), up +\$2B vs. LY, with growth across all categories. The second largest generation, Gen Z, continues to decline, down -\$22MM, with losses across all categories except for Sport Leisure.
- While all segments experienced increases, consumers with an income range of \$100K- \$150K accounted for approximately one-quarter of sales and growth, adding +\$1B combined incremental dollars to the market. Those with income of \$150K-\$200K grew their total spend at the fastest rate.
- The White consumer base remained the largest segment, accounting for over 40% of the dollar growth. Hispanics, the second largest segment, generated nearly 30% of the incremental sales, fueled by growth across all categories, specifically from Sport Leisure and Performance.
- All U.S. regions experienced growth, mainly driven by the Sport Leisure category.

# Footwear Market Sales Drivers 12ME September'18

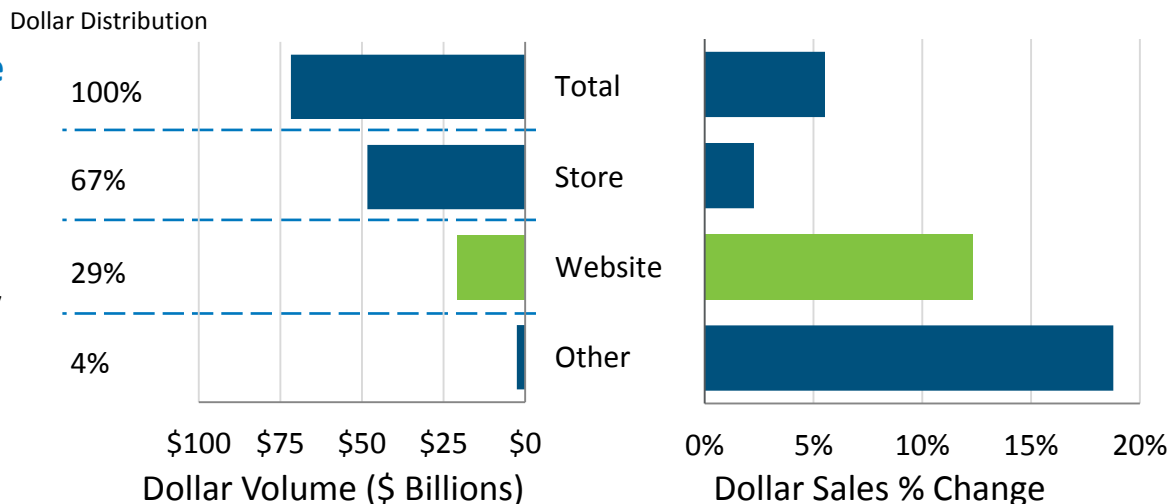
## Total Footwear Market by Gender

- The total footwear market is estimated at \$72B for the 12 ME Sept '18, up +6% vs. LY. All wearer segments grew. Men's and women's each accounted for just under half of the growth, with Kids rounding out the balance.



## Total Footwear by Method of Purchase

- Online sales continue to drive the footwear market, up +\$2.3B vs. LY. In-store sales also grew, adding +\$1.1B in incremental dollars, driven by Millennial consumers.

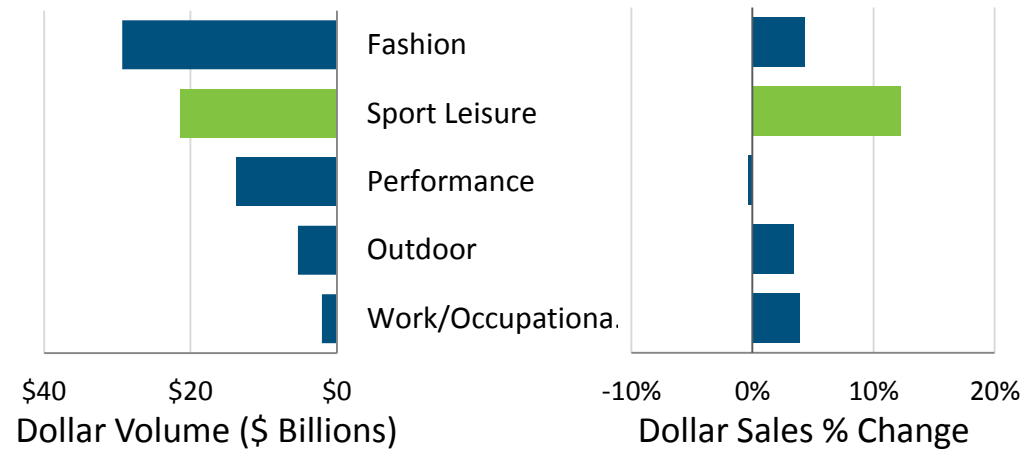


Source: The NPD Group/Consumer Tracking Service  
 \*All measures adjusted for Retail 2017 53<sup>rd</sup> Week

# Footwear Market Sales Drivers 12ME September '18

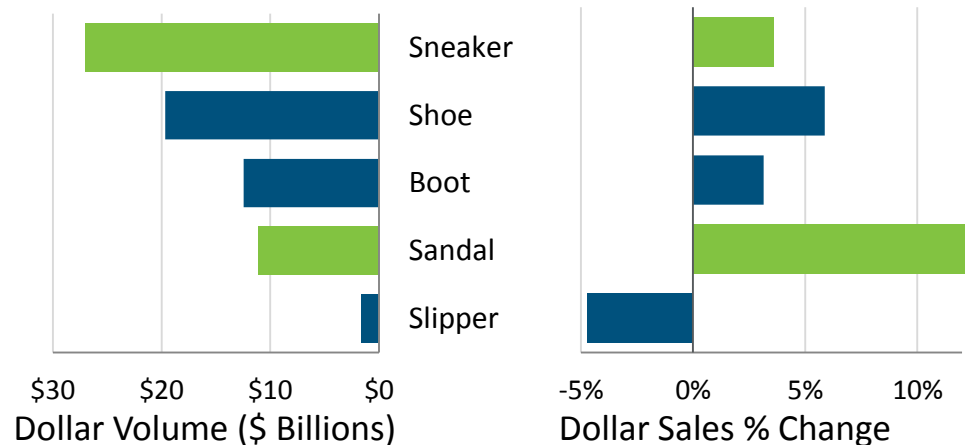
## Total Footwear by Category

- Sport Leisure accounted for 30% of the dollar sales, but over 60% of the dollar growth. Fashion saw an uptick in sales, accounting for one-third of the growth, driven by Fashion Sandals. Performance footwear continues to be challenged, down -\$44MM vs. LY.



## Total Footwear by Type

- Sneakers remain the largest segment, and drove one-quarter of the growth. Sandals, the second smallest footwear type, represented 15% of dollar sales, but drove nearly 40% of the growth, up +\$1.4B vs. LY. Slippers declined, but has gained momentum heading into holiday '18.



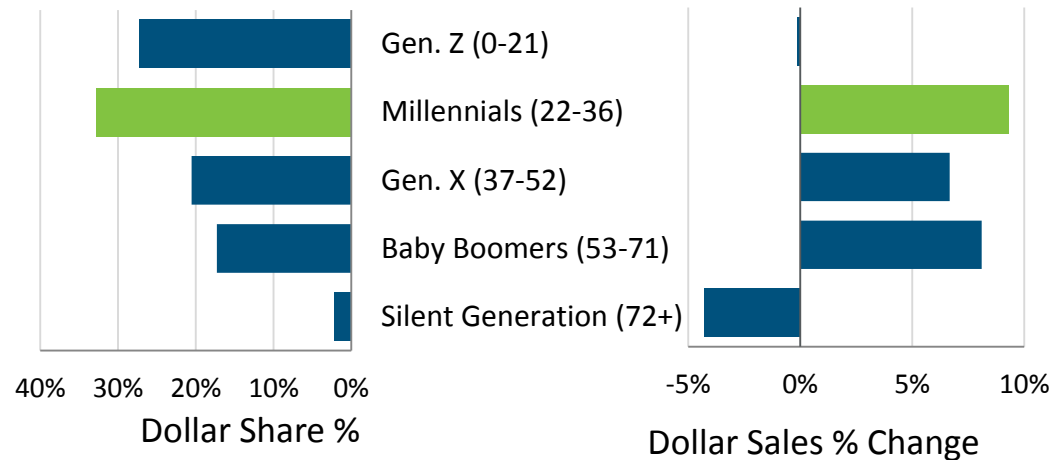
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# Footwear Market Sales Drivers 12ME September'18

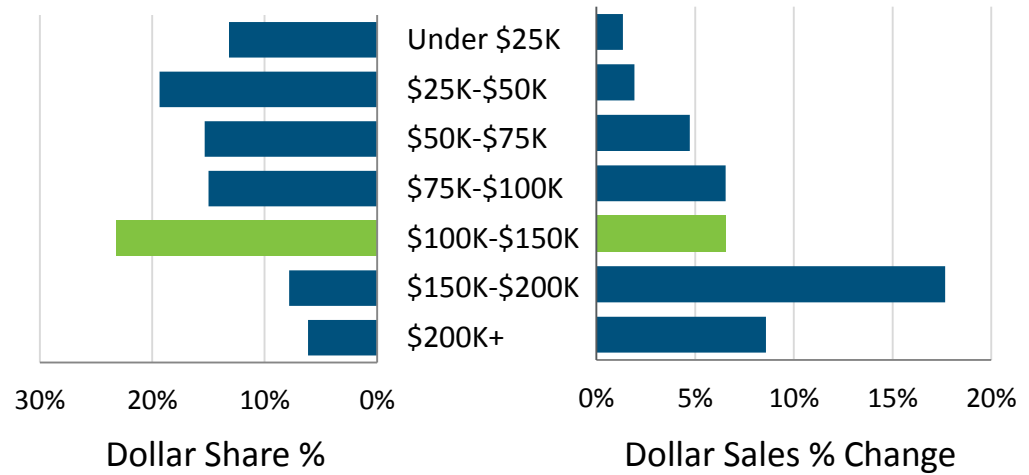
## Total Footwear by Age of Wearer

- Millennials are the largest segment in terms of spend, accounting for one-third of sales (and driving) over 50% of the growth, up +\$2B vs. LY, with growth across all categories. The second largest generation, Gen Z, continues to decline, down -\$22MM, with losses across all categories except for Sport Leisure.



## Total Footwear by Income

- While all segments experienced increases, consumers with an income range of \$100K- \$150K accounted for approximately one-quarter of sales and growth, adding +\$1B combined incremental dollars to the market. Those with income of \$150K-\$200K grew their total spend at the fastest rate.



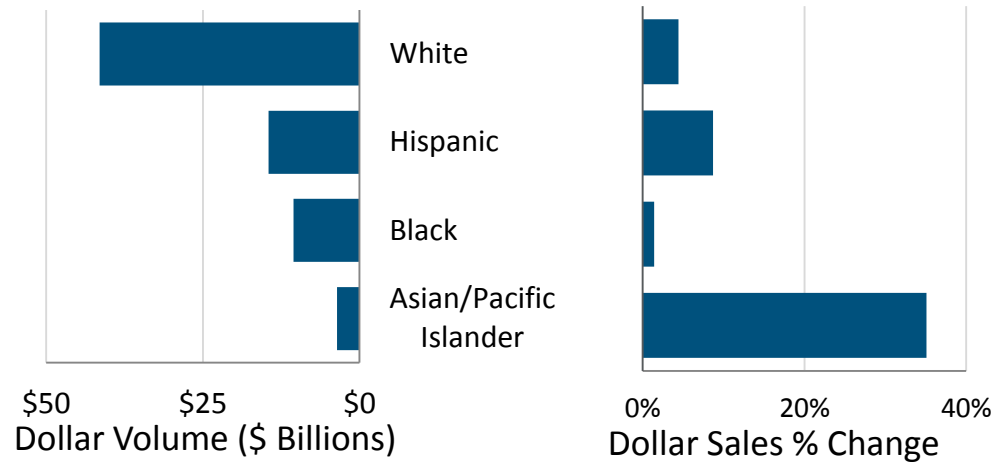
Source: The NPD Group/Consumer Tracking Service

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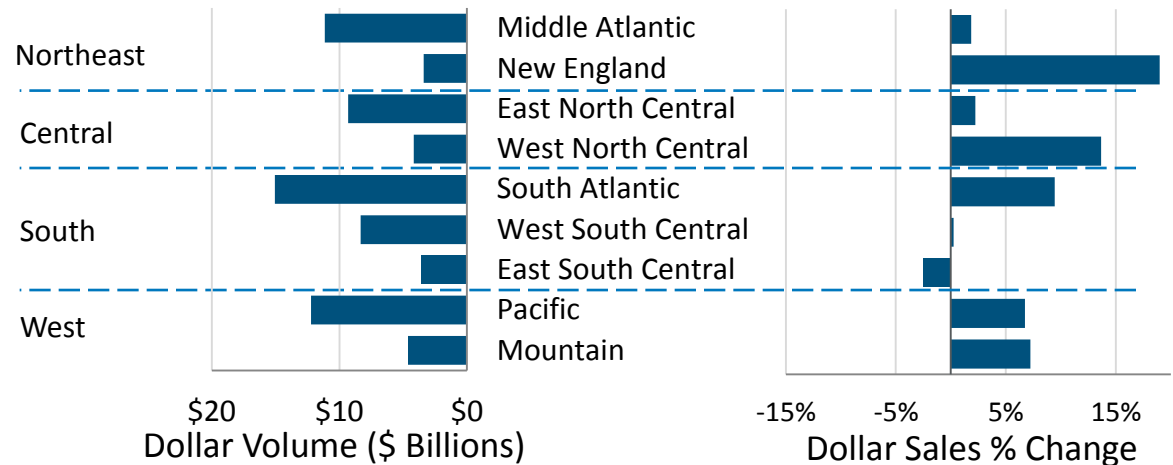
## Total Footwear by Ethnicity

- The White consumer base remained the largest segment, accounting for over 40% of the dollar growth. Hispanics, the second largest segment, generated nearly 30% of the incremental sales, fueled by growth across all categories, specifically from Sport Leisure and Performance.



## Total Footwear by Region

- Growth was seen across all regions and divisions, except for East South Central. The South represented a third of the dollar growth, followed by the West, both fueled by the Sport Leisure category.



Source: The NPD Group/Consumer Tracking Service

\*All measures adjusted for Retail 2017 53<sup>rd</sup> Week

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