The U.S. Footwear Industry Market Drivers

12 months ending September 2018

Prepared for FDRA members
Why NPD?

We provide data-driven confidence to give our clients a winning advantage

NPD has what every business needs: the core and essential data to drive better decision-making. It’s masterfully collected and produced to give a complete market view. It’s the foundation on which NPD continues to innovate with new data sources and solutions — helping you uncover opportunities, solve problems, and create success.

We’ve been doing this forever. We were the first to bring game-changing insight to many industries, cultivating expertise that has become our hallmark. We are trusted as the authority in our industries. We have demonstrated that we can see what others cannot, interpreting today’s trends and anticipating the future.

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.
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.

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 53rd 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.
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

*All measures adjusted for Retail 2017 53rd Week
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 53rd Week*
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