

# FDRA + FFANY

## SHOE EXECUTIVE BUSINESS OUTLOOK SURVEY

Q4 2022

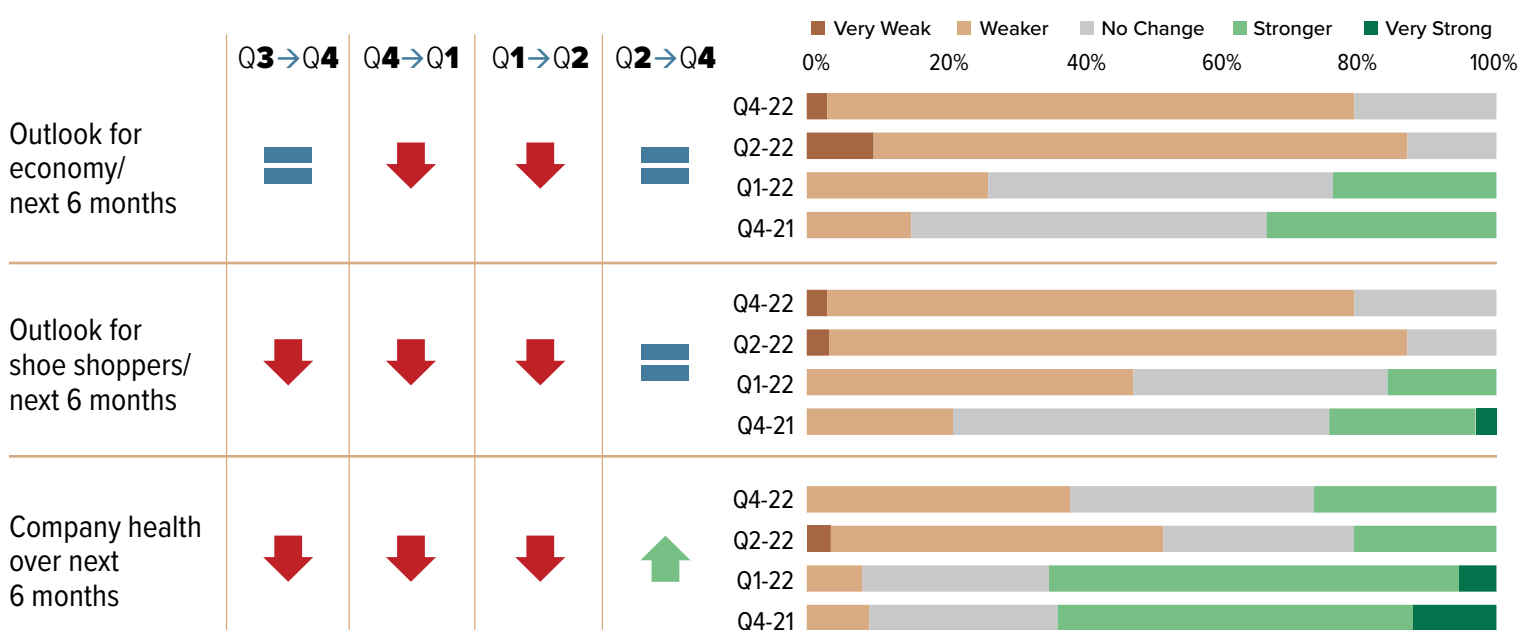
### OBSERVATIONS

- Q4 respondents' 6-month outlook on the broader economy and shoe shoppers remained downbeat and little changed from Q2; nearly 8 in 10 see the outlook weakening over the next 6 months.
- Respondents diverged on their 6-month plans for hiring and capital expenditures, with roughly equal shares planning to increase or decrease over the next 6 months.
- While a record 20.6% of respondents see operating costs easing vs. 6 months ago, 73.5% report these costs are increasing.
- While a growing number (17.7%) also expect their operating costs to ease over the next 6 months, a dominant 55.9% expect these costs to rise in coming months.
- A record 58.8% expect their landed costs to decline over the next 6 months, more than 4x as great as reported in Q2.
- A dominant 64.7% report increasing inventories from 6 months ago, 22 points lower from the previous survey.
- A record 76.5% of respondents generally look for inventories to wane further over the next 6 months.
- After surging to 90.9% a year ago, the share of respondents expecting higher footwear retail prices has fallen to just 29.4%, a record low share, while 55.9% look for no changes over the next six months.
- On company health: 26.5% see a stronger outlook over 6 months; a larger but declining 38.2% see a weaker outlook.
- Views on company sales vs. 6 months ago turned mixed, with the share reporting lower sales growing to 38.2%, while those reporting increasing sales stretched to 44.1%.
- Sales forecasts over the next 6 months dimmed, with just 26.5% looking for sales to rise, the smallest share on record.
- Labor market: tight, but perhaps not as tight. 61.8% report difficulty finding workers, the lowest share in 2 years.
- A dominant and rising 64.7% indicate inflation won't change shoe retail price strategy; discounting will continue, with companies likely seeing less margin.
- A record 26.5% of respondents peg inventory and/or retail pricing as their company's biggest issue over the next 6 months.

### QUESTION

### CHANGE

### RESPONSES & SHARES



21,506.88

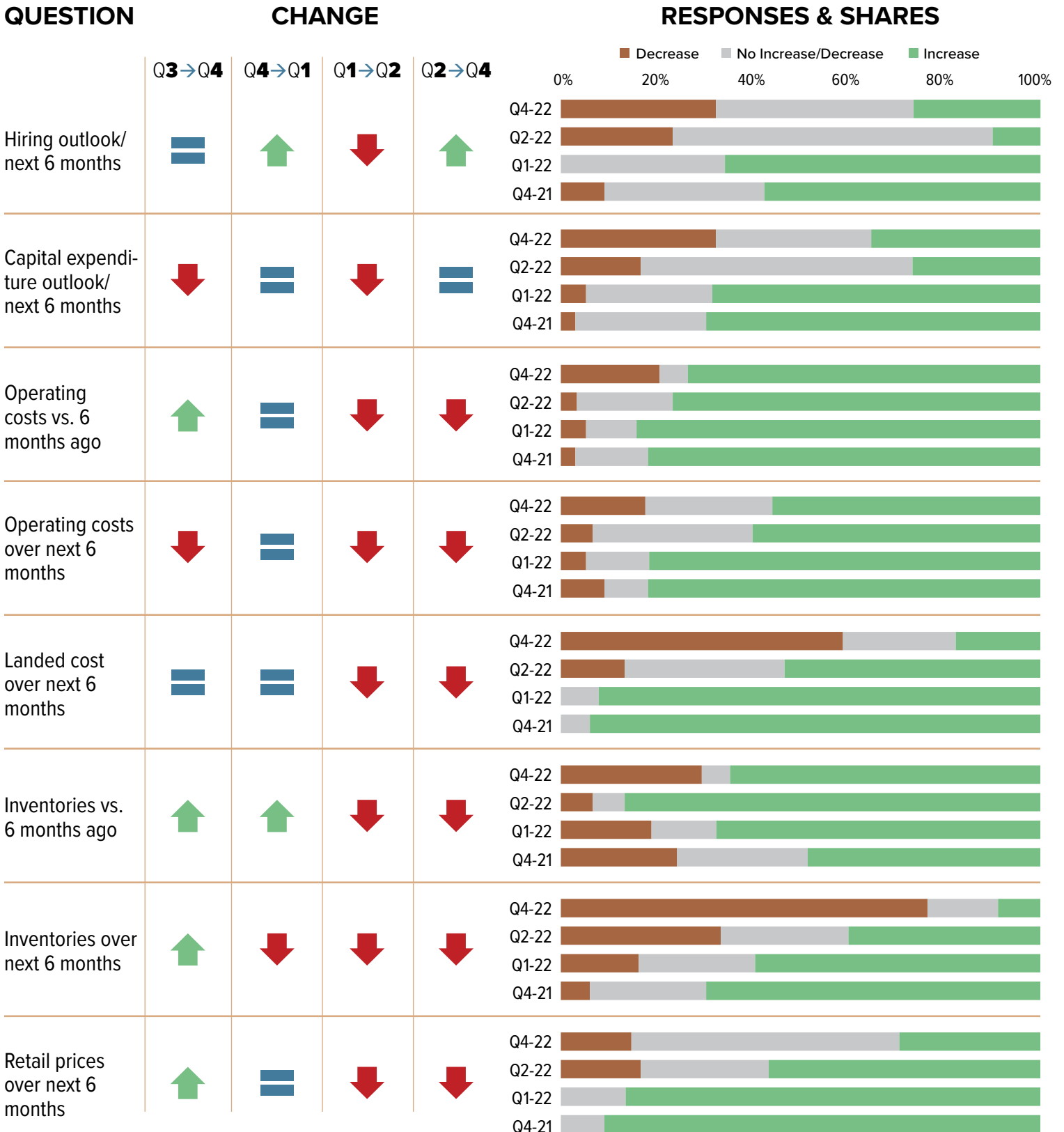
+132.05

78%

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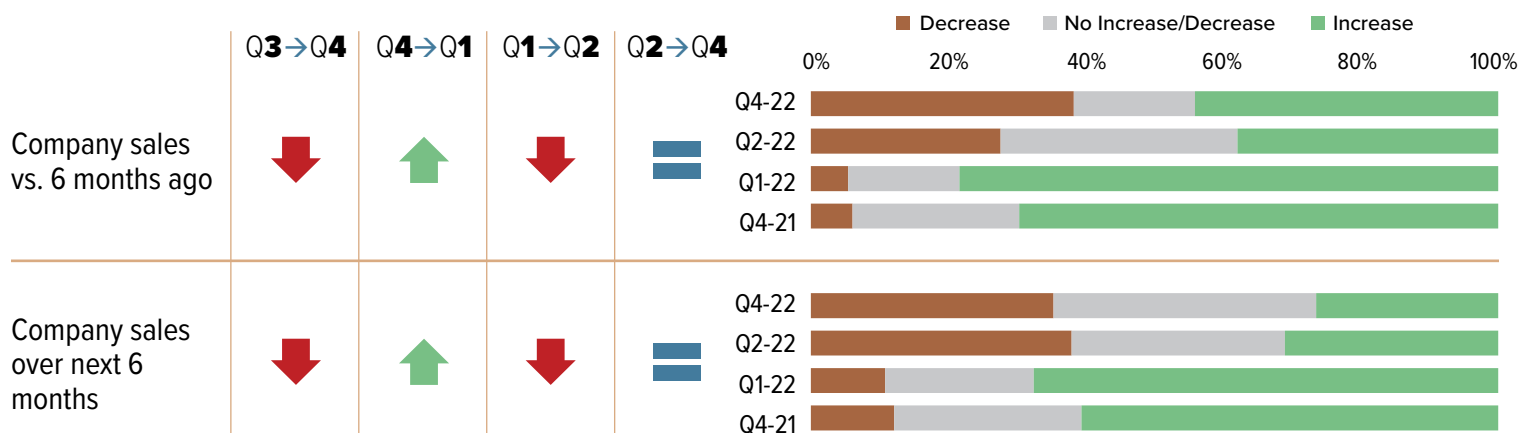
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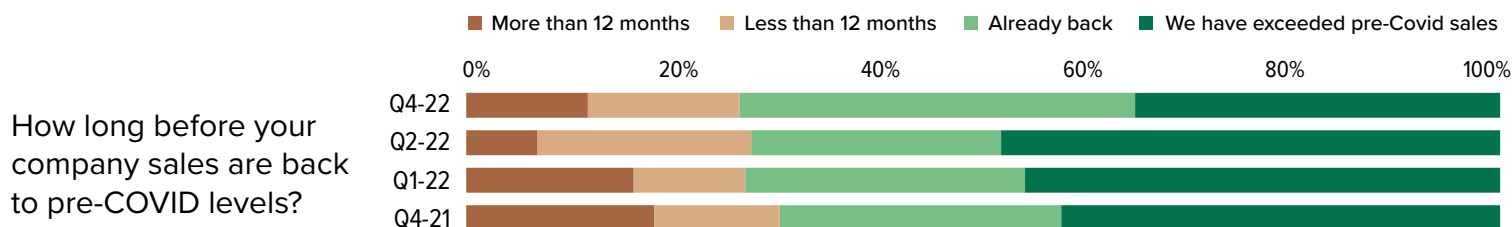
### CHANGE

### RESPONSES & SHARES



### QUESTION

### RESPONSES & SHARES



### YOUR COMPANY'S BIGGEST ISSUE OVER THE NEXT 6 MONTHS

