

21,506.88

132.05

78%

FDRA

SHOE EXECUTIVE Business Outlook Survey

Q3 2023

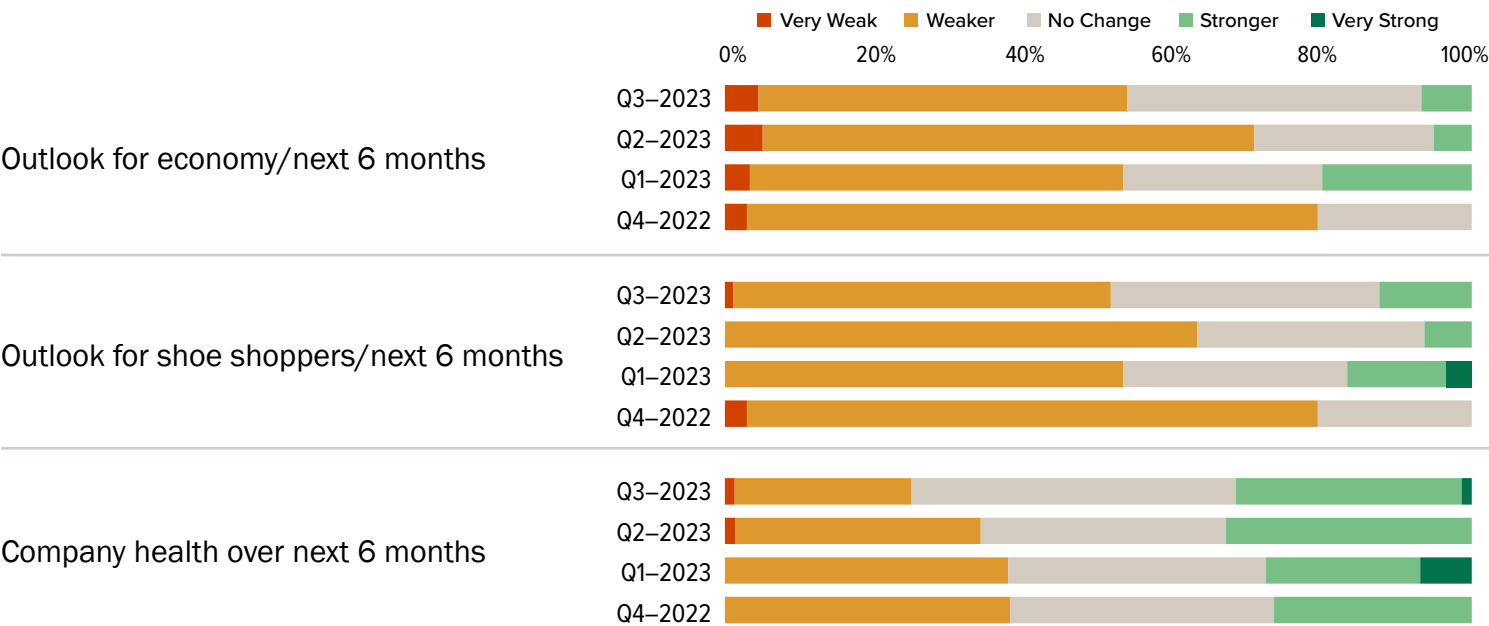
OBSERVATIONS

After sentiment eroded in the previous quarter, the latest quarterly Executive Sentiment Survey shows improved views on the economy, shoe shoppers, and companies' health, casting a more favorable light on 6- and 12-month outlooks for company sales. But rising operating costs and waning inventories imply retail footwear prices may see more widespread gains ahead as a dominant share focuses on developing new products rather than leveraging heritage or current models to drive revenues.

- While about half of Q3 respondents see weaker 6-month outlooks for both the broader economy and shoe shoppers, these shares are down from Q2 and the lowest in a year & a half.
 - Similarly, the share of respondents expecting their company health to weaken over the next 6 months declined for the 4th straight quarter to the lowest in a year & a half.
 - 6-month hiring and capital expenditure plans turned mixed, with more than half of respondents expecting no change in either over the next 6 months.
 - Operating costs are rising and likely to rise further. Over half see these costs higher from 6 months ago while nearly half see them rising over the next 6 months.
 - The outlook for landed costs remains mixed, with over half not expecting these costs to change materially over the next 6 months.
 - The outlook for retail footwear prices remains mixed, with 65.0% looking for no changes over the next 6 months, the 4th straight quarter over half have felt this way.
- Inventories continue to fade. A record 68.8% say their inventories are lower from 6 months ago, higher each of the last 4 quarters.
 - Seek, and ye shall find: Last quarter almost half (45.2%) looked for sales to improve over the next 6 months. In fact, a comparable 46.1% indicated their sales *did* improve from 6 months ago.
 - What's more, 47.4% look for sales to improve 6 months from now versus only 14.5% that expect sagging sales, the highest and lowest shares, respectively, in a year & a half.
 - Respondents turned more hesitant on their 6-month outlook for planned comp sales, but more upbeat on the 12-month outlook.
 - Turning to the new, new thing: A dominant 80.8% are focused on developing new products to drive revenue, versus leveraging heritage or current models to drive sales.
 - Reflecting this view, a record 39.7% say their company's biggest issue the next 6 months is new consumer behavior shifts, far outpacing any other issue.

QUESTION

RESPONSES & SHARES



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+132.05

78%

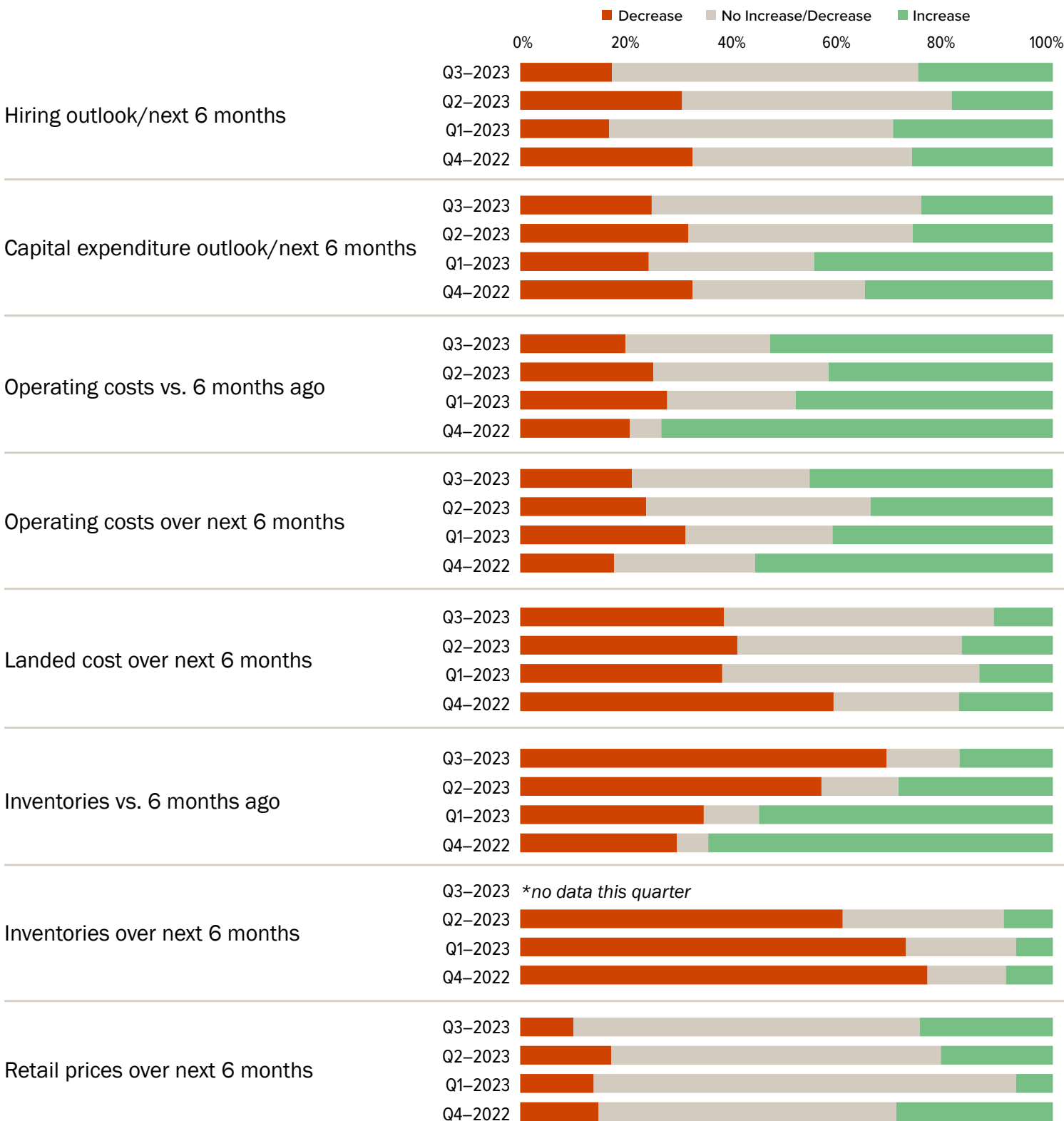
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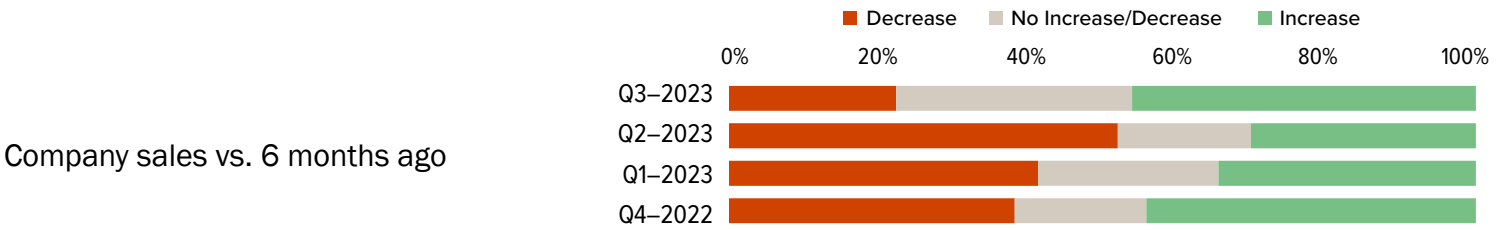
QUESTION

RESPONSES & SHARES



QUESTION

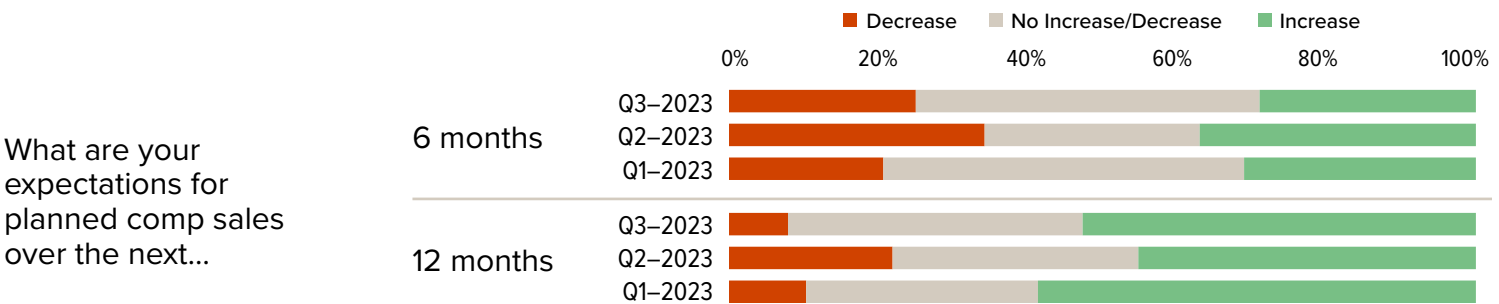
RESPONSES & SHARES



Company sales over next 6 months

QUESTION

RESPONSES & SHARES



YOUR COMPANY'S BIGGEST ISSUE OVER THE NEXT 6 MONTHS

