

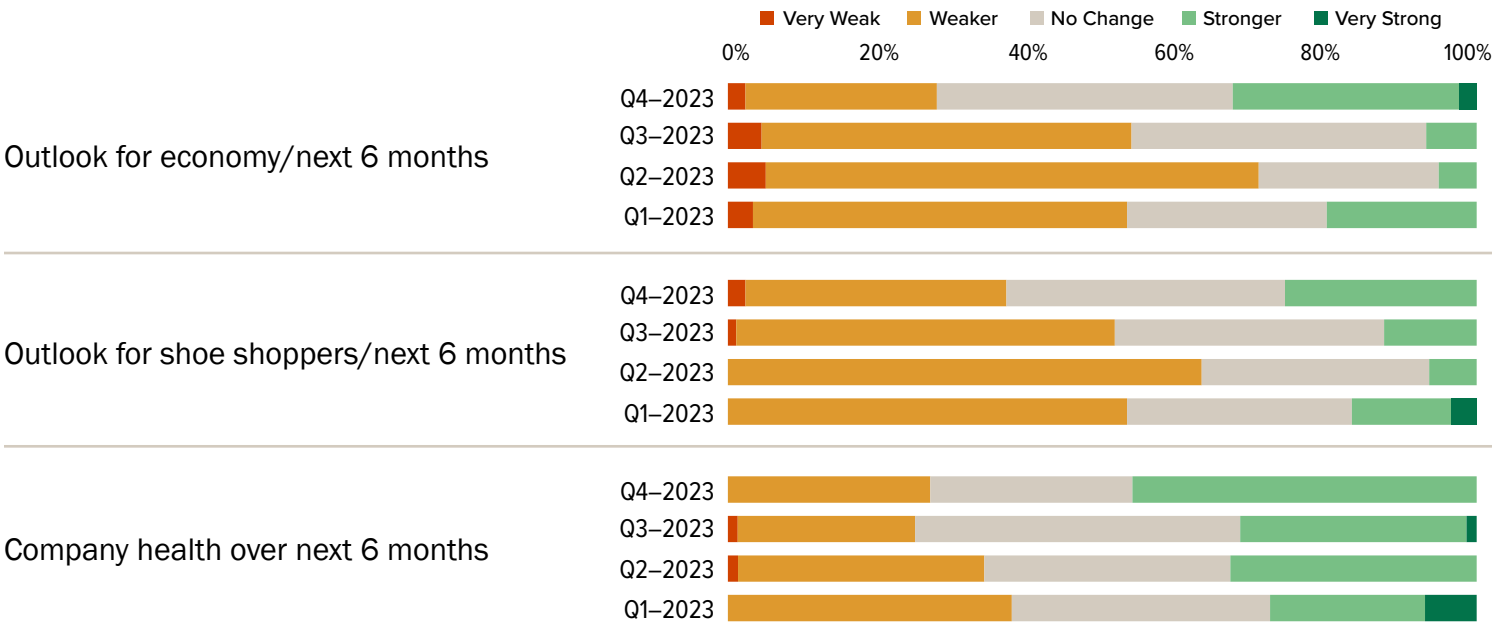
OBSERVATIONS

The latest quarterly Executive Sentiment Survey shows continued improving views on the economy, shoe shoppers, and companies' health, boosting prospects for 6- and 12-month outlooks for comp sales. Little change in anticipated landed costs hints at little change in retail footwear prices over the first half of 2024, with a record—and dominant—share focused on new consumer behavior shifts to drive the market.

- Hope springs eternal: Respondents' 6-month outlooks for both the broader economy and shoe shoppers improved to the brightest in two years.
 - Similarly, the share of respondents expecting their company health to strengthen over the next 6 months rose to the highest in a year & a half.
 - 6-month hiring plans are taking a pause. Two thirds of respondents expect no change in hiring over the next 6 months, the largest share in 5 quarters.
 - Capital expenditure plans are growing, with 41% of respondents expecting increases, the highest share in three quarters.
 - Operating costs have cooled and are likely to ease further. Fewer respondents from last quarter see these costs higher from six months ago, and fewer expect them to rise over the next 6 months.
 - Landed costs may budge little. Two-thirds of respondents don't expect these costs to change materially over the next six months, the highest share on record.
- Inventories continue to fade. A record 84.2% say their inventories are lower from 6 months ago, a share that has grown each of the last 5 quarters.
 - The outlook for retail footwear prices calls for little change, with 73.7% looking for no increases or decreases in price over the next 6 months, the 5th straight quarter over half has felt that way.
 - While sentiment soured on company sales vs. six months ago, fully 54.1% look for better sales over the next six months, the highest share in a year & a half.
 - Respondents turned the most upbeat in a year on their 6-month & 12-month outlooks for planned comp sales.
 - While a dominant 70.3% is focused on developing new products to drive revenue versus leveraging heritage or current models to drive sales, a growing share (21.6%) is unsure.
 - Reflecting this view, a record 46.0% say their company's biggest issue the next 6 months is new consumer behavior shifts, far outpacing any other issue.

QUESTION

RESPONSES & SHARES



21,506.88

132.05

78%

FDRA

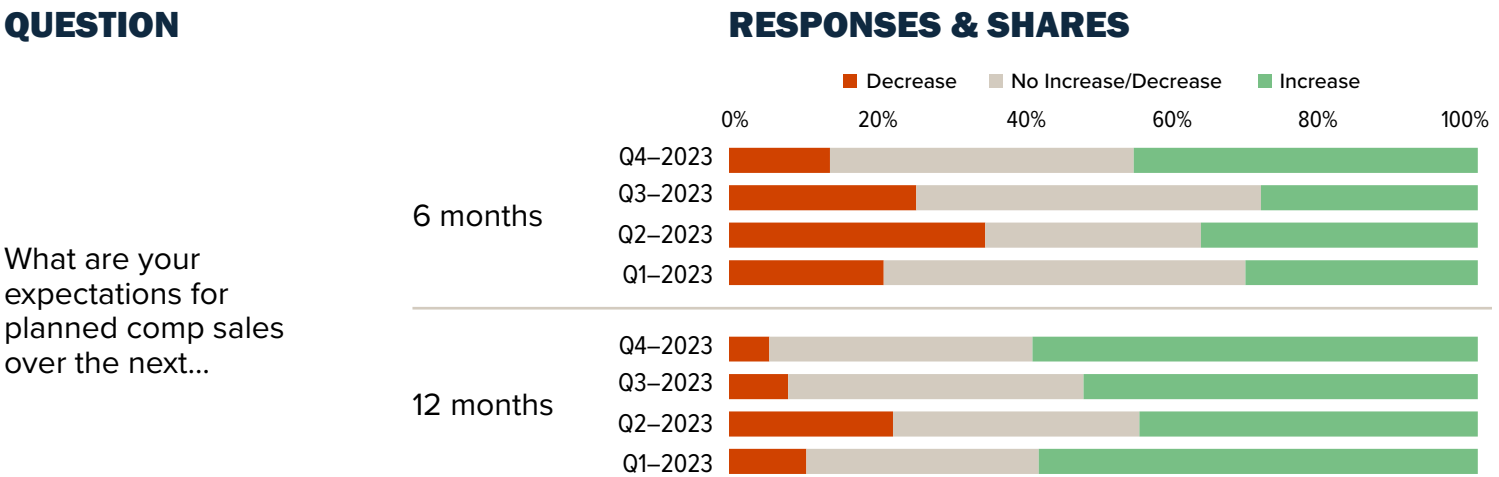
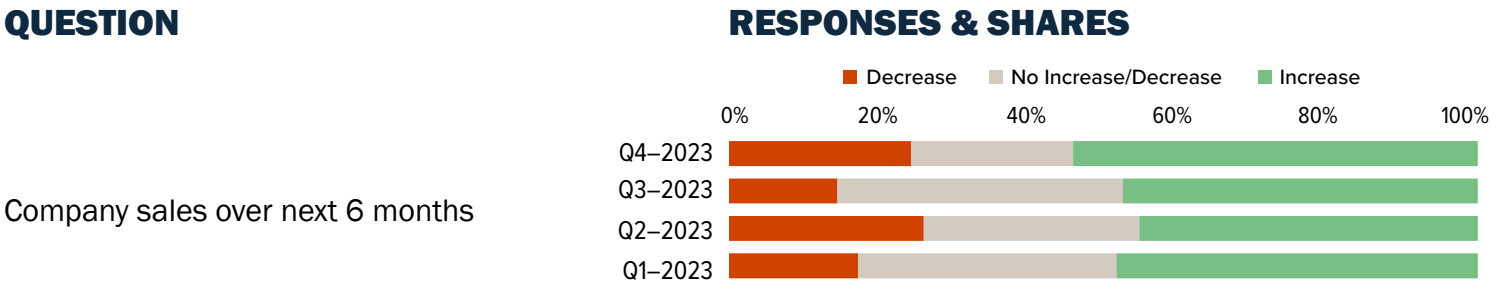
SHOE EXECUTIVE Business Outlook Survey

Q4 2023

QUESTION

RESPONSES & SHARES





YOUR COMPANY’S BIGGEST ISSUE OVER THE NEXT 6 MONTHS

