



AlixPartners

**FDRA**  
FOOTWEAR DISTRIBUTORS  
& RETAILERS OF AMERICA

**U.S. CONSUMER FOOTWEAR SURVEY**

# **THE DANCE BETWEEN COMFORT, QUALITY, AND TIGHT BUDGETS**

Parents are shopping around this fall—  
how retailers must adapt

BACK-TO-SCHOOL 2024



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# Foreword

They stepped up in June, and now it’s time for kids to go back to school. We know that they’ll be wearing crew, not ankle, socks, but their choice of brand-new shoes will come down to careful budgeting and research by their parents.

Inflation may have slowed, but it will take a bite out of the modest increase in footwear budgets this fall, according to the 2024 Back-to-School U.S. Consumer Footwear Survey, produced by AlixPartners in partnership with Footwear Distributors and Retailers of America (FDRA).

The July 2024 Fed Beige Book noted “price-sensitive consumers... trading down in quality, buying fewer items, or shopping around for the best deals,” but within the footwear category, our data show a tighter bullseye for retailers to hit. The fall 2024 parent is wary of spending \$100 per child on shoes (costing an average of \$47 per pair, according to our analysis), but at the same time wants quality and comfort.

Our survey of 1,002 adults aged 15 and above found that shoppers were taking a more canny approach to footwear deals for children and teens.

“We’re seeing a shift in how they view footwear products and prices,” said Bryan Eshelman, partner & managing director at AlixPartners and Americas Retail practice lead. “While inflation has been an obsession among shoppers around cost—recently raising the importance of discounts to drive traffic—the deal alone isn’t what’s converting sales of kids’ shoes today. Consumers, in fact, are more focused on value for their spend. In this scenario, the lowest price is less important than durability and comfort.”

Parents are paying attention to price and assortment, spurred by an Amazon search at the early stages of the process, with their child’s voice very much in their ear. We see influence from children of all ages down to kindergarten on shoe choices. Kids, in turn, want their friends’ favorite shoes—word-of-mouth is the top influence on purchases.

“While a third of consumers start their search on Amazon, nearly two thirds plan to shop in store,” said Raj Konanahalli, partner & managing director at AlixPartners. “Therefore, it is critical to proactively manage both online and offline channels for profitability.”

As parents shop around, it’s worth noting the median U.S. consumer needs to make this purchase count; nearly 1 in 5 respondents from households earning less than \$100,000 a year expect to spend \$50 or less on shoes per child, even as we see a small net increase in projected spending. That gain could be canceled out by the rise in prices year-over-year, leaving unit sales flat, our analysis finds.

“Executives at the leading family shoe retailers have shared with me that there is some softness showing among lower-income families,” said Matt Priest, CEO and president of FDRA. “However, the overall data we see from this survey show us that revenue from back-to-school sales should be up even though units may be down. Moms are absolutely looking for a better shoe for their buck.”

**Read the report for a full breakdown of the dynamics, and keep an eye on the step-stools this fall.**

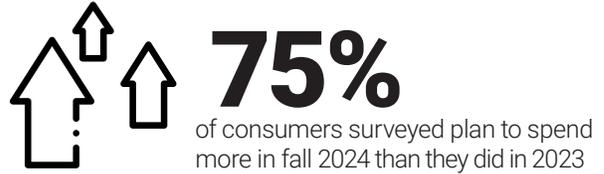
Notes: Survey fielded July 1-7, 2024. Online survey. We define back to school timeline as July 15 – Sept 15.

# PARENTS ARE AFTER VALUE, NOT JUST THE LOWEST PRICE-POINT

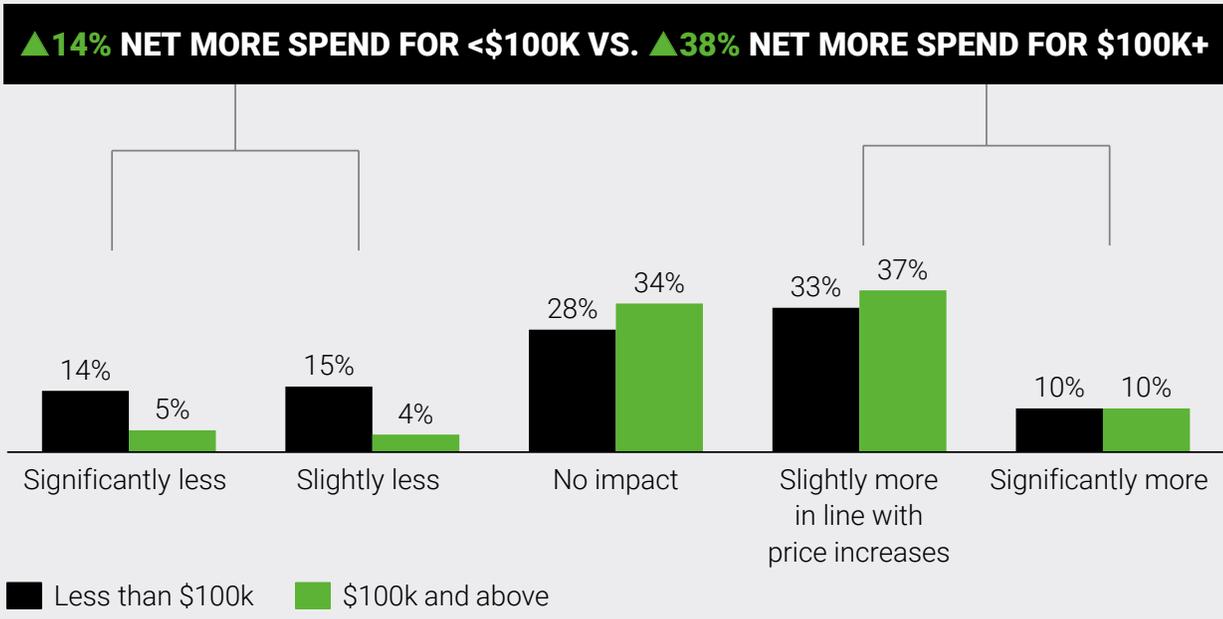
It has never been easier for a consumer to shop around, compare prices, and score a deal. Consumers are tech-savvy and price research has become an everyday part of the consumer's purchase journey, in footwear and beyond.

Stung by price-hikes, consumers planned to spend 12% net less overall in the spring U.S. Consumer Footwear Survey, but will be well shod this fall, indicating that they will spend 16% more on net. Predictably, anticipated spending drops with income: those in households with income greater than \$100,000 a year reported 38% higher net spending, while households below that threshold expect to spend 14% more on net.

Though 75% of consumers surveyed plan to spend more in fall 2024 than they did in 2023, they expect their dollars won't go as far. This could translate to unit volumes being flat or decreasing over 2023. Two-thirds of respondents plan to do more price comparisons, and the data show that quality and comfort are king.



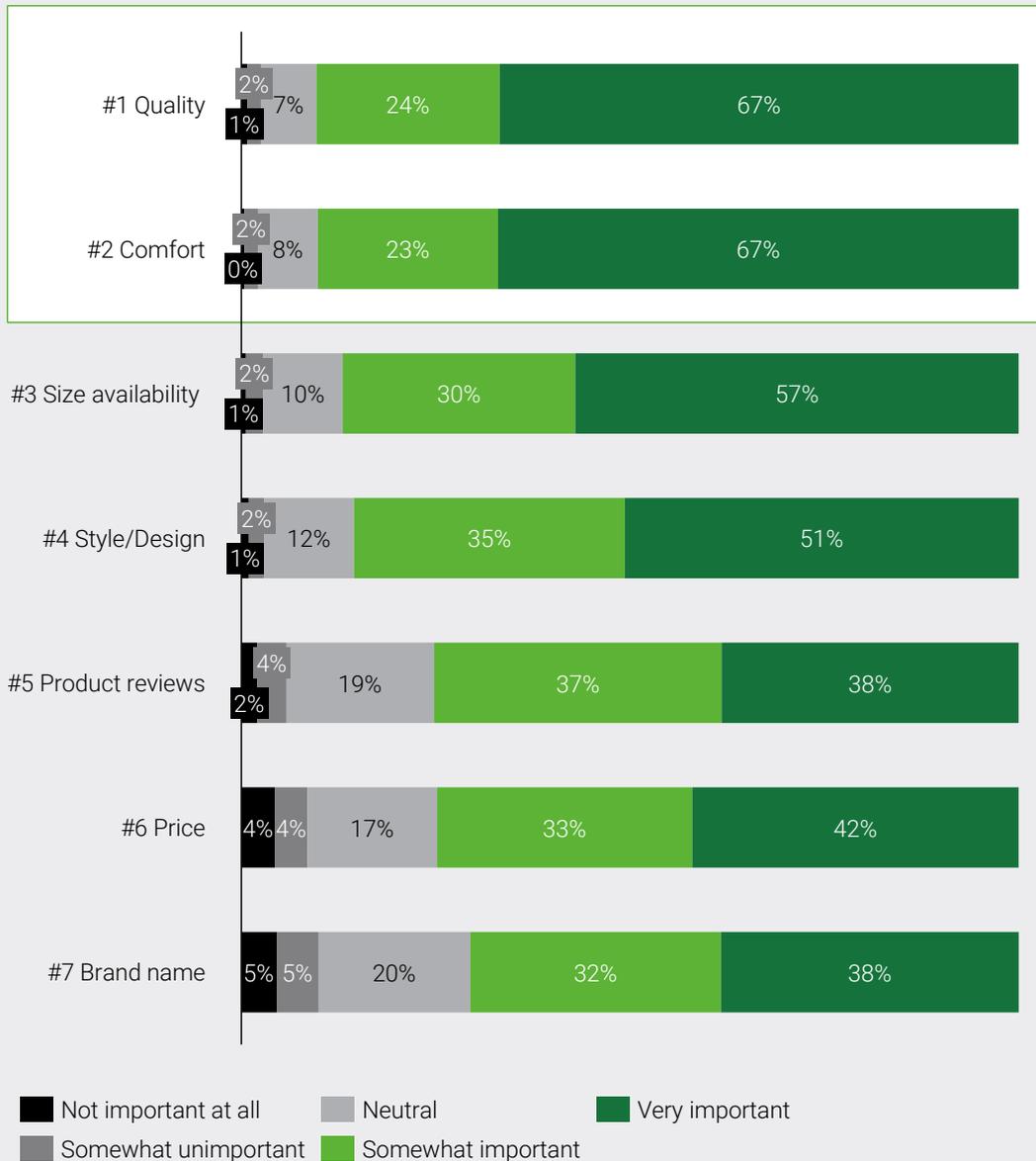
## INFLATION'S IMPACT TO OVERALL SPEND BY ANNUAL INCOME BACK TO SCHOOL PURCHASES



Over the year-to-date, consumer spending on footwear in dollars is up slightly (+0.9% in the first half, suggesting full-year spending also may edge modestly higher. But retail footwear prices also are modestly higher (up 0.9% in the first half of 2024, per FDRA analysis), suggesting unit volumes may grow the same or less—or even decline a little.

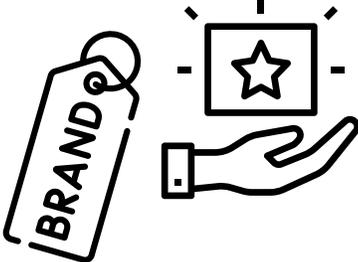
Parents are not simply looking for the cheapest shoes available. The shoes they buy for the back-to-school period need to last until kids outgrow them, as we see from data on the top drivers for buy decisions. Respondents identified quality (91%) and comfort (90%) as their top priorities over price (75%). Even households making less than \$100,000 a year are keyed into this tradeoff, calling out quality and comfort (89% each) as top priorities, while price was cited by 79% of consumers. (The median income in 2022 was \$74,580.)

### WHAT DRIVES WHAT PRODUCT A CUSTOMER PURCHASES BACK TO SCHOOL PURCHASES

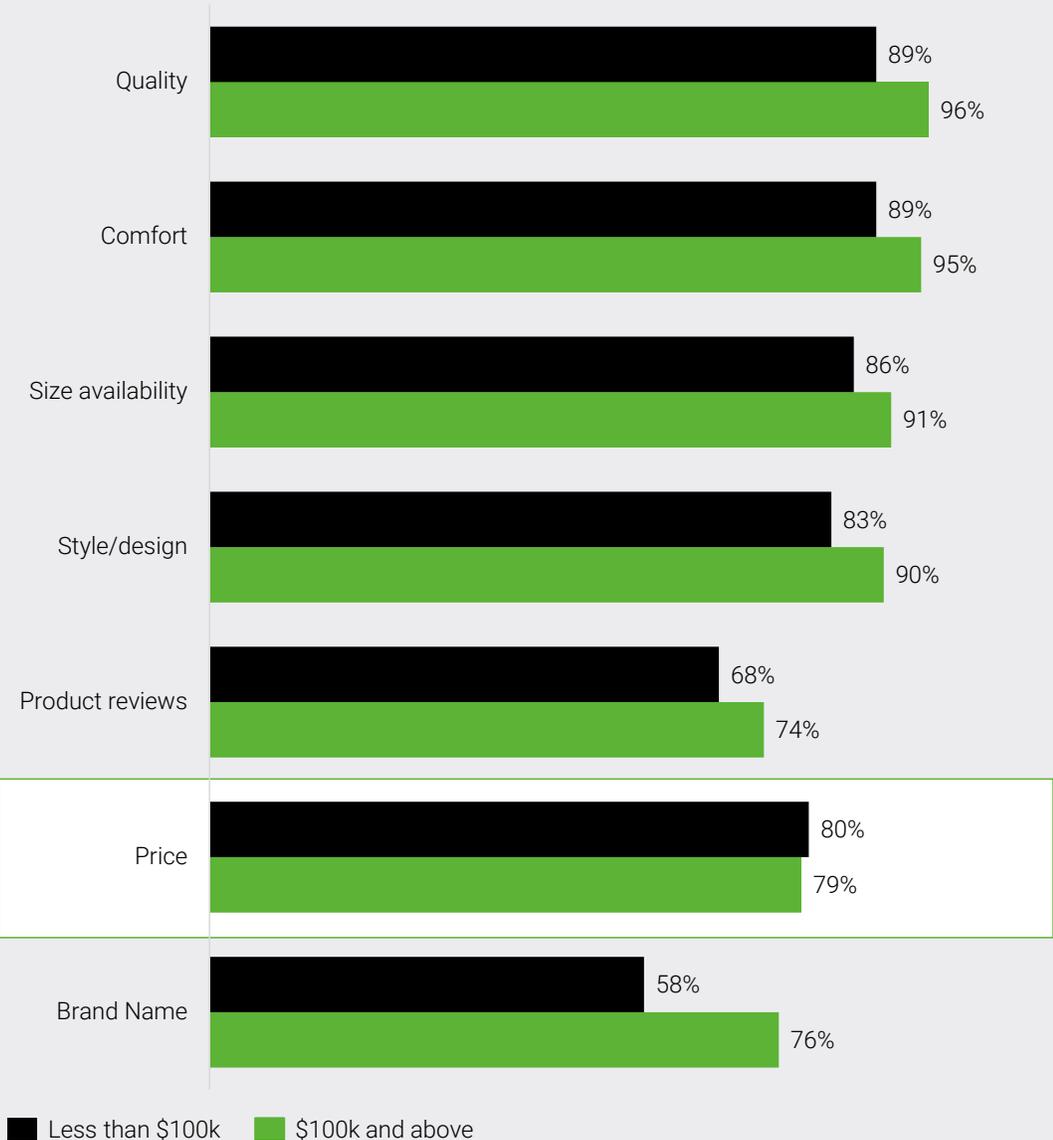


“It isn’t the logo driving people in store to pick up a given brand, it’s the consumer’s beliefs around the qualities of that brand,” says John Breuninger, director with AlixPartners’ Consumer Products practice.

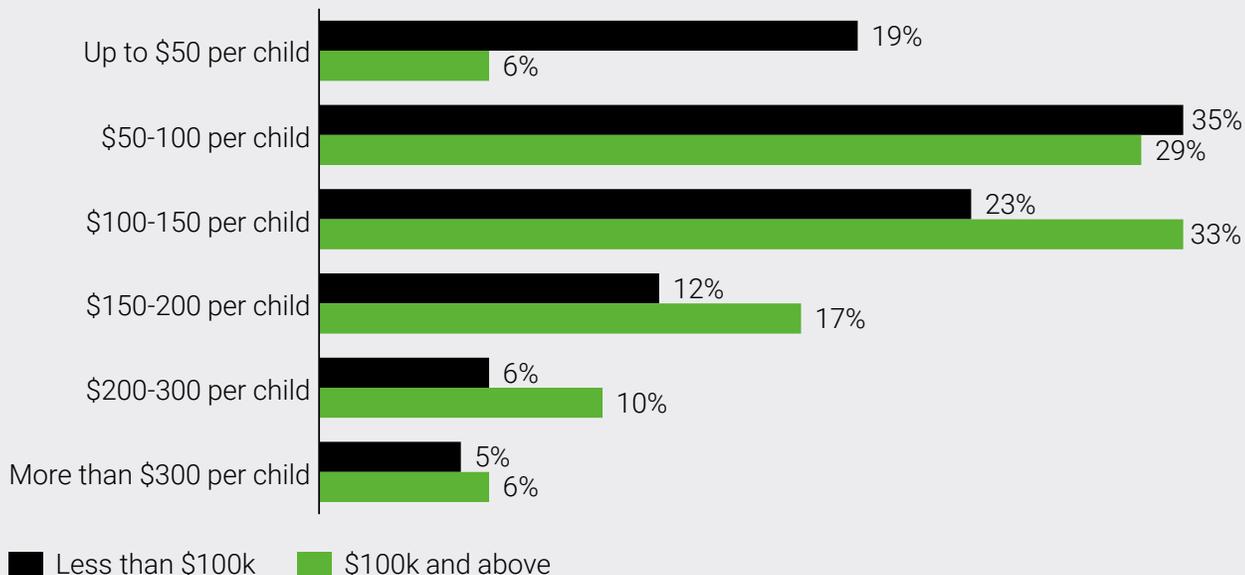
Brand—a *casualty* of the high-inflation environment post-pandemic—becomes more important as household income rises, called out by 76% of those in \$100,000+ households, and only 58% of those making less. But it won't win out without a solid proposition around quality and comfort.



**WHAT DRIVES WHAT PRODUCT A CUSTOMER PURCHASES BY ANNUAL INCOME: SOMEWHAT AND VERY IMPORTANT**  
**BACK TO SCHOOL PURCHASES**



## ESTIMATED SPEND PER CHILD BY ANNUAL INCOME: 2024 BACK TO SCHOOL PURCHASES



There is also a clear limit to consumer adaptability as prices have risen. At \$100 per child, shoes quickly become out of reach for families on less than \$100k a year. Only 23% of families on less than \$100,000 a year estimated they would spend \$100-\$150 on shoes per child, while 32% of families on more than \$100,000 expected to spend this much. Nearly 1 in 5 respondents from sub-six-figure households expect to spend \$50 or less on shoes per child.

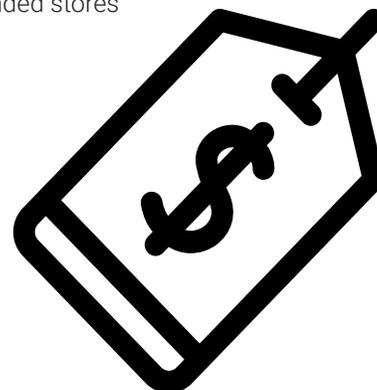
To put that in perspective, we calculated<sup>1</sup> an average unit price of \$53 for children’s shoes across branded stores (Adidas, Nike, Puma, Reebok), \$36 a pair across mass market retailers like Target, and \$53 a pair in footwear retailers like DSW.

Regarding the likelihood of trading down or otherwise finding ways to scrimp, the survey found a lower intent (30% net less likely) to thrift or seek out resale items. In fact, consumers said their preferred nod to sustainability was in seeking out quality sustainable materials (33% net more likely), rather than used shoes; a pragmatic choice given the focus on durability.

**\$53** for children’s shoes across  
branded stores

vs.

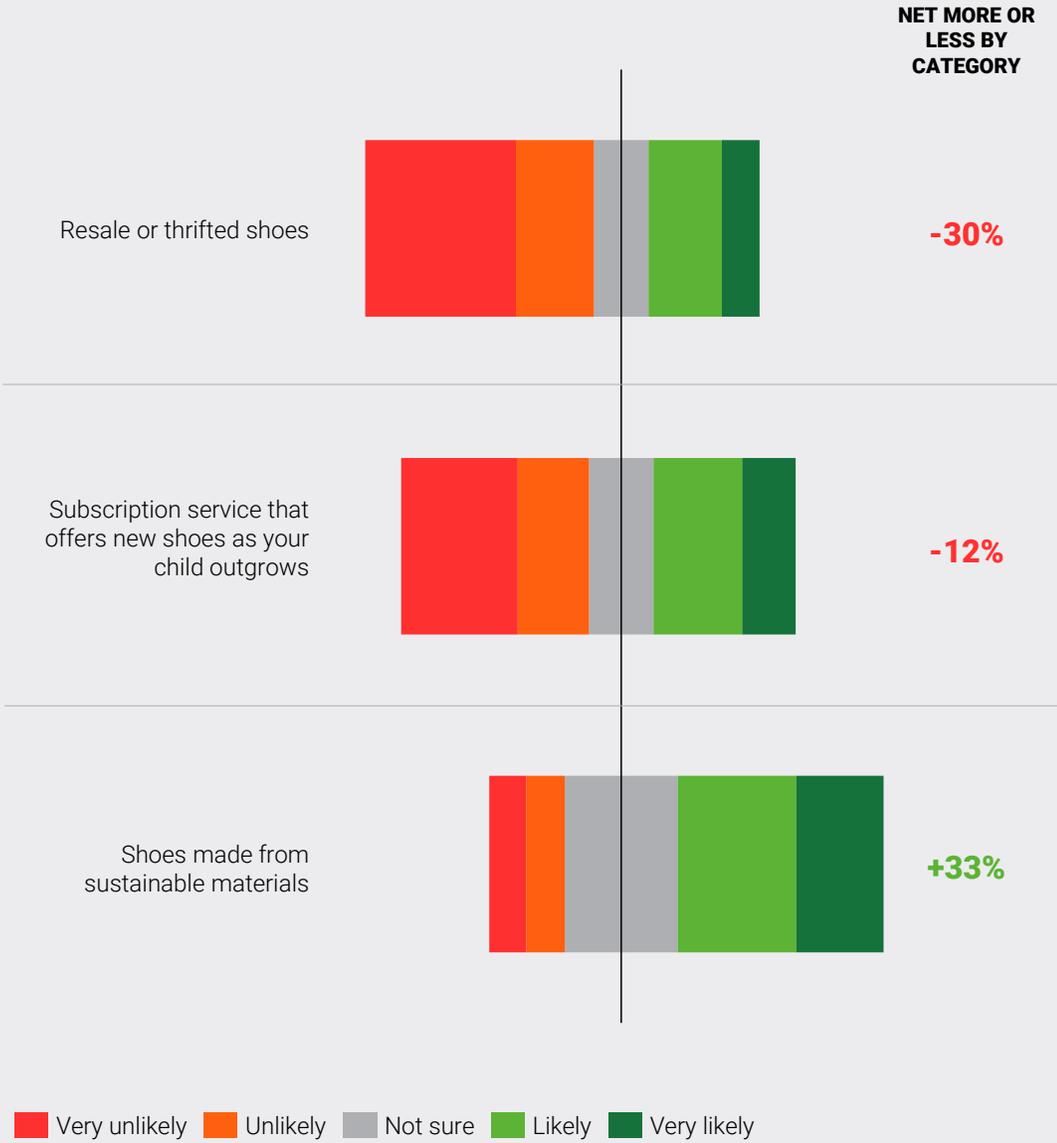
**\$36**  
a pair across mass  
market retailers



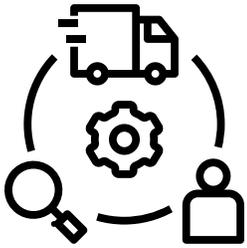
1. Numerator shopping panel

In this highly competitive environment, retailers must drive consumer interest with a unique or exclusive assortment, a personalized and targeted message, or highly competitive prices on visible and widely carried styles.

**NET LIKELIHOOD OF CONSUMERS TO PURCHASE SUSTAINABLE OPTIONS**  
**BACK TO SCHOOL PURCHASES**



# A THIRD OF CONSUMERS START THEIR SEARCH ON AMAZON, AND FINISH IT IN STORE

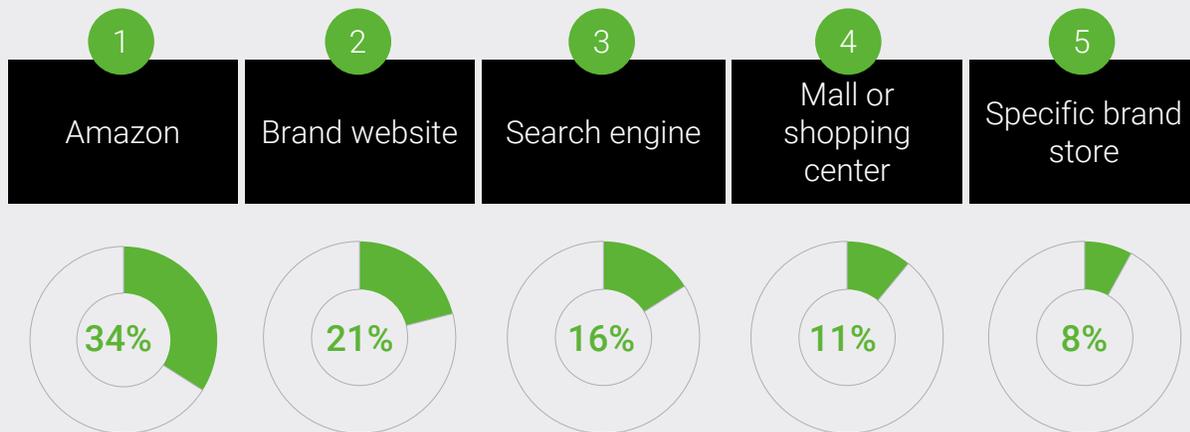


The internet's biggest warehouse, Amazon, has a crowded storefront these days. Advertisers have found diminishing returns on Amazon.com ad placements, but know they need to be there to be seen.

The success of Amazon's Prime Day—a record \$14.2 billion in sales—saw a 7% larger average order size, per an analysis by Numerator, while the average price per item dropped by around 15% (though it's worth noting that two-thirds of items purchased retailed for less than \$20). These results support our thesis that practicality and good deals are top of mind for consumers.

Our survey found that 34% of footwear consumers start their search on Amazon, topping all other options, treating it as a search engine through which they can assess brands, models, colors, price-comparisons, and—importantly—user reviews. Brand websites are the next stop (21% of consumers), above search engines like Google (16%), before parents finalize a purchase... which 63% of consumers say they do in store.

## TOP 5 PLACES CONSUMERS START SEARCHING FOR PRODUCTS BACK TO SCHOOL PURCHASES



“Our clients have found there are reasons to list on Amazon—even at a limited profitability—for the consumer reach and analytic power of their platform,” says Ryan Poole, partner at AlixPartners’ Retail practice. “They understand that Amazon is a major component for customer acquisition, and an important investment in top-of-funnel marketing. Managing the channel profitability is a key unlock.”

**ANTICIPATED CHANNEL PREFERENCES FOR FUTURE PURCHASES**  
**ALL FUTURE SHOE PURCHASES**



**WHERE CONSUMERS INTEND TO SHOP**  
**BACK TO SCHOOL PURCHASES**



Forty-five percent of people said that they expect to buy the majority of shoes in store; well above those who say they shop mostly online (27%). Retailers, in other words, need both a fine-tuned online presence and investment in the brick-and-mortar experience (wide inventory, intelligent merchandising, knowledgeable sales associates, etc).

Many brands and retailers grapple with their approach to selling on Amazon, with significant associated costs (storage, low-inventory, shipping, and referral fees, to name a few) that chew into margins. While you can achieve significant reach and visibility with consumers on the e-commerce platform, you pay for that access through advertising costs and platform fees. Additionally, you lose access to valuable customer data. If you determine that Amazon is a key platform for your business, it's imperative

to get storefront and product set-up right. Think of the Amazon product set-up like you do your website SEO and ensure you optimize for customer search terms.

Additionally, you need to closely manage costs to ensure you maintain profitability on the channel. This should not be a "set it and forget it" strategy. You must have teams dedicated to overseeing this channel and driving operational excellence.

When we drill down on the places where people intend to shop, strip malls and outlets are the least desirable: 34% and 29% of respondents, respectively, said they did not intend to shop in those places. On the other hand, 82% of people said they would do some or most of their shopping online. In light of online reconnaissance, this suggests a high-information, value-focused shopper.

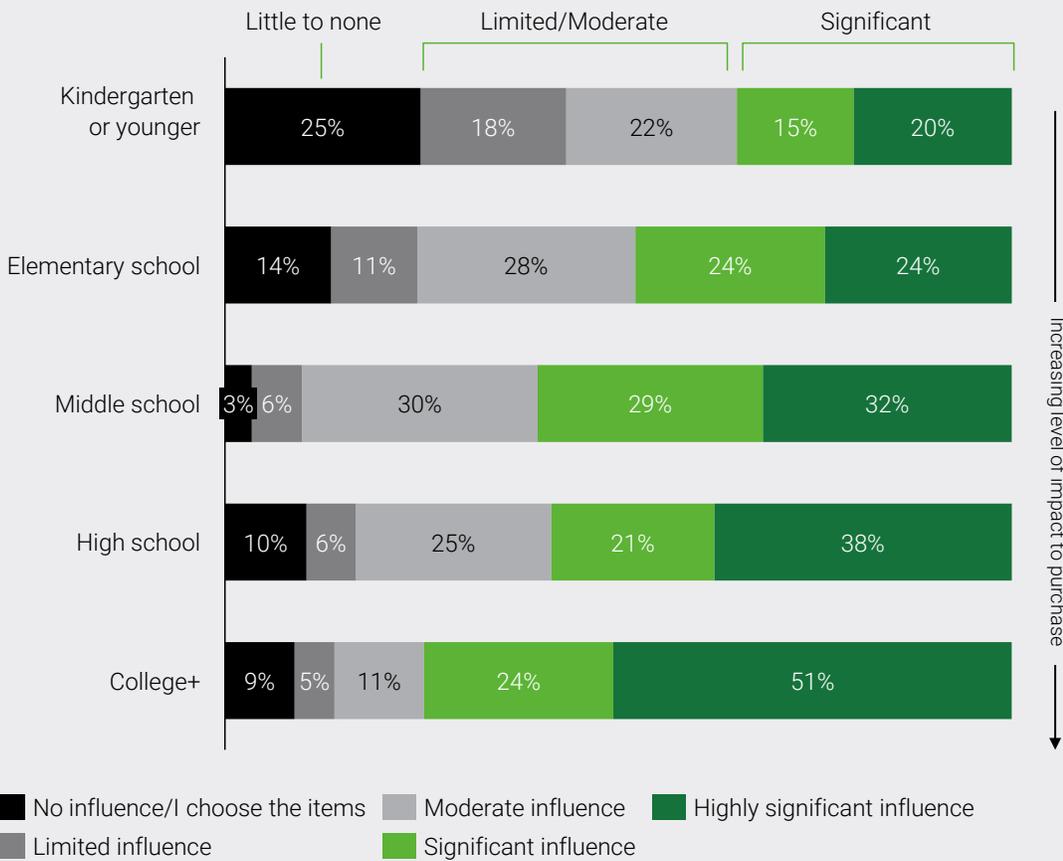
# THE BIGGEST INFLUENCERS DON'T HAVE A CREDIT CARD

Middle school is a pressure-cooker for shoe 'fits, according to the survey, which shows that 61% of middle-schoolers exert significant influence over (their parents') shoe purchases. Among high schoolers, the figure is 59%. But the younger grades also have opinions. Forty-eight percent of elementary-grade students and 35% of kids in kindergarten or younger strongly influence their parents at shoe-shopping time.

When it comes to attracting back-to-school shoppers, there is a need to balance messaging and tactics between buyers (parents) and influencers (children). This requires sophisticated analytics capabilities to segment audiences, and the ability to iterate on creative and messaging to align with each segment.

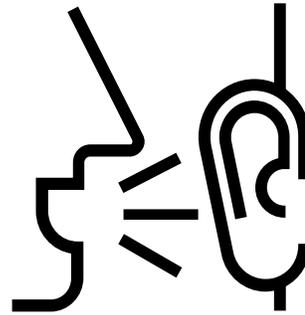
“Even really young kids have a strong impact on their parents’ purchase decisions,” says Meghan Hayward, director of consumer insights in AlixPartners’ Retail practice. “Where a child’s footwear preferences—coming from their peers—align with the value a parent is looking for, retailers will win this fall.”

## LEVEL OF INFLUENCE OF THE CHILDREN BASED ON AGE GROUP BACK TO SCHOOL PURCHASES



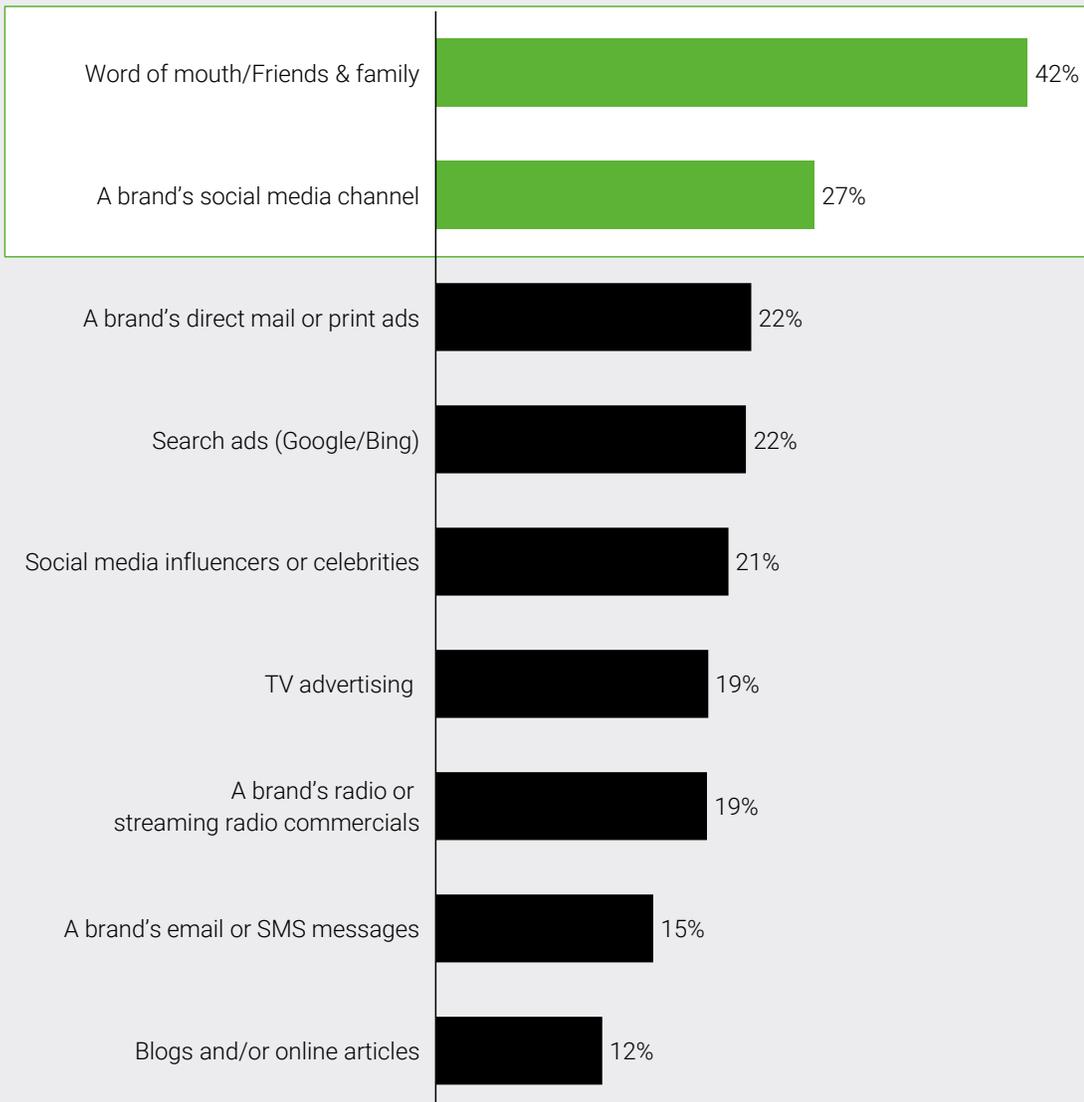
Marketing messages come in a distant second to word-of-mouth (for 42% of respondents, the biggest driver), but are most potent in a brand's social media channel (27%), where kids in particular are looking for trends. Vans took their digital marketing strategy a step further, partnering with gaming program Roblox to give tween and teen players a first look at new shoe models.

There is potential to adjust marketing investments and channel allocation to focus on channels that drive purchase influence and harness word-of-mouth. To effectively influence both parents and youth consumers, messaging should be adjusted between these segments. This generally requires consistent, deduped, timely and complete customer data—and the use of AI and machine learning to drive personalization efforts.



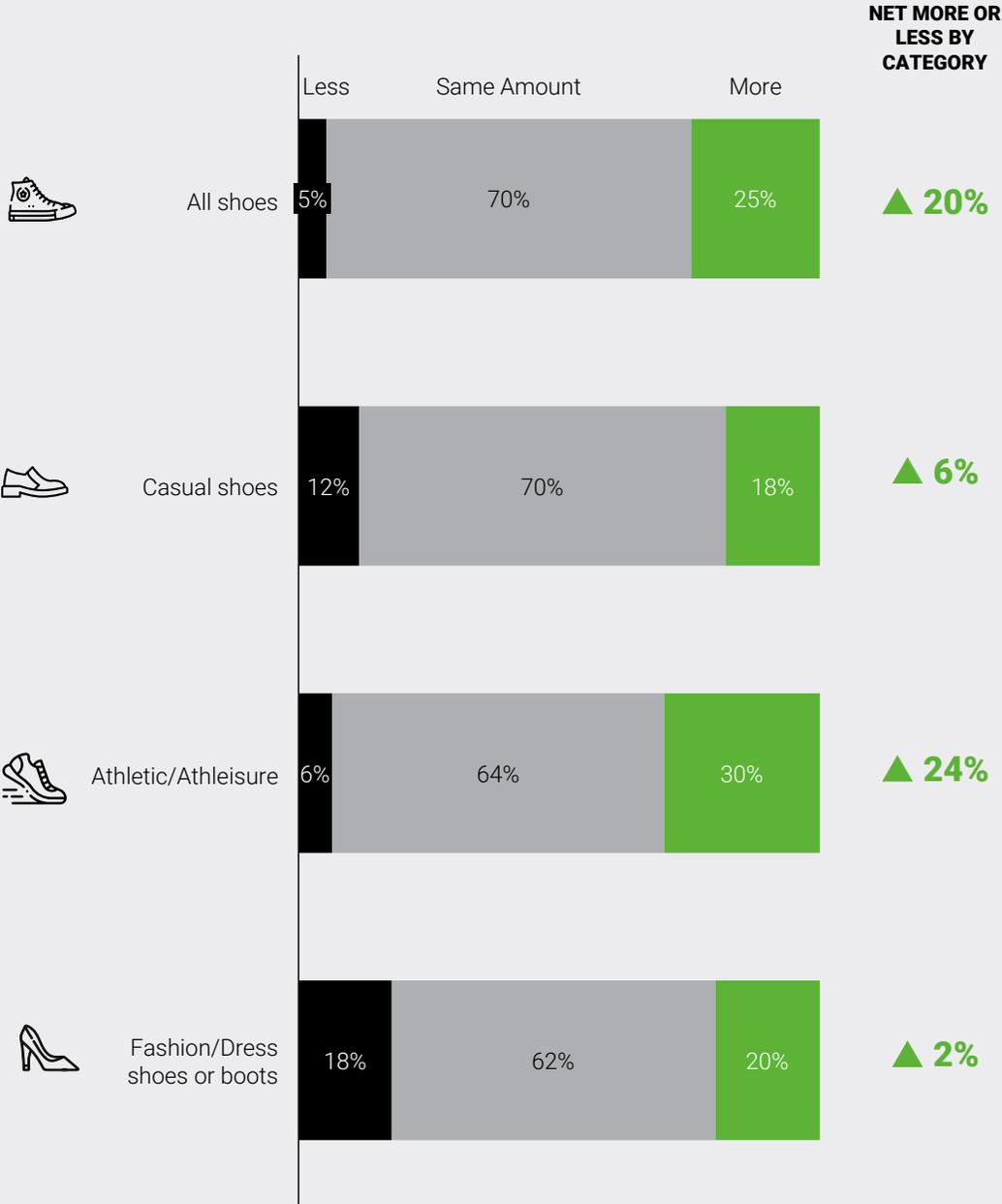
**42%** of respondents' marketing messages come in a distant second to word-of-mouth

### WHAT IMPACTS PURCHASE DECISIONS MOST BACK TO SCHOOL PURCHASES



Employing the appropriate models allows you to systematically target and engage customers with the most relevant treatments driving true value.

**ESTIMATED SPEND BY CATEGORY**  
**BACK TO SCHOOL PURCHASES**



# WHOSE SHOES? COMFORT AND QUALITY RANK ABOVE BRAND LOYALTY

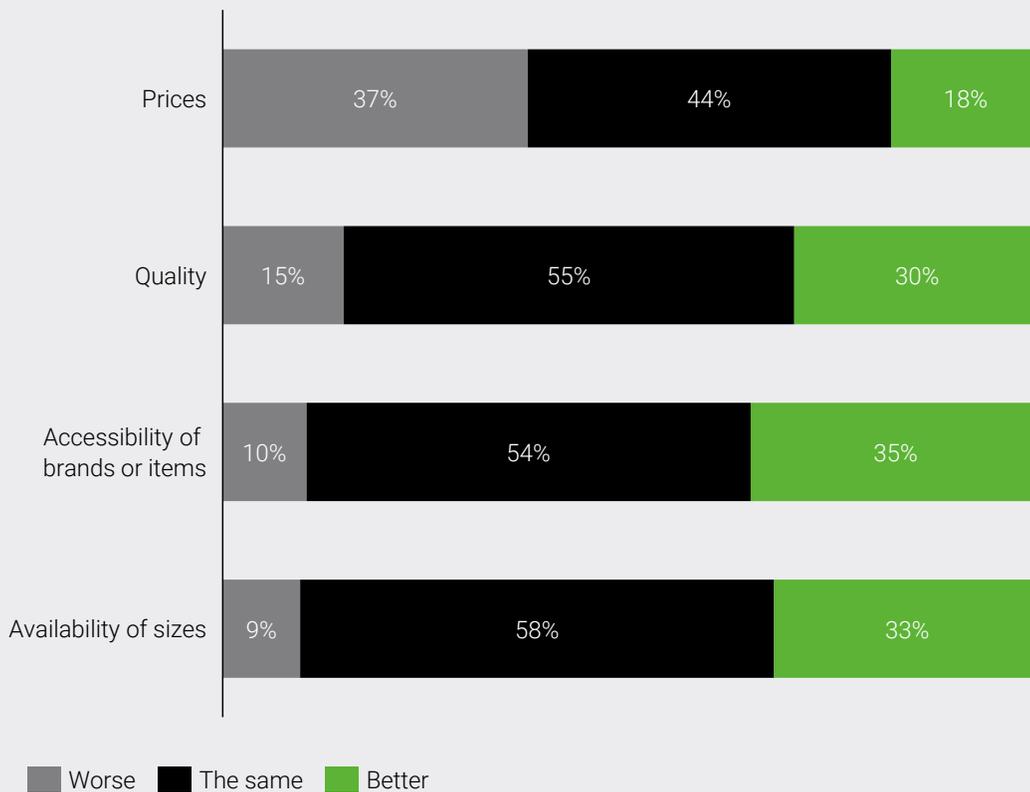
Despite various attempts at loyalty programs by footwear brands and retailers, the programs—and even brands themselves—rank lowest among factors driving a purchase decision. Comfort, quality, and availability top the list.

Many of the traditional loyalty approaches focus on a reward system geared toward an incremental transaction, but not on those things that foster true brand loyalty.

Today's customers prefer personalized treatment or access, a feeling of exclusivity, and enjoy being surprised by unexpected gestures of recognition.

For their part, they also feel let down by brand quality and price.

## CONSUMER PERCEPTION OVER THE PAST 5 YEARS BACK TO SCHOOL PURCHASES



Companies that have been successful in utilizing loyalty rewards as a key purchase decision are those who develop actionable customer segments, build engagement models across the customer lifecycle, and actively monitor risk of churn. Loyalty rewards and offers need to be adjusted based on each segment's motivations.

Ideally, the loyalty ecosystem produces rich data and insights to support driving repeat purchase and deeper engagement from its most profitable customer segments. That means seeing the same kids walk through the doors of the store next back-to-school season.

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## ABOUT US

For more than 40 years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

## FDRA

The footwear industry's business and trade association. At over 95% of the entire industry, the Footwear Distributors and Retailers of America (FDRA) is the largest and most respected footwear trade association in the U.S. It represents and serves the entire footwear industry from small family-owned footwear businesses to global footwear companies, as well as domestic manufacturers, importers, and retailers. In all, it supports more than 250 companies and over 500 brands designing, producing, and selling great footwear to consumers all over the globe.

## DISCLOSURE

Survey included 1,002 respondents and was conducted online between July 1 and July 7, 2024. Respondents were 15 years of age or older.

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