AlixPartners FDRA

U.S. CONSUMER & EXECUTIVE FOOTWEAR SURVEY

Balancing BTS budgets: Footwear consumers are shopping earlier for fewer pairs

EXECUTIVE SUMMARY | JULY 2026

01

The cost squeeze reality

With landed costs and operational costs rising, how are executives responding?

02

The brand loyalty test

Consumers will stick with trusted brands if they deliver on quality and durability. What drives their purchase?

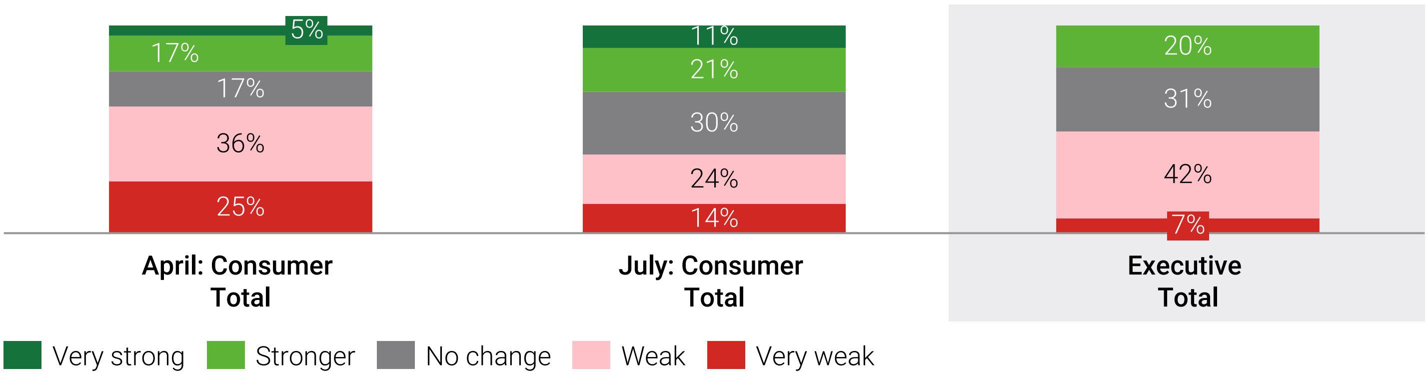
03

Income divergences

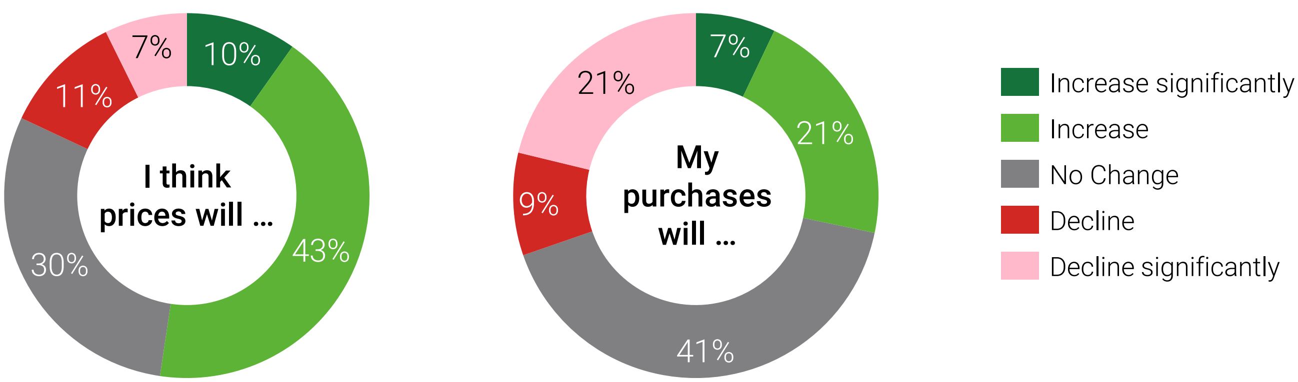
Inflation is driving behavior. Parents are taking control of when, where, and how they shop.

Consumer demand for back-to-school footwear remains strong, but quality expectations are facing pressure. Seventy-nine percent of executives expect landed costs to rise sharply while retail pricing power remains constrained. This creates an execution test: can brands deliver the quality and durability consumers demand while absorbing cost increases?

Economic outlook over next 6 months: Executives vs. consumers



Consumer outlook on footwear prices and purchases over the next 6 months



01

The cost squeeze reality

79%
of execs expect landed costs to rise; 53% anticipate 1–10% increase

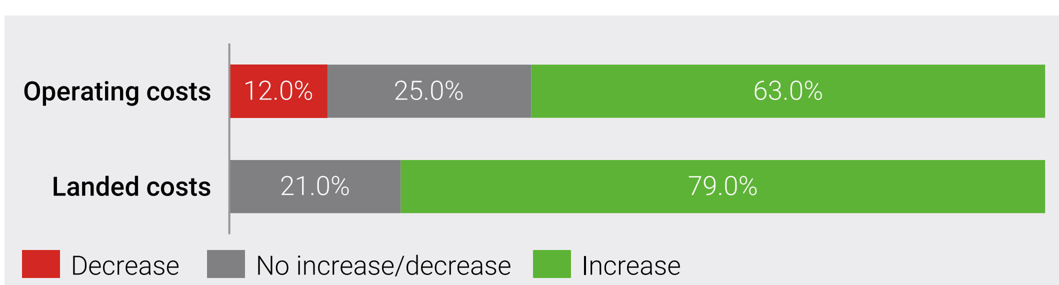
61%
see operating costs higher than 6 months ago (14-quarter high)

32%
expect to raise retail prices 1–5%

40%
say inventories are down to 6 months ago

WHAT IT MEANS:
Cost absorption is the real margin story, not pricing flexibility. Execs are constrained on both ends: costs are rising, and pricing power is limited.

Executive outlook in the next 6 months:



02

What consumers demand and won't trade

WHAT IT MEANS:
Consumers won't trade durability for price. If brands cheapen product to absorb costs, they lose the value argument and the loyalty. The margin risk is if quality ratings continue to decline.

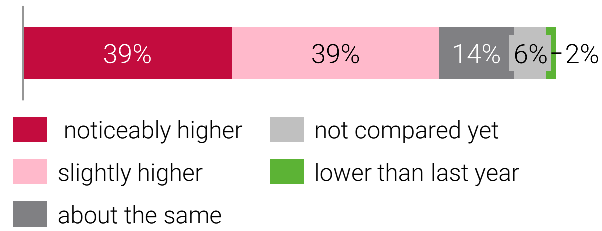
Price anxiety persists, but value perception remains solid

78%

say prices feel higher, yet most rate value as the same or better

Key insight: Consumers feel squeezed but are not abandoning footwear

Consumer price perception of children and teen shoes relative to last year



Brand loyalty is conditional on quality and durability

44%

spending less than $100/child (up from 40% a year ago) indicating shrinking budgets

39%

will cut pairs before switching to cheaper brands

What drives spending more:

41% Superior comfort or fit
39% Built to last/durability
29% Brand importance

Where they shop:

80% Quality of items
80% Size/Selection
72% More important than absolute lowest prices

Brand name ranks at 53% in "what drives purchases" (down from 71% in 2024)

The reframe: Consumers stick with trusted brands IF they deliver on quality/durability; they won't trade down to cheaper alternatives

Cost-savings measures consumers will pursue

1 Stick to the brands, but buy fewer pairs — 39%

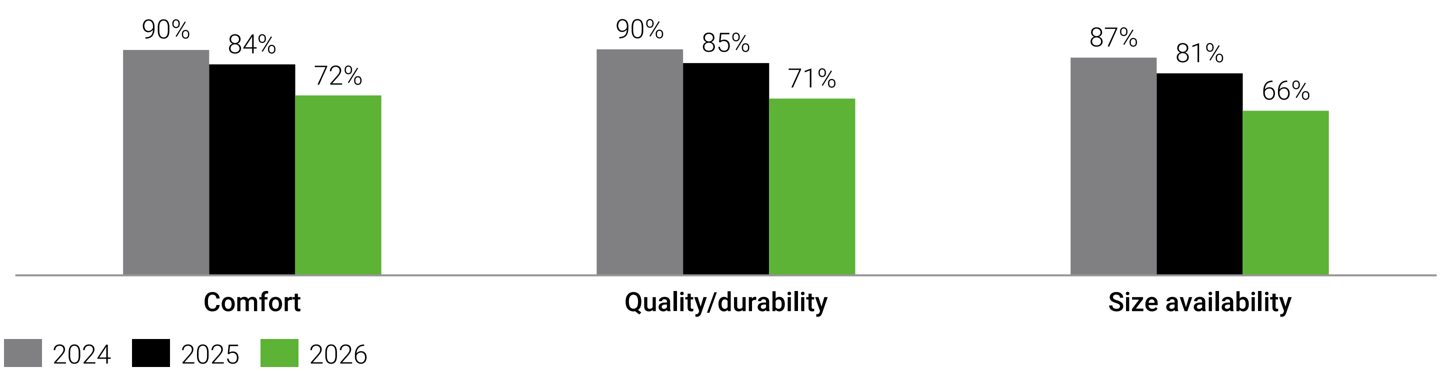
2 Switching to lower price retailers — 33%

3 Buying fewer pairs of shoes overall — 30%

4 Trading down to cheaper brands — 25%

5 Shopping earlier in the season — 21%

What drives what product a customer purchases: important and very important



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How consumers are responding and where they shop

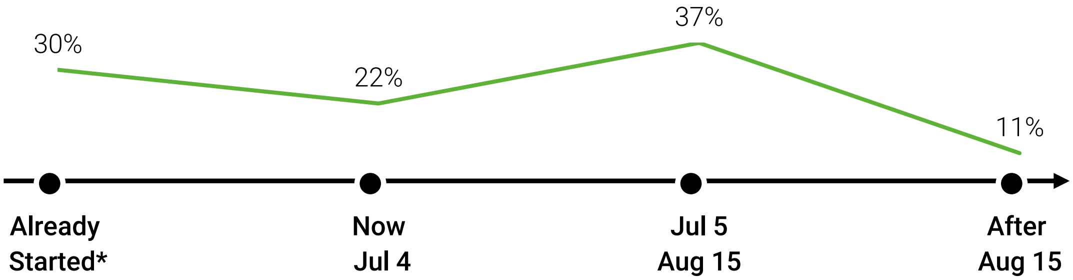
WHAT IT MEANS:
Consumers are deliberate and strategic. They control what they can: timing, channel, volume. They won't compromise on quality, but their choices are diverging by income level.

Families are shopping earlier as a cost-control move

30%
already started; 1/3 shifted earlier than last year

Why? To lock in prices, and spread purchases across budget

Key insight: Inflation expectations drive behavior. Parents take control of timing.



*Fielded: June 2026

Omnichannel is default, promo-driven events get attention while AI lags

- Online (35%) and in-store (34%) are nearly equal; stores win on fit/service
- 64% will shop promo events; 26% use no AI tools
- Amazon is growing in frequency (+4.1%) and household reach (+9.4%), not price
- Outlets are surging, showing unexpected strength

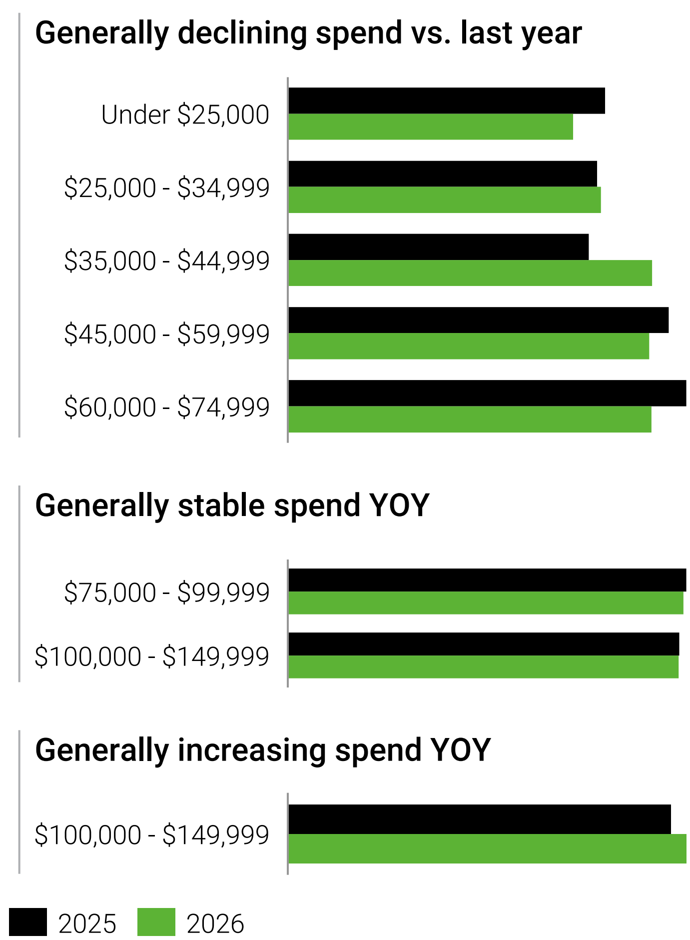
Key insight: Convenience and fit matter; tech doesn't. Channel mix is shifting.

Income divergence will reshape retailer strategies

- Affluent consumers (+$150K) reported a 4% BTS spend increase
- Lower-income consumers (under $25K) expect a 10% decline in spend
- These different income bands require different playbooks across channels, sourcing, and messaging

Key insight: A one-size-fits-all strategy won't work.

Estimated median spend per child: by income level TY vs. LY



Execs facing 79% cost increases can only price 1–5% higher (32% expect to). Consumers are already struggling to make budgets stretch and won't accept cost-cutting substitutes if quality is affected—a surefire way to erode loyalty. That means that the sourcing strategy is now effectively the operational strategy.

Quality is no longer a differentiator—it's table stakes. Lower-income consumers are already planning to cut back, but they indicate a reticence to trade down. Success depends on whether sourcing can maintain quality while absorbing 79% landed cost increases. The data suggests this is the real execution test of 2026.

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U.S. Consumer Footwear Survey administered online: June 2-July 6, 2026

Population: 1,000 adult (ages 15 and above) U.S. footwear consumers, across all regions, demographics, and income levels, nationally representative audience

FDRA Shoe Executive Business Outlook Survey administered online: Q2, 2026

Population: Nearly 100 U.S. executives across footwear brands, retailers and manufacturers in the FDRA membership

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