

Non-Classic UGG Styles Show Underwhelming Popularity and Sales

Companies: COLM, DECK, WWW, SKX

October 9, 2015

Research Question:

Are Deckers' UGGs losing or gaining popularity and sales compared to back-to-school season 2014?

Summary of Findings

- This is the second of Blueshift Research's two-part report on Deckers Outdoor Corp.'s (DECK) UGG brand. This report focuses on input from retail store personnel and customers; [the first report on Sept. 9](#) said all sources representing the UGG supply chain reported lower demand year to year for [the Classic \(shearling-style\) boots](#), confirming Blueshift's [May 13 findings](#)
- The majority of store personnel sources said UGG's popularity and sales are steady to declining year to year, despite more SKUs on store floors. Results from our online consumer survey also showed a weakening view of UGG's popularity and a decreased likelihood of future strength.
- Nine of 13 sources reported overall UGG sales to be steady or lower year to year for the back-to-school season.
- Classic UGGs are still popular and lead the brand in sales, while non-Classic shearling styles have not experienced an increase in sales despite a greater variety of them on display and in inventory.
- Non-shearling popularity and sales were mixed compared to last year with one reporting sales lower, three reporting stable sales and one reporting higher sales. Stores had relatively few non-shearling styles compared to shearling.
- Nine sources reported an increase in the variety of UGG SKUs on their sales floors, and thus increased inventory in stock. Despite the increased selection, the Classic UGG remains the style of choice for most UGG buyers, and there is not a lot of optimism that these alternatives will be strong sellers in stores.
- Our online survey of 218 women taken on October 2nd showed the following weak outlook for UGGs:
 - There was 43.1% decrease in popularity for UGGs overall and a 15.9% decrease in popularity for UGGs among teenagers, when compared with the results of our May survey.
 - 6% of respondents are very or extremely likely to buy a pair of UGGs in the next six months, while nearly 70% of respondents are not at all likely to do so.
 - Timberland is the No. 1 boot brand women are most likely to buy in the next six months, followed by UGGs.
 - Over one third of our respondents believe UGG's popularity has decreased compared to a year ago, which is 22.4% higher than the number of women who responded this way in May. This also outpaces the number of respondents who said UGG's popularity has increased over this time.

Background

This report is part two of a two-part series on UGG's popularity and sales. Our first report focused on the supply chain, including shearling farmers, manufacturers, and distributors. This report focuses on the consumer side of the story and covers regionally diversified retail stores and an online consumer survey of 218 female respondents.

Our [May 2015 report](#) showed supplier and manufacturer sources with unequaled views into the important fall/winter boot season all foresee weakness for UGG boots. Our shearling supplier sources, a major UGG manufacturer in China, and one-half of store sources said UGG and shearling boots in general had become less popular year to year. Shearling suppliers said UGG's orders declined 20% to 30% year to year, while the UGG manufacturer source said sales were down 15%. These sales represent shearling for UGG boots that will be on retail shelves by early winter 2015.

Blueshift Research's [Oct. 8, 2014, report](#) first identified the potential waning of UGG's popularity. At the time, only two of eight store sources said the brand's popularity was increasing; the remaining stores and a supplier claimed its popularity was either flat or declining. In our [Dec. 17, 2014, update](#), nine of 10 sources said UGG's popularity was either declining or staying the same. They said [Dr. Martens AirWair USA LLC](#) and VFC Corp.'s (VFC) [Timberland](#) had become more popular.

Current Research

Blueshift Research assessed whether popularity and sales of UGG's shearling and non-shearling styles was gaining, losing, or maintaining strength year to year. We employed our pattern mining approach to establish three independent silos, comprising 12 primary sources (including seven repeat locations) and four relevant secondary sources focused on footwear trends and the potential effect of a warm September on weather sensitive retail brands:

- 1) Retail store personnel (13)
- 2) Online customer survey (218)
- 3) Secondary sources (4)

Next Steps

Blueshift Research will assess if sales and popularity of UGG strengthen or weaken throughout the early winter season. We will evaluate if there is an increase in traction for UGG's non-Classic shearling styles as well as its non-shearling styles. Finally, we will monitor the presence of discounts throughout the season, particularly on non-Classic styles.

Silos

1) Retail Store Personnel

Only four of 13 sources reported increased popularity of UGG year to year for the back-to-school season. Nine of 11 sources who commented on inventory reported an increase in the number of SKUs and amount of inventory in their stores, but the Classic UGG style remains the relative leader with other shearling and non-shearling styles experiencing underwhelming popularity and sales. Prices were reported marginally higher year to year by three sources. Competition for shearling styles remains limited but competition for non-shearling styles is fierce with Columbia Sportswear Co.'s (COLM) [Sorel](#), [Hunter](#), Wolverine World Wide Inc.'s (WWW) [Sperry Top-Sider](#), and [The Frye Company](#) all fighting for presence on department store floors.

Key Silo Findings

UGG Popularity

- 9 of 13 stores reported overall UGG popularity to be steady or lower compared to the same time 2014.

Deckers Outdoor Corp.

- Classic style UGGs remain the most popular.
- Non-shearling styles have not gained in popularity compared to a year ago.

UGG Sales

- 9 of 13 stores reported UGG sales to be steady to lower year to year.
 - o Five sources saw steady sales.
 - o Four saw lower sales.
 - o Four sources sales of UGG shearling styles are higher than a year ago.
- Sales of non-shearling styles were mixed with one store reporting lower, three reporting stable and one reporting higher year over year sales.

Competition for UGG

- [The Walking Company](#)'s [Abeo](#) brand was the only competitor noted among shearling styles.
- Non-shearling styles face a litany of competition including Hunter, Sorel, and Frye.

UGG Inventory

- 9 of 11 sources who commented reported more inventory due to more UGG SKUs on display compared to last year.
- Inventory remains heavily skewed toward Classic and shearling styles with a strong majority of UGG styles on display.
- Non-shearling styles were underwhelming.
- No inventory shortages or excesses were reported.

UGG Pricing

- 3 sources said prices were slightly higher year to year.
- No discounting was reported as of yet.

Other

- Comments on the men's line were neutral to positive.
- The [Treadlite](#) style and [slippers](#) were positives.

1) The Walking Company sales associate, Southern California; repeat location

Sales for UGG shearling boots in particular have been declining for the last two seasons and so far they are down about 10% from where they were in February of this year. Sales are being hammered by a combination of three things: hot weather, a shift in interest to Dr. Marten and combat-style boots over shearling boots, and lower-priced shearling boots from [Skechers USA Inc.](#) (SKX) and Romeo & Juliette, Inc.'s [BearPaw](#), among others. The shelf space is a quarter of the size it was during Blueshift's spring 2015 visit and it is going to shrink further to make way for The Walking Company's own shearling boot line coming out in late October. The Walking Company's shearling boots is not new, but the push will be with a heavy emphasis on the product's orthotic insole comfort feature with removable insoles. No UGGs were discounted in the store, but customers know to go to The Walking Company's website to find mark downs for many UGG styles. There will be a small wall shelf area for men's UGG slippers but right now the store only carries its own branded [Zealand slippers](#) for men and women.

UGG Popularity

- "UGG is not nearly as popular as it was two years ago and it really hurt sales for us last holiday season and through the winter."
- "Girls in their 20s and early 30s just don't want them like they did at first. They are more interested in the Dr. Marten and combat boot look again, and that's going to really hurt UGG sales."

UGG Sales

- "We've only sold about six or seven pairs of UGGs so far since September 1. The heat doesn't help."
- "We don't carry many styles in the store anymore. Most of our customers know they can find more styles online and they order them and come in and pick them up. But we aren't even seeing that much interest in UGG overall, so even online purchases and in-store pick-ups are way down."

Competition for UGG

- "There are less expensive options to UGGs now that are doing well, like Skechers."

Girls in their 20s and early 30s just don't want them like they did at first. They are more interested in the Dr. Marten and combat boot look again, and that's going to really hurt UGG sales.

*The Walking Company sales associate,
Southern California*

- “Also, we are getting ready to release our own 2015 Walking Company shearling boot line. We are going to be giving them more shelf space and really pushing them through the holiday and winter season.”
- “The Walking Company shearling boots have an Abeo biomechanical insoles. The customers that buy these say they are much more comfortable than UGGs. We hear people tell us all the time that the UGG is not that supportive after about six months. Many of them will come in and buy the Abeo insoles and put them inside their old UGGs to give them more support.”

UGG Inventory

- “We don’t have that many UGG styles in the store. It’s pretty limited to the classic booties and a few of the shorter styles with the bows. We don’t have any UGGs for men in the store right now.”

UGG Pricing

- “All the discounts on UGGs from us are online. The prices in the store are about where they were in January. That’s one thing I have noticed. Prices for UGG Classic booties aren’t really going up very much at all. But the prices for some of their newer non-shearling boots are up in the \$300 and \$400 range now, which I know is higher than some people can afford.”

Observations: UGG has a front and center display, but it is about a quarter of the size it was during the visit in May. There are only about four different styles available in the store for women, none for men. The Zealand faux shearling slippers were close by. No one was buying UGG or Zealand in the store during the visit. No discounts on UGG in store. Last year the window and entire front right side of the store were dominated by UGG. This year, that space is expected to go to The Walking Company’s own shearling boot brand.

2) The Walking Company sales associate, outside New York City

UGGs and the shearling style boot popularity is strong, however it is starting to decline. This Walking Company store is reducing the UGGs shelf space to add more of its own brand of shearling boots which, according to this source, is better made and provides more support than UGGs. Sales of the traditional UGGs are flat compared to last year and the expectation is for sales to decline in-line with the reduced shelf space. UGG prices have increased which this sales associate thinks is causing shoppers to consider The Walking Company brand instead.

UGG Popularity

- “UGGs are still in demand, but I think their popularity and the popularity of that style of boot is declining.”
- “There is a lot of interest in UGG’s other styles, especially their slippers.”

UGG Sales

- “UGG sales are flat and I expect they will decline going forward as a direct result of the reduced shelf space and declining demand for shearling boots.”

Competition for UGG

- “We have reduced the UGGs shelf space by maybe 10% or 15% and replaced them with our own brand of shearling boot which is better made and provides much better foot and leg support at a better price.”
- “Our own brand of products is the main UGGs competitor. As I said, our products are better made and provide much better support for people that are on their feet all day.”

UGG Inventory

- “Our UGGs inventory has gone down in relation to the reduced shelf space.”
- “We have not had any problem getting or keeping any UGG styles in stock.”

UGG Pricing

- “UGG has increased their prices and I think shoppers are starting to look for other alternatives. When they compare our shoes and prices they frequently by our Abeo brand.”

UGG sales are flat and I expect they will decline going forward as a direct result of the reduced shelf space and declining demand for shearling boots.

*The Walking Company sales associate,
outside New York City*

Observations: The UGGs display was in the front of the store prominently marked with a large sign. The UGGs display covered about 15% of the total shelf space and similar Abeo products were displayed right next to it. Two purchases were made during the 15 minutes Blueshift observed the store and neither shopper selected UGGs.

3) The Walking Company sales associate; Ohio

UGG sales have been very slow so far this season because the weather has been warm in late September and early October. He has sold only two pairs of UGG in the three weeks they've been on display, both the Classic, which is off the pace from a year ago when temperatures were already in the 50s. He does not, however, know what sales to expect for UGG for the rest of the season. Non-shearling UGG will not be strong sellers as customers associate UGG only with the Classic styles. The only non-traditional UGG that should sell well is the waterproof [Adirondack](#), which is more of a snow boot, which his store did not carry a year ago, but was in demand then and should be this season, too. Price is the same as a year ago, and does not fluctuate unless mandated by UGG, which is very rare.

UGG Popularity

- "It's too early to tell. It's been in the 70s all week. This time last year, we were in the 50s. I still have people asking for sandals."

UGG Sales

- "I've only sold two UGGs since we set them out in the second week of September. But that's because of the weather. So I don't know what to expect for this season."
- "I do know the new stuff is not likely to sell. UGG is synonymous with the Classic sheepskin boot, tall or short. It's been the winter boot since 2002."
- "It's hard to introduce new styles. I don't think the non-Classic will sell. People want the shearling."
- "We got the Adirondacks this year and I've already sold a couple of those. We didn't have them last year because we are a smaller store, and people were asking for them then. So I think those will do well this year. They are waterproof. The UGG aren't, unless you treat them. So these are good boots. If they had them in men's, I'd buy them."

Competition for UGG

- "None of the boot brands are selling right now, again because of the weather."

UGG Inventory

- N/A

UGG Pricing

- "There haven't been any price changes. We don't set the price. UGG does and they only discount when a style is discontinued, and sometimes some slight discounts after Christmas."
- "All the retailers that carry UGG have an agreement to sell at the same price, and we'd report any of them that don't. So I laugh when I see customers in this mall comparison shopping since the price isn't going to be any different at Journey or any other store that carries UGG."

[T]he new stuff is not likely to sell. UGG is synonymous with the Classic sheepskin boot, tall or short. It's hard to introduce new styles. I don't think the non-Classic will sell. People want the shearling.

*The Walking Company sales associate;
Ohio*

Observations: There is a front display table with many varieties of non-shearling UGGs surrounding the Classic. There are four shelves showcasing UGG boots and slippers, taking up virtually one entire side of the store. About 75% of the UGGs on display have a "New Arrival" tag on them, the majority of which are non-shearling, including many in purple and pink colors. There are a small number of Classics on display. There were not any customers in the store at 11 a.m. on a Wednesday.

4) UGG store sales associate, Southern California; repeat location

Sales are getting off to a slow start for the fall season and are lower year to year. But, there is lot of interest in the new [Luxe line](#), as well as the non-shearling boots. The men's waterproof Treadlite boots are the store's top sellers, as well as the kids' mini-shearling booties and, for women, the Luxe boot. Weather has been a huge force behind the slower back-to-school season for this store. Among the biggest causalities in sales are the tall shearling boot, which is often a more popular choice at Christmas time.

UGG Popularity

- “I don’t think the classic shearling styles are any less popular, it’s just that we have more styles of shoes and boots to choose from. I know we did sell a lot of the [Keseey](#), and the other waterproof boots have been selling a little more this season than last for the school year.”
- “Girls in particular are still really interested in UGG Classics, but I think that more of them are reserving those for lounge wear on the beach, on trips in the car, planes, that kind of thing. And for everyday wear, they are wearing more chunky boots.”

UGG Sales

- “The traditional shearling boots are off to a slow start”
- “It’s been very warm. Today, it’s raining. But it was 90 degrees all last week and I think it hit 100 several times in September. So we’ve still had a lot of students going back to school in sandals and flip flops.”
- “We are probably down from where we want to be. But we just got a lot of new styles in the store and foot traffic is starting to pick up.”
- “If sales are significantly lower for any particular style, it’s the tall shearling boot. We usually have a lot of interest in those at as Christmas gets closer. People want them as gifts.”
- “We are selling a lot of children’s classic shearling booties, the classic [mini-Pendleton](#) and the ankle-height leather boots for women.”

Competition for UGG

- “I know Skechers has a shearling boot but I don’t know how well its doing compared to UGGs. They can’t really be considered competitors though because UGG manufacturing is superior.”
- “I’m sure in many cases, the prices for UGGs are just way too high for some people, so it’s good that there is an alternative.”

UGG Inventory

- “We have a huge inventory, but this is a very busy store.”
- “We have more styles out on display right now than we’ve had all year because we just got the new Luxe line in and they are probably going to be one of our biggest sellers this season. The zipper in the back is very popular.”

UGG Pricing

- “Right now we do have the women’s [Eitan](#) flat marked down to \$99, and a few different styles of the bomber slipper for men and women are on sale.”
- “Men’s UGG waterproof Treadlite boots are among the top-sellers in this store. That’s been one trend I’ve seen over two years. More men are into the non-shearling boots than anything.”

Observations: The store was very crowded with rain a contributing factor driving people inside the store. The big push is on the new women’s Luxe line with zippers and the rolling video featured a woman in a pair of Luxe. There were a lot of customers in the store picking up and looking at boots, but only one or two trying them on: a kid who was customizing a pair of green shearling mid-calf booties with rhinestone bling and an elderly woman who was wearing a pair of UGG Eitan flats and trying on one of the Eitan’s that were on sale. She ended up leaving saying she would think about it. Treadlite dominates the men’s section and there were more men looking in the store today than women. There were not any women in their teens or 20s in the store during the length of the half hour visit.

Girls in particular are still really interested in UGG Classics, but I think that more of them are reserving those for lounge wear on the beach, on trips in the car, planes, that kind of thing. And for everyday wear, they are wearing more chunky boots. We have more styles out on display right now than we’ve had all year because we just got the new Luxe line in and they are probably going to be one of our biggest sellers this season. The zipper in the back is very popular.

UGG store sales associate, Southern California

5) The Walking Company assistant manager, Georgia; repeat location

The shearling styles of UGGs are as popular as last year and sales are steady compared to last year. The non-shearling styles are less popular and are showing weaker sales compared to last year. Inventory has increased over last year with more variety of boots in the store and on display. There is enough inventory to meet demand. None of the UGGs were on sale but they will discount seasonal products online. The store does not carry the men’s line of UGGs, except online.

UGG Popularity

- “Popularity for the shearling styles is as popular as it was for the fall 2014 season.”
- “Non-shearling [styles] are not as popular as they were last year.”

UGG Sales

- “Right now customers are coming in to look at the UGGs but aren’t purchasing. The weather isn’t cold enough yet for them to buy UGGs.”
- “Sales of the classic shearling compared to fall/back to school season 2014 are the same. They are just as popular as they were last year.”
- “Sales of the non-shearling styles compared to fall/back to school of 2014 are lower. I’ve noticed that when people do buy the non-shearling boots they return them. There aren’t as many styles. They are not as trendy as the shearling styles.”

Competition for UGG

- “We have a pretty healthy UGGs display and it’s a focal point for the fall. We have way more UGGs styles represented than some of our own brands.”
- “I’d say UGGs is holding steady. ... Colder weather stores put UGGs in the front window. Here at The Walking Company, we focus on health so we wouldn’t focus as much on UGGs.”
- “The biggest competitor overall is our brand Abeo.”

UGG Inventory

- “We have just enough inventory to meet demand. We have a good variety and with different styles.”
- “Demand for the shearling styles may weigh heavier.”
- “We have the same amount of shearling styles on display compared to last year.”
- “We never have a lot of the non-shearling styles but it’s about the same as last year.”

UGG Pricing

- “Seasonal styles will be discounted. They are mostly online.”
- “One man asked if we carried men’s UGGs. Most men aren’t aware UGGs makes a legitimately good leather boot.”
- “We’ve had more men come in asking about UGGs this year but we don’t carry them in the store – they are sold online.”

Observations: The store had no customers on Sunday afternoon at 1p.m. The UGGs shoes were prominently displayed on the wall with three small sections. The ratio of shearling to non-shearling was about 70/30.

Sales of the non-shearling styles compared to fall/back to school of 2014 are lower. I’ve noticed that when people do buy the non-shearling boots they return them. There aren’t as many styles. They are not as trendy as the shearling styles.

The Walking Company assistant manager, Georgia

6) Lord & Taylor sales associate, Western NY; repeat location

UGGs classic styles hold their popularity and sales compared to last year, but other shearling and non-shearling styles are not gaining traction. Despite more UGG shearling SKUs on the sales floor, Sorel and Hunter are strong competitors along with Frye.

UGG Popularity

- “UGGs are about the same in popularity among teenage girls as last year.”
- “The Classic is still the most popular style. The other styles are not selling that great.”
- “The non-shearling boot sales are weak. We have a lot more shearling styles to offer than non-shearling.”

UGG Sales

- “Sales of Classics are steady over last year.”
- “Sales of the other styles are down compared to last year.”

Competition for UGG

- “Sorel has been really popular this year.”
- “Girls this year are either choosing the UGGs Classic or a bunch of our Sorel boots.”
- “The moms are choosing these type of [Sperry] boots and trying to be cool in those.”
- “Hunter are also popular, like they were last year.”

UGG Inventory

The Classic is still the most popular style. The other styles are not selling that great.

Lord & Taylor sales associate, Western NY

- “We have more UGGs styles on display, so we have more inventory overall.”

UGG Pricing

- “We have no sales yet and rarely do on UGGs”

Observations: On a midweek midday visit, the UGGs display had approximately 15 to 20 shearling style boots and four to five non-shearling styles on display. The UGG table was set near the middle of the shoe department with Frye across the shoe walkway and Sorel then Sperry immediately behind UGGs.

7) The Walking Company assistant manager, Missouri; repeat location

UGGs are retaining their popularity with shearling styles still more popular than non-shearling styles. This source worked at a different store last fall but says sales were also strong there at this same time and late into the winter. Shearling styles are much more popular than non-shearlings.

UGG Popularity

- “UGGs have remained popular. They are still a trend and people follow trends.”
- “UGGs are probably about as popular as last fall.”
- “We sold a great deal of them toward the end of winter last year, too, even with the mild weather. So it is not a surprise they are doing well this fall.”
- “The shearling is still the most popular style.”
- “I don’t see any change either way in the popularity of non-shearling boots.”

UGG Sales

- “Today we already sold six pairs of UGGs. You can kind of tell it is starting to pick up.”
- “All of the pairs we sold today were shearlings. They were kind of a mix of styles.”
- “We have not sold many of the non-shearlings yet this fall.”

Competition for UGG

- “We don’t really have a brand that competes with UGGs. Our store brand is Abeo and we sell a lot of them, but they are still not competitive with UGGs. Abeo would be our second-best seller.”
- “We only have a few brands of other boots but sell a lot more brands online.”
- “UGGs are our top seller.”

UGG Inventory

- “Our inventory is fine, but this is early in the season. Last year at the other store we ran out of some styles at the end of the winter.”
- “We have a few new styles this year and some that are coming in.”
- “We have more UGGs than we did a year ago, as far as I am told.”
- “I think we have about the same amount of non-shearlings as a year ago.”

UGG Pricing

- “UGG does not let us put their shoes on sale. Occasionally we put outgoing styles on sale late in the season.”
- “The prices on UGGs are about the same as last year.”
- “We only carry one pair of UGGs for men, a slipper. We don’t sell many of those.”

Observations: This relatively small store is in a popular indoor mall, a few doors down from a Journeys store that also sells a few UGGs. A selection of all the classic mostly-shearling UGGs was displayed on the back wall. This was easily the most extensive number of boots for any brand in the store. A woman was trying on a pair of UGGs and six pair had already been sold to customers that afternoon. A small sign promoted the UGGs. The only men’s UGGs was a single style of slippers.

All of the pairs we sold today were shearlings. They were kind of a mix of styles. We have not sold many of the non-shearlings yet this fall. We have more UGGs than we did a year ago, as far as I am told.

The Walking Company assistant manager, Missouri

8) Nordstrom sales associate, Georgia; repeat location

UGG's popularity is stable year to year during the fall/back-to-school season, though the season has not really begun in earnest for UGGs as customers wait until colder weather. Inventory levels are appropriate based on demand and the store is displaying more of both the shearling and non-shearling styles. There is no competition for UGGs in this store's shoe department. Sales in the men's department remain the same with slippers the most popular purchase.

UGG Popularity

- "UGGs are as popular as they were the previous year."
- "We mostly sell during Christmas so it's hard to compare with the end of winter 2015."
- "We have a lot more of the classic shearling styles. When customers come in looking at the boots, those are the ones they look at and buy."
- "Sales of the non-shearling are good. It's a top product for us."

UGG Sales

- "Our sales have been the same so far compared to the fall and back to school season of 2014."
- "Sales of the shearling style are the same as it was a year ago at this time."
- "Sales of non-shearling styles are also the same as a year ago."

Competition for UGG

- "I don't think UGGs has a competitor overall."

UGG Inventory

- "Compared to this time last year we have more UGGs inventory this year."
- "We have more UGG shearling styles on display compared to last year."
- "We also have more UGG non-shearling styles on display compared to last year."
- "We have the right amount of inventory to meet demand for both shearling and non-shearling."

UGG Pricing

- "We don't have any discounts on UGGs."

Other

- "The men's line is stable regarding sales. They are as popular as they were last year. Most of the sales are women buying slippers for their husbands/boyfriends."

Compared to this time last year we have more UGGs inventory this year.

Nordstrom sales associate, Georgia

Observations: The shoe department was extremely busy on a Sunday afternoon at 12:15 p.m. There were two customers trying on a pair of UGGs women's slippers. There were four other customers looking at the shearling boots. The department has a large wooden display with UGGs at the top and 16 shelves with two to three styles on each shelf. There was also a large round table with three shelves full of UGGs. The split of UGGs on display was 50-50 on shearling versus non-shearling.

9) Journeys sales associate; Ohio

UGG's popularity and sales are the same as a year ago as nothing has changed with its customer-base or its prices.

UGG Popularity

- "It's the same as a year ago."

UGG Sales

- "Sales are steady as always."

Competition for UGG

- N/A

UGG Inventory

- N/A

UGG Pricing

- "Customers are not too concerned about price. They say UGG. That's all the customer cares about. It's a shallow customer base."

Deckers Outdoor Corp.

Observations: There is a table with about seven different styles of UGGs on display immediately at the front of the store, and one section of one wall at the side of the store close to the entrance. The other boot and shoe brands also had their own wall section, but UGG was the only brand with the display at the front of the store as well. There were not any customers in the store at 10:30 a.m. on a Wednesday morning.

10) Dillard's sales associate, Missouri; repeat location

Sales of UGGs are up over last fall and are expected to keep improving. The inventory and display have never been larger. Shearling styles are a lot more popular than non-shearling but the latter still doing well and with a strong inventory.

UGG Popularity

- "UGGs are still popular, maybe more so than last fall. It's kind of like a cult, similar to [Toms](#). People like to be seen in them."
- "Non-shearling are not as popular as shearling. When you think of Uggs you think of the shearling kind."

UGG Sales

- "Sales of UGGs are up from a year ago."
- "No particular style is doing better than anything else this early in the season."
- "Considering this is just the start of fall, sales are pretty good."
- "We had some non-shearlings last year and they sold reasonably well. They are doing a better this fall, but not as well as the Classics."
- "The boots with just a little wool in the heel historically sell well."

Competition for UGG

- "UGGs must be gaining on the competitors here because we are carrying about every style they have. We started with one round table and now we have multiple tables all over."
- "I suppose Bearpaw is the biggest competitor."

UGG Inventory

- "We just got most of our UGGs in last week. We have two styles in the back we have not put out yet. We have a tremendous increase in styles this fall compared to a year ago."
- "Our inventory is fine and we have not gotten everything in yet."
- "Inventory is bigger than last year. We have the biggest selection in town, I think."
- "We did not run out of any UGGs last year. We did run out of Adirondack snow boots."

UGG Pricing

- "We have a big UGGs promotional event coming up so we have put out extra displays. Nothing will be at sale prices, though. We will be advertising them a lot in next two weeks."
- "The only time we have sales is at the end of the season on styles being discontinued."

Other

- "Sales for men's UGGs are about average. They are going to send us more of the winter boots. They did not send us much of a selection last year. Obviously we will sell more in the winter. Last winter was very mild weather and that didn't help."

Observations: UGGs were everywhere in this Dillard's store in a high-end outdoor shopping district on a Wednesday afternoon. The Classic styles were on a display at the bottom of the escalator on the end of the aisle. Non-shearlings were on a table next to that, also on the aisle. There were several other styles elsewhere along the aisle. There was a series of five round tables with UGGs set up for a special promotional event. No other style of boot or shoe had such widespread display. In men's section, the UGGs are in the rear, near the counter in a relatively modest display downstairs.

UGGs are still popular, maybe more so than last fall. Sales of UGGs are up from a year ago. We have a tremendous increase in styles this fall compared to a year ago.

Dillard's sales associate, Missouri

11) Journeys sales associate, Connecticut

Deckers Outdoor Corp.

UGG sales are up nearly 50% from last fall, possibly due to the early cold weather in this area. They are the most popular winter boots for women, particularly the classic shearling styles, though there has been higher demand for more bad weather shoes like Timberland. This is largely due to its brand recognition, recognizable profile, and reputation for quality and warmth. Men's styles are also in high demand; the store sold out of its first men's style in a week. Inventory has not been sufficient to keep up with demand as the store has not yet received its full stock for the season. There will be an additional 10 to 20 UGG styles this season once the full fall inventory arrives, whereas the store carried about 30 styles last year. UGG has held steady in prominence and placement in the store against competitors, but the associate says that there are no major competitors for UGG.

UGG Popularity

- "UGGs are our most popular winter shoes, and they are even more popular this year than last. They have sold really fast in the past two weeks since we had that cold snap, and we don't even have our full inventory in. People want to be ready for winter."
- "The profile has become classic, and they are warm and comfortable and very high quality. I've had my UGGs for six years."
- "People are looking for boots that are more weatherized. The shearlings aren't really meant for deep snow or rain, so we anticipate selling a lot of Timberlands – which are shearling-lined – once they get in."

UGG Sales

- "Sales for the whole store are about the same as last fall, maybe a little up."
- "UGG sales this fall have been almost 50% higher than last fall."
- "The classic shearling styles are selling even better than last year. They are what almost everyone buys."
- "We don't have many styles without shearling, but we think the Timberland will do well once we get it in."

Competition for UGG

- "UGGs will have even more space once we get all our fall inventory in. They are definitely gaining in numbers."
- "There are no big competitors for UGGs this year. For quality, UGGs is definitely winning."

UGG Inventory

- "We only really carry shearling styles; there are a few that are not. They are definitely the most popular, because everyone knows them."
- "We don't have enough inventory to meet demand right now. The rest of the fall inventory is supposed to be coming in the next week or so."
- "Inventory levels are higher than last year at this time."
- "We have more UGGs shearling styles than last year. Right now there are about 30 styles. We will have 40 or even more in by the time we are fully stocked."
- "There are more non-shearling styles, but not many."

UGG Pricing

- "The prices are set by UGGs, and we can't discount them. People can use store coupons, though."

Other

- "The men's line is surprisingly in-demand this year. We have only had one style in so far, but it sold out within a week. The last pair is right here waiting for pick-up. A lot of men are asking for them, but we will probably get more men's products in once it gets cold."

Observations: UGGs are in a front window corner in this small Journeys store in a mall. There were only a few customers at 5 p.m. on a Monday. The store carried primarily shearling styles with a few non-shearling. They UGGs were located next to Dr. Martens with more non-shearling riding boot styles.

UGGs are our most popular winter shoes, and they are even more popular this year than last. They have sold really fast in the past two weeks since we had that cold snap, and we don't even have our full inventory in. People want to be ready for winter. Right now there are about 30 styles. We will have 40 or even more in by the time we are fully stocked.

Journeys sales associate, Connecticut

12) Nordstrom sales associate, Connecticut

Deckers Outdoor Corp.

UGGs are more popular than last year. Sales are up 50% from a year ago, and the store has sold through inventory very quickly. The classic shearling styles are still the most popular, as the recognizable UGGs are what immediately attract most customers. There is a broader range of non-shearling styles, which are also growing in sales and popularity, but not as much as the classic UGGs. There is higher inventory and the store has already sold out of a couple of styles during the initial fall rush. Hunter and [L.L. Bean shoes](#) are the only competition, and they are much less significant than UGGs.

UGG Popularity

- “UGGs are even more popular this fall than last fall. We’ve sold through inventory very quickly. We’ve had a lot of people coming in to get their boots for the winter season, because they want to be prepared for the weather. Everyone wants their UGGs.”
- “There weren’t as many UGGs in at the end of winter last year, but there is a huge demand this year.”
- “Shearling styles are still the most popular UGGs. They are the most recognizable. We have even more styles and colors than last year.”
- “There are more non-shearling styles now, and people really like them. The moccasin-style shoe is doing very well; it’s very similar to an L.L. Bean shoe. Many of these shoes have a shearling lining.”

UGG Sales

- “Sales overall have been up since last year at this time.”
- “Sales of UGGs are up 50% from last year at this time.”
- “Sales of the classic shearling styles are definitely higher than last year.”
- “Sales of the non-shearling styles are up also, but not as much as the shearling styles.”

Competition for UGG

- “UGGs have more floor space than any competitors. Hunter is the only real competition for UGGs we have, but those are more of a weather boot, and the lining is sold separately. There is a much smaller display. We’ve expanded our UGGs section.”
- “We just finished renovating this part of the store. UGG is the most prominent boot brand, and when we shifted things, we had to focus this section on UGGs.”

UGG Inventory

- “We have the right amount of inventory. Sometimes we do sell out of a style, but generally they are re-ordered quickly. We did sell out of some of the shearling styles during the back-to-school rush, but we got new ones in quickly.”
- “Inventory levels are higher than last year at this time, and definitely higher than at the end of winter.”
- “Some of the styles are on replenishment, so they are automatically re-ordered.”
- “There are a lot more non-shearling styles than last year. There is a tall wedge boot, for example, and a moccasin-style.”

UGG Pricing

- “There are no discounts on UGGs. The prices are set by them, and we don’t discount them.”

Other

- “We’ve only had one men’s style in so far this year, and it’s already sold out. Men are really asking for UGGs this year.”

Observations: UGGs have a very large display in a prominent location in this large Nordstrom. The shearling in classic profiles had its own free-standing shelf display of 15 to 20 styles, and the non-shearling fashion styles were on a very long table at the focus of the boot section, with 15 or 20 styles. There were around 15 people shopping in this section at 3:30 p.m. on a Monday.

Sales of the classic shearling styles are definitely higher than last year. Sales of the non-shearling styles are up also, but not as much as the shearling styles.

*Nordstrom sales associate,
Connecticut*

13) Nordstrom sales associate, outside New York City

The UGG brand is more popular than ever and sales are ahead of 2014. Traditional shearling UGGs are still popular but demand has slowed while other styles have become very popular. The men’s line continues to gain and demand for the UGG slippers is high. UGGs dominates the floor space in this shoe department and are mixed in with multi-brand displays

throughout the department. UGGs inventory has shifted with non-traditional styles increasing and they do run out of some popular styles and sizes.

UGG Popularity

- “UGGs is one of the most popular brands we sell. As a sales person I love UGGs. Shoppers come in asking for UGGs.”
- “The traditional UGGs’ popularity is still strong, but it has slowed down. But the company has introduced new designs and colors and I think UGGs in general are more popular than ever.”
- “Deckers is a good company with smart people. They present their line in the store twice a year and introduce their new styles.”

UGG Sales

- “Sales this fall are up over last year at this time and I expect the holidays to be better than last year.”
- “The classic UGG is selling well, maybe equal to last year, but the new styles are selling very well.”

Competition for UGG

- “UGG dominates the floor space in our department and since their new styles are so popular we are dedicating more space to them.”
- “We also mix UGGs into multi-brand displays and they also seem to outsell the competition.”
- “Timberland, [Woolrich](#), [Blondo](#), and Frye are all popular, but we always sell more UGGs.”

UGG Inventory

- “I always tell customers to buy it now because we may not have it when they come back”
- “We do run out of some of the popular styles and sizes.”
- “The pre-holiday inventory is about the same as last year, but we have fewer traditional UGGs and more of their other styles.”

UGG Pricing

- “We almost never have UGGs on sale, unless it’s a storewide sale, and usually UGG is exempted from the sale.”
- “Deckers has improved their production and as a result they have raised some of their prices \$5.00 to \$10.00, but it does not seem to have negatively impacted sales.”

Other

- “The men’s line is gaining. The slippers are a big seller for guys.”

Observations: UGGs dominate this shoe department’s display with a high shelf and two full tables in the middle of the department. UGGs were also displayed on several multi-brand displays through-out the department. Several shoppers bought UGGs products during the 20 minutes Blueshift observer the department.

2) Online customer survey

UGG popularity declined dramatically since our survey in May 2015. This poll of 218 women on October 2nd found a 43.1% decrease in popularity for UGGs overall and a 15.9% decrease in popularity for UGGs among teenagers when compared with the results of our May survey. UGG will remain the most popular brand of boots for this 2015/2016 Fall/Winter season, but more women believe the brand is decreasing in popularity (23.5%) compared to the number of women who believe the brand is increasing in popularity (17.8%). Timberland is the No. 1 boot brand women are most likely to buy in the next six months, followed by UGGs. Over one third of our respondents believe UGG’s popularity has decreased compared to a year ago, which is 22.4% higher than the number of women who responded this way in May. This also outpaces the number of respondents who said UGG’s popularity has increased over this time. Women have a higher opinion of UGG’s shearling styles than its non-shearling styles. Only 6% of women are very or extremely likely to buy a pair of UGGs in the next six months, while nearly 70% of them are not at all likely to do so.

Q1. Respondents believe UGG will remain the most popular brand of boots this 2015/2016 Fall/Winter season, but this number has decreased 43.1% compared with May, with 30 to 44 year olds being the most positive on the brand. Timberland, L.L. Bean and Dr. Martens round out the top four boot brands, with Timberland and Dr. Martens increasing in popularity since May.

- 27.5% believe UGG is the most popular brand of boots this season, a 43.1% decrease compared with May.

- 30 to 44 year olds believe UGG is a more popular brand compared to other age groups, but all age groups think UGGs is the top brand currently. (filtered by age)
- 16.5% believe Timberland is the most popular brand of boots this season, a 51.4% increase compared with May.
 - Women who do not own a pair of UGGs are three times as likely to think Timberland is the most popular brand of boots this season than those who own a pair of UGGs. (filtered by Q11)
- 10.6% believe L.L. Bean is the most popular brand of boots this season, a 13.1% decrease compared with May.
 - Women who own a pair of UGGs are twice as likely to think L.L. Bean is the most popular brand of boots this season than those who do not own a pair of UGGs. (filtered by Q11)
- 5.5% believe Dr. Martens is the most popular brand of boots this season, a 27.9% increase compared with May.
- 21.1% do not know what the most popular brand of boots is this season, a 171.5% jump compared with May.

Q2. Respondents believe that UGG will remain the most popular brand of boots for teenagers this 2015/2016 Fall/Winter season, but this number decreased 15.9% compared with May. Dr. Martens, Timberland and L.L. Bean round out the top four brands will all of those becoming less popular among teens, possibly due to the increase in respondents “not knowing” and choosing “other”.

- 47.2% believe UGG is the most popular brand of boots for teenagers this season, a 15.9% decrease compared with May.
 - All age groups agree that UGG will be the most popular brand for teenagers, with 30 to 44 year olds expressing the most positive read on UGG for teenagers. (filtered by age)
- 8.7% believe Dr. Martens is the most popular brand of boots for teenagers this season, a 2.2% decrease compared with May.
- 6.9% believe Timberland is the most popular brand of boots for teenagers this season, a 1.4% decrease compared with May.
- 5.5% believe L.L. Bean is the most popular brand of boots for teenagers this season, a 1.8% decrease compared with May.
- 21.1% do not know what the most popular brand of boots is for teenagers this season, a 126.9% increase compared with May.

Q3. UGG gained the most popularity since last year, followed by Timberland, Dr. Martens and Sperry.

- 17.8% believe UGG gained the most popularity since this time last year.
- 13.1% believe Timberland gained the most popularity.
- 10.3% believe Dr. Martens gained the most popularity.
- 8.9% believe Sperry gained the most popularity.

Q4. UGG lost the most popularity since last year, followed by Dr. Martens, Timberland and L.L. Bean.

- 23.5% believe UGG lost the most popularity since this time last year.
 - 18 to 29 year olds believe UGG has lost the most popularity at a higher rate than other age groups. (filtered by age)
- 14.6% believe Dr. Martens lost the most popularity.
- 10.8% believe Timberland lost the most popularity.
- 9.4% believe L.L. Bean lost the most popularity.

Q5. Almost a third of women are very or extremely likely to buy a new pair of boots in the next six months, but another third are not at all likely to do so.

- 31.9% are very or extremely likely to buy a new pair of boots in the next six months.
 - 30 to 44 year olds are the most likely to buy a new pair of boots in the next six months.
- 31.9% are not at all likely to buy a new pair of boots in the next six months.

Q6. Timberland is the top boot brand of choice for women that are likely to buy a new pair of boots in the next six months, followed by UGG, L.L. Bean and Merrell.

- 11.8% of women who are likely to buy a new pair of boots in the next six months think they will buy Timberland boots.
 - 30 to 44 year olds are the most likely to buy a pair of Timberland boots. (filtered by age)

- Women who do not own a pair of UGGs are likely to buy Timberland (11.8%), L.L. Bean (11.8%) or Merrell (8.8%) boots next. (filtered by Q11)
- 10.4% of women that are likely to buy a new pair of boots in the next six months think they will buy UGG boots.
 - 18 to 29 year olds are the most likely to buy a pair of UGG boots. (filtered by age)
 - Women who own a pair of UGGs are likely to buy UGGs (26.5%), Hunter (11.8%) or Sorel (8.8%) boots next. (filtered by Q11)
- 9.7% of women who are likely to buy a new pair of boots in the next six months think they will buy L.L. Bean boots.
 - 45 to 59 year olds are the most likely to buy a pair of L.L. Bean Boots. (filtered by age)
- 9% of women who are likely to buy a new pair of boots in the next six months think they will buy Merrell boots.
 - Respondents old than 60 year olds are the most likely to buy a pair of Merrell boots. (filtered by age)

Q7. Over a third of our respondents believe UGG's popularity decreased compared with the 2014/2015 Fall/Winter season, 22.4% more than in May, outpacing the number of respondents who believe UGG's popularity increased over this time. This is a wider gap than in May.

- 36% believe UGG's popularity has decreased compared with the 2014/2015 Fall/Winter seasons, a 22.4% increase compared with May.
 - Respondents under the age of 60 all believe UGG's popularity has decreased compared with the 2014/2015 Fall/Winter season. (filtered by age)
- 35.4% believe UGG's popularity has stayed the same compared with the 2014/2015 Fall/Winter seasons, a 14.9% increase compared with May.
- 28.7% believe UGG's popularity has increased compared with the 2014/2015 Fall/Winter seasons, a 1.0% decrease compared with May.
 - Respondents 60 and above are the only age group to believe UGG's popularity has increased compared with the 2014/2015 Fall/Winter season. (filtered by age)

Q8. A quarter of women believe UGG is better than other brands or the best brand on the market, but this number decreased 32.7% compared with May. Those who believe UGG is worse than other brands or the worst brand on the market increased 55.7% compared to May.

- 25.7% believe UGG is better than other brands or the best brand on the market, a 32.7% decrease compared with May.
 - Women who own a pair of UGGs are two and a half times more likely to believe UGG is better or the best brand on the market compared with those who do not own a pair. (filtered by Q11)
- 53.9% believe UGG is on par with other brands on the market, a 10.9% increase compared with May.
- 20.4% believe UGG is worse than other brands or the worst brand on the market, a 55.7% increase compared with May.
 - 18 to 29 year olds were the only age group to have more respondents believe UGG is worse or the worst brand on the market compared to those that believe UGG is better or the best brand on the market. (filtered by age)

Q9. Almost 40% of women like UGG's shearling styles compared to almost 30% that dislike the style.

- 37.9% like UGG's shearling styles.
 - Two and half times as many women who own a pair of UGGs like UGG's shearling styles compared to women who do not own a pair of UGGs. (filtered by Q11)
- 32.5% are neutral on UGG's shearling styles.
- 29.6% dislike UGG's shearling styles.
 - Three times as many women who do not own a pair of UGGs dislike UGG's shearling styles compared to women who own a pair of UGGs. (filtered by Q11)
 - More women under the age of 44 dislike UGG's shearling style than like them. (filtered by age)

Q10. Almost 30% of women like UGG's non-shearling styles compared to almost 20% that dislike the style.

- 28.6% like UGG's non-shearling styles.
 - Almost twice as many women who own a pair of UGGs like UGG's non-shearling styles compared to women who do not own a pair of UGGs. (filtered by Q11)
- 51.7% are neutral on UGG's non-shearling styles.

Deckers Outdoor Corp.

- 19.8% dislike UGG's non-shearling styles.
 - 18 to 29 year olds are the only age groups to have more respondents dislike UGG's non-shearling styles than those that like them. (filtered by age)

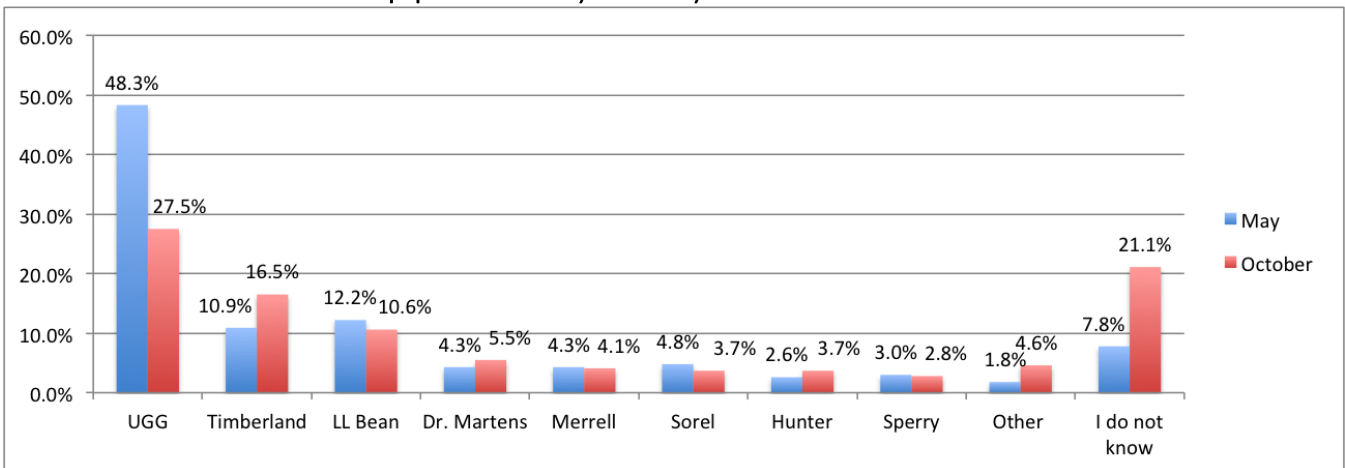
Q11. Almost 20% of women own a pair of UGGs.

- 18.8% of women own a pair of UGGs.

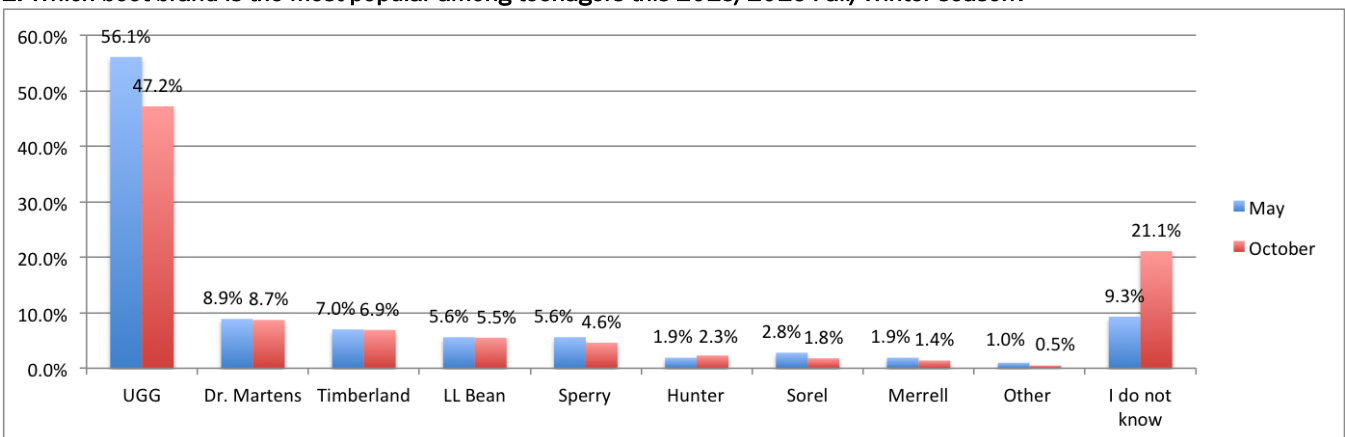
Q12. 6% of women are very or extremely likely to buy a pair of UGGs in the next six months, with 18 to 29 year olds being the most likely to do so. Nearly 70% of women are not at all likely to buy a pair of UGGs in the next six months.

- 6% are very or extremely likely to buy a pair of UGGs in the next six months.
 - Women who own a pair of UGGs are six times more likely to buy a pair of UGGs in the next six months than those who do not own a pair of UGGs. (filtered by Q11)
 - 18 to 29 year olds are the most very or extremely likely to buy a pair of UGGs in the next six months. (filtered by age)
- 69.8% of women are not at all likely to buy a pair of UGGs in the next 6 months.

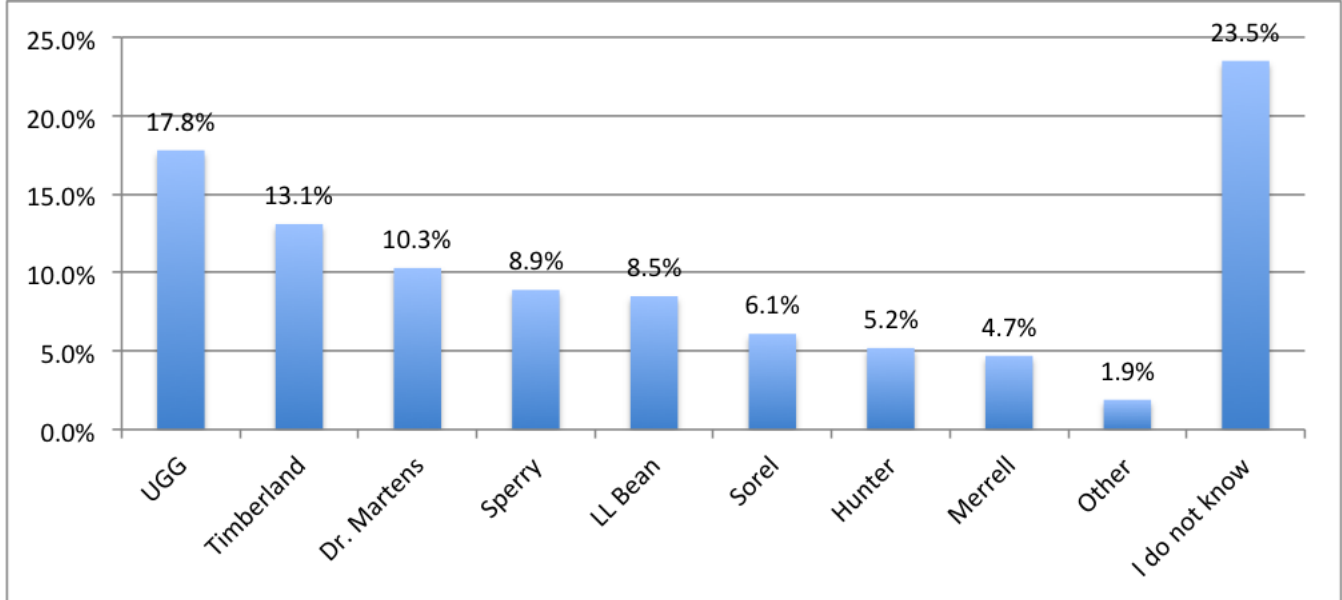
1. Which brand of boots is the most popular this 2015/2016 Fall/Winter season?



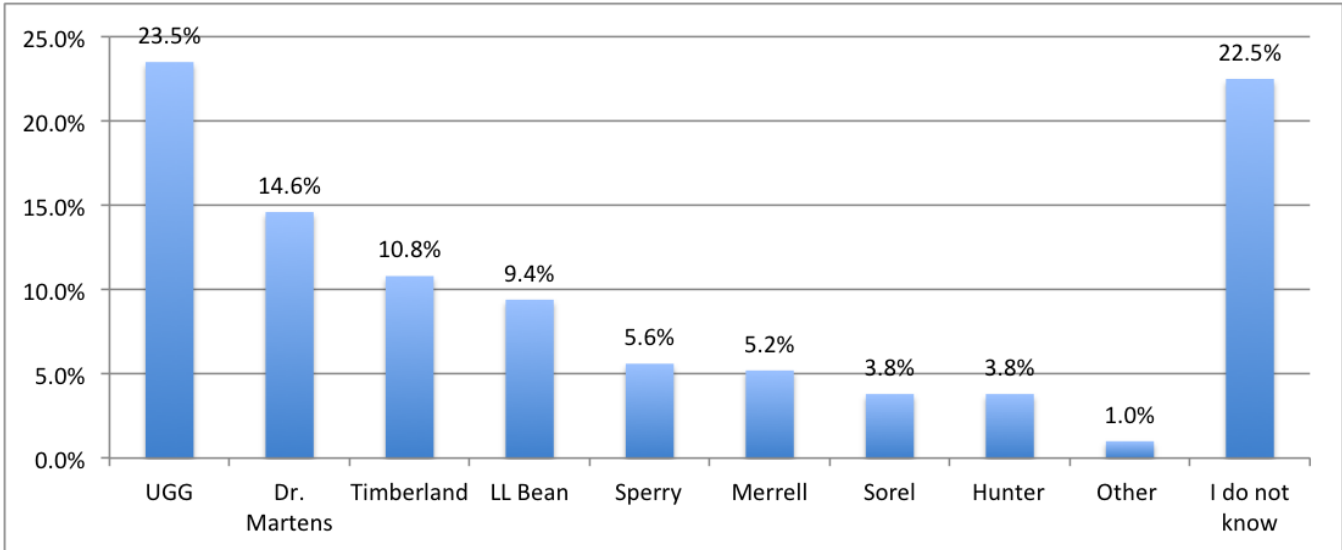
2. Which boot brand is the most popular among teenagers this 2015/2016 Fall/Winter season?



3. Which brand has gained the most popularity since this time last year?

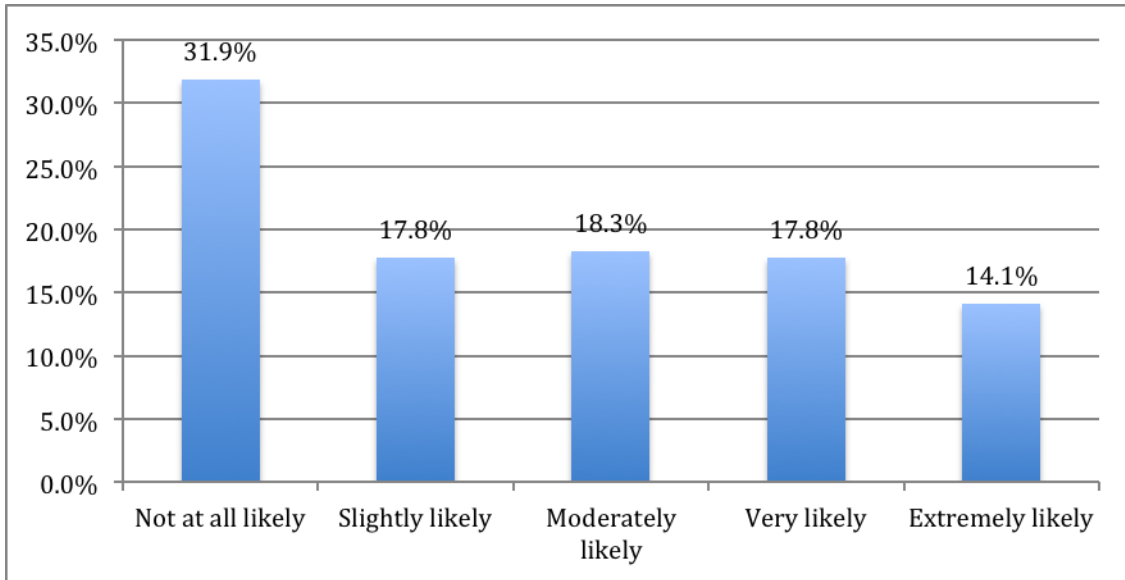


4. Which brand has lost the most popularity since this time last year?

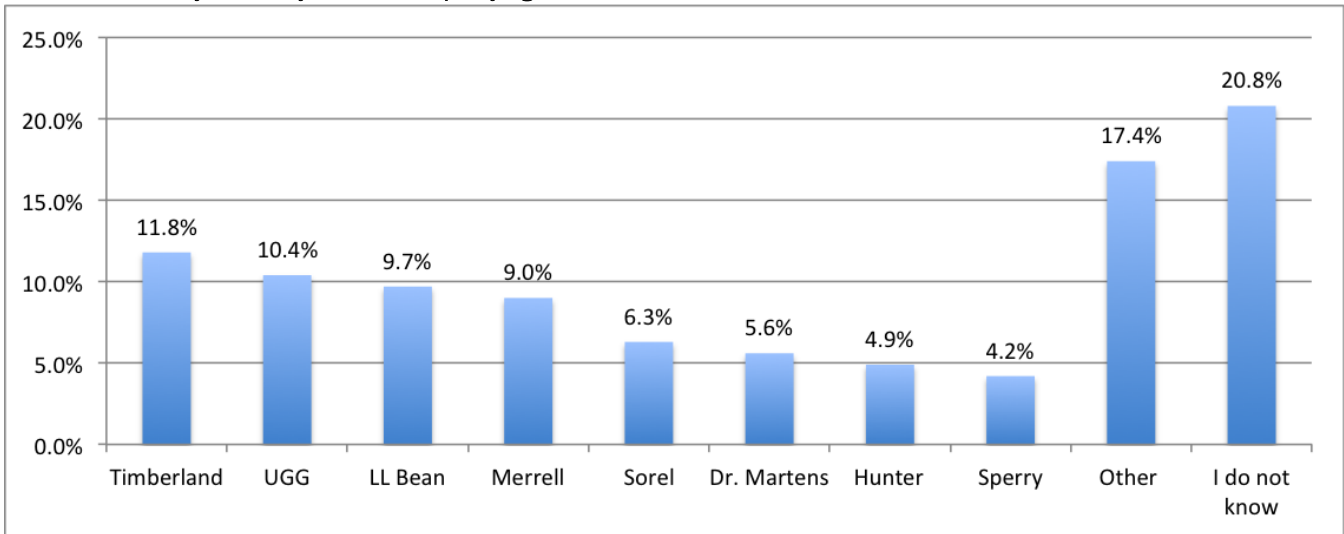


5. How likely are you to buy a new pair of boots in the next 6 months?

Deckers Outdoor Corp.

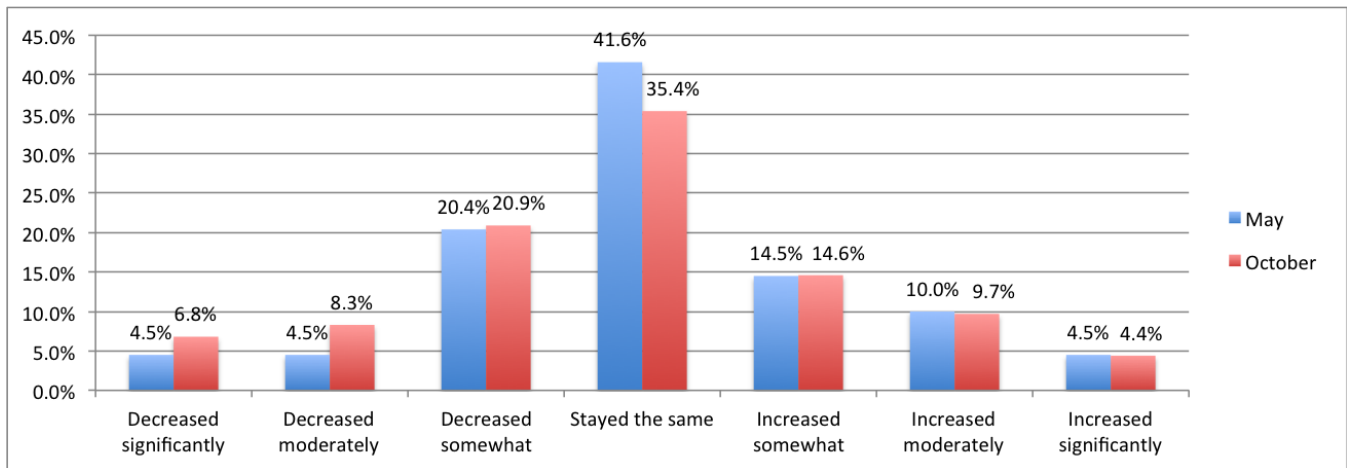


6. What brand do you think you will end up buying?

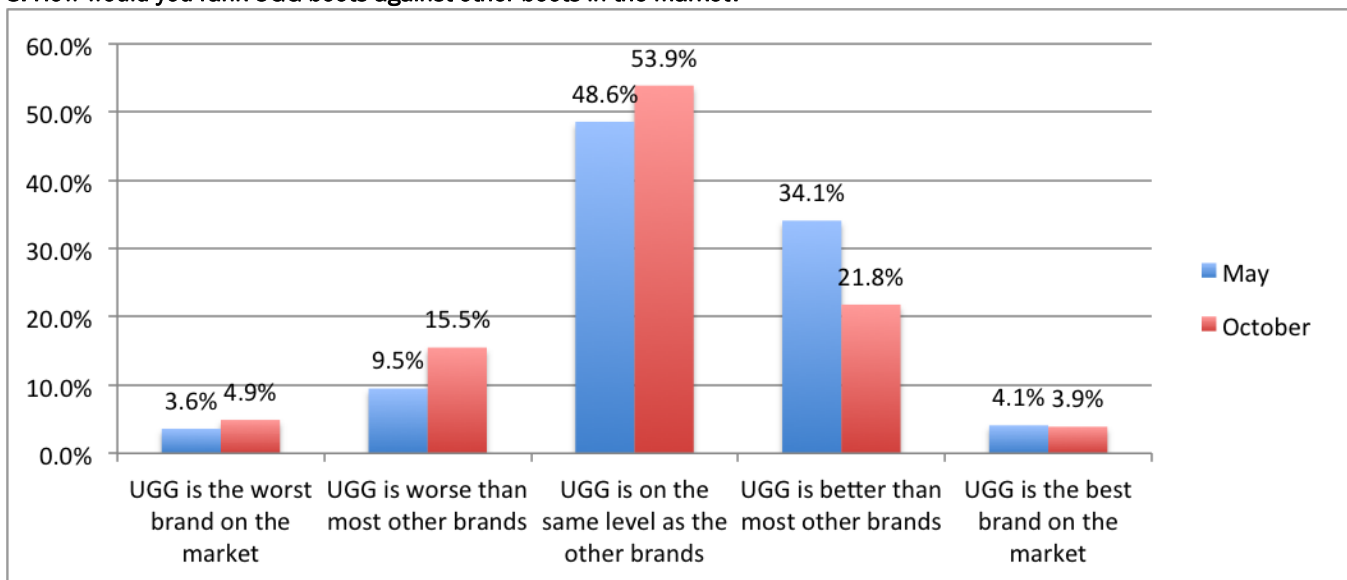


7. Compared to the 2014/2015 Fall/Winter season, how has the UGG brand's popularity changed?

Deckers Outdoor Corp.

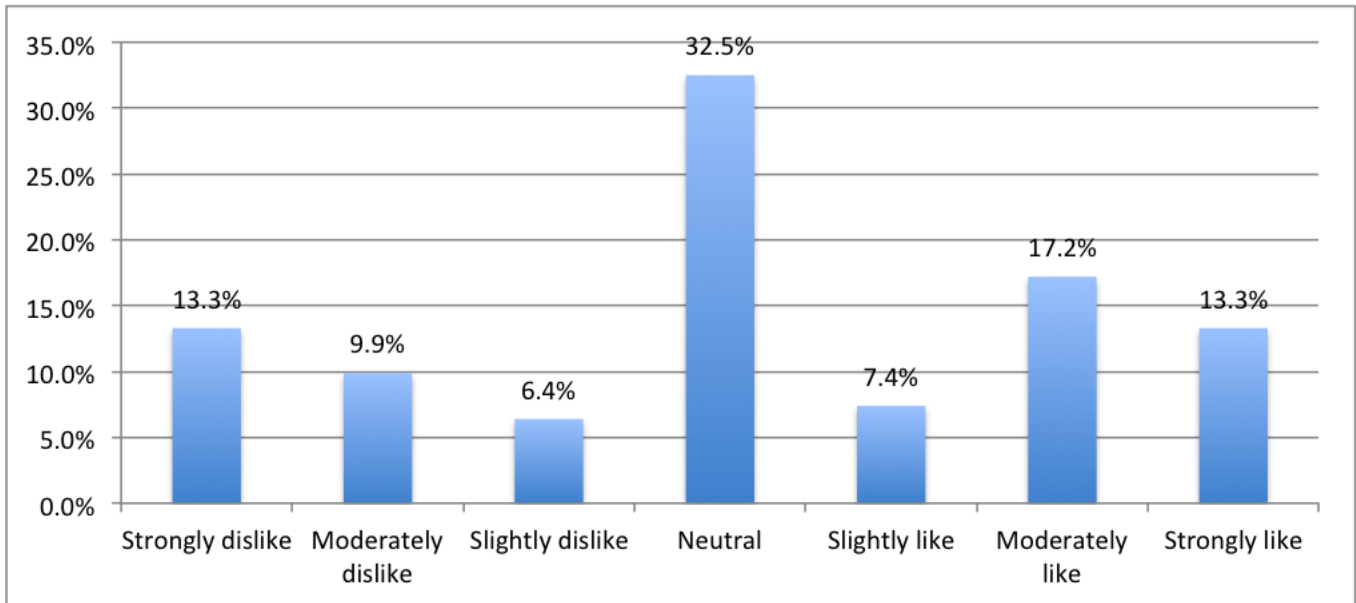


8. How would you rank UGG boots against other boots in the market?

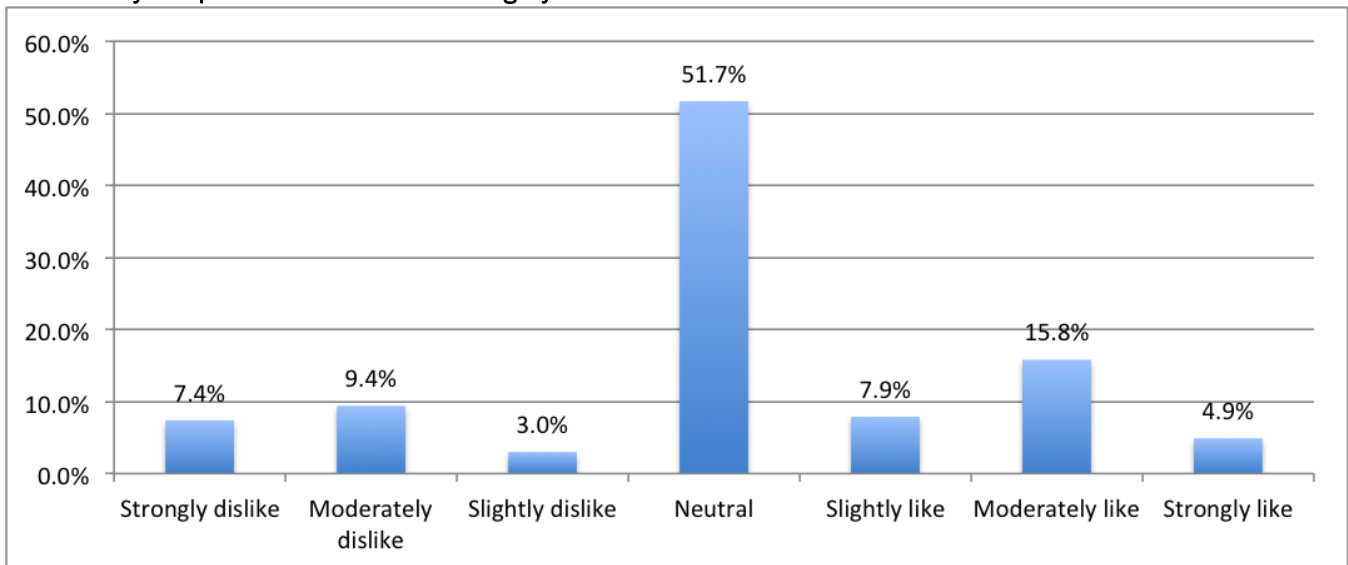


9. What is your opinion of UGG's shearling (sheepskin) styles?

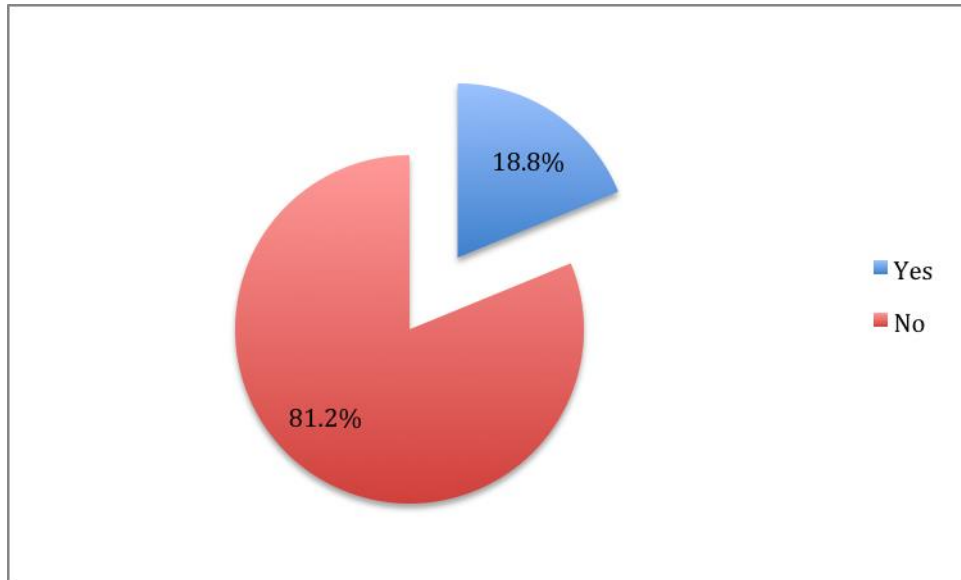
Deckers Outdoor Corp.



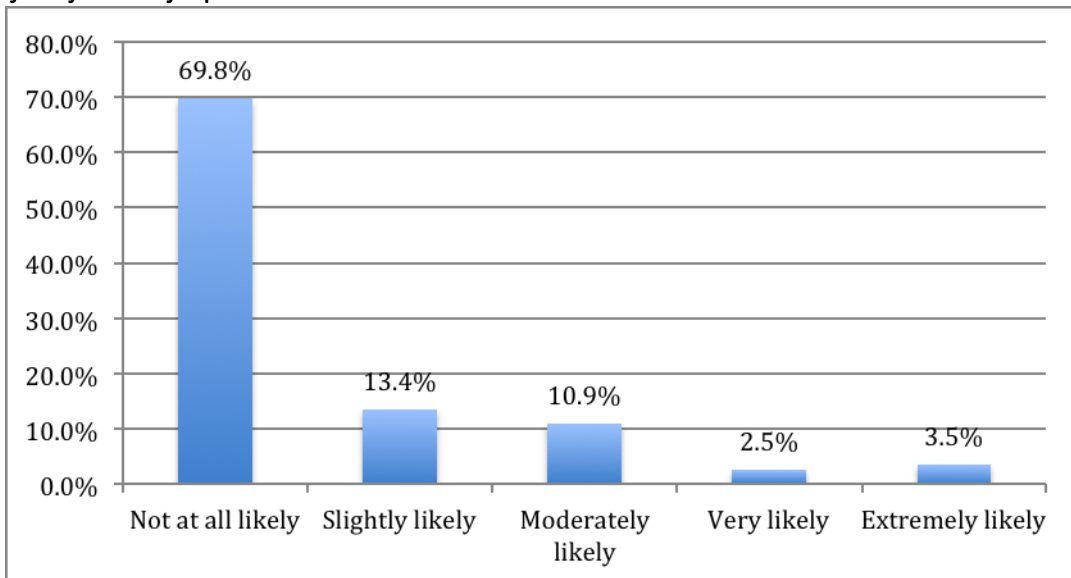
10. What is your opinion of UGG's non-shearling styles?



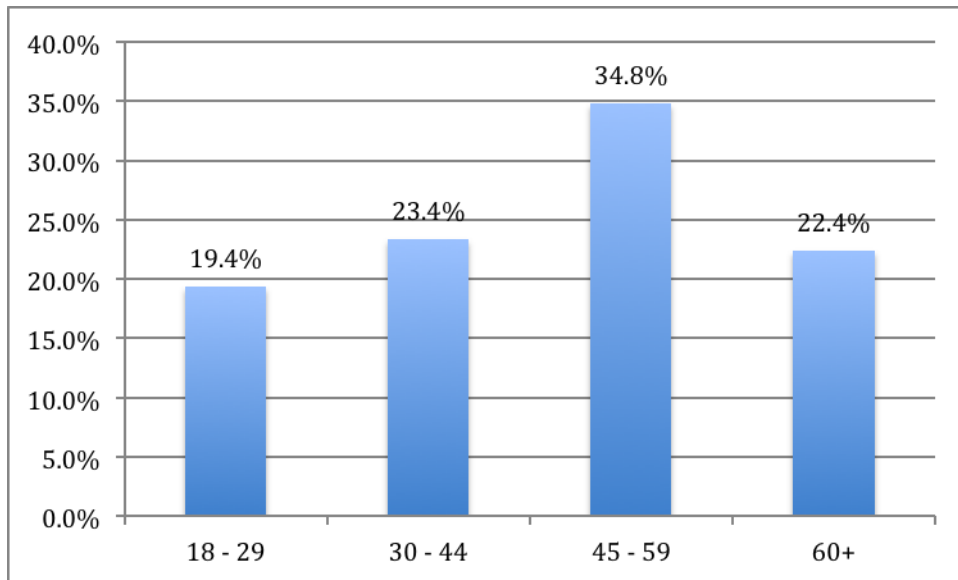
11. Do you currently own a pair of UGGs?



12. How likely are you to buy a pair of UGGs in the next 6 months?



13. Age



Secondary Sources

Three of the following four secondary sources discuss footwear trends, particularly knee-high and over-the-knee boots as well as Dr. Martens for lower style boots, and retail apparel sales. Our remaining source discusses the negative effect of warm weather seen in September on Deckers, Columbia and VF Corp.

Footwear Trends

Several sources stated that knee-high and over-the-knee boots will be in style this winter. Booties, Chelsea Boots and Dr. Martens were also trending for this winter. Some brands and styles that were best suited for this winter's trends include Steve Madden and Deckers' UGG Slim.

Sept 29 Helenainson.com [article](#)

A Greenwich, CT fashion shop owner shared her observations on trending boots. Booties, lace-up boots, western boots, and knee-high boots were trending higher into the winter.

- "Boots are big this season and there are so many trends and we are loving all of them! Booties are a must as is a sleek over the knee boot. Lace up boots and boots with multiple buckles as well as a great western style boot can transform an outfit from ho hum to WOW!"
- "We've done some online shopping for you and have all the boot trends right here. You are always welcome to bring in your boots, and one of our talented Stylists will pair them up with some fabulous looks for you. Here are some boot trends for fall and winter."
- "OVER THE KNEE BOOTS"



Sam Edelman Over The Knee Boots from [DSW](#) \$149.95

- “WESTERN BOOTS”



Cognac Colored Matisse Emma Western Bootie from [DSW](#) \$279.95.

- “LACE UP BOOTS”



Lace Up Boots by Rocket Dog from [Zappos](#) \$89.95

- “WEDGE BOOTS”



Nine West Heartset Wedge Boot \$99.95 from [DSW](#)

- “BOOTIES”



Jessica Simpson Aaren Bootie \$69.95 from [DSW](#)

Oct. 6 [heartandhabit.com](#) [blog](#)

A Toronto blogger and fashion designer shared her observations on down-to-earth footwear trends.

- “Here is the big list of fall-winter shoe and boot trends list (that aren’t too trendy) I promised this list weeks ago, but breaking trends down and finding every day wearable items that meet the actual trend category, takes a lot of time.”
- “This list of shoes and boots will be a great compliment to your existing fall wardrobe, with or without all of those awesome fall/winter [clothing trends](#) we talked about a couple of weeks ago. These are going to be the shoes and boots that will get you happily through fall and right past winter, basically until the time you are wearing winter boots like they are going out style.”
- “**CHELSEA BOOTS** – Maybe my personal favorite of the season, mainly because they take zero effort to put on. Just slip on and be done with it, let your jeans fall as they will because a little bit of mess and rumpled actually looks better with these bad boys. Pretty much the perfect boot for moms, aka *people with no free hands and no extra time.*”



Image: [heartandhabit.com](#)

- “**DOC MARTENS** – One of those styles that has so many people saying ‘I used to wear those!!’. They are back and as most things are when they reemerge, better than ever. Looking for an all-around great boot for everyday casual wear? Maybe try these old faves out, *again.*”

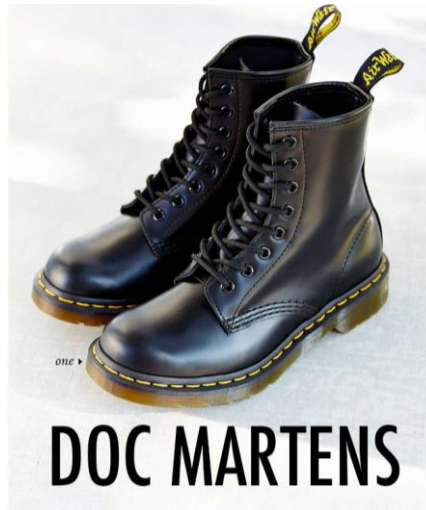


Image: heartandhabit.com

- “**BOOTIES** – They are still here and in more ways than all the past seasons. Little interesting details like cut outs, deep side slits, color blocking and metallic are big hits in the bootie section this year.”



Image: heartandhabit.com

- “**MIDI BOOTS** – Technically the midi boot is about mid-calf height, but I think any boot that hits above the ankle and the top of the calf hits the midi mark. A nice alternative to the bootie, easier to wear since you can tuck pants in or wear them under your new flares.”



Image: heartandhabit.com

- “**KNEE HIGH BOOTS** – Maybe not your thing? But if you think about them in terms of warmth, half your leg is covered by boot and can be layered with high socks underneath – toasty. It’s a big jump to go from booties everyday to something that covers all the way up to your knee, but a good warm and cozy jump.”



Image: heartandhabit.com

Aug. 20 [Benzinga.com](#) [article](#)

Fashion-athletic footwear items remain trendy in the footwear category; however more western and festival-inspired themes are increasing in popularity. Steve Madden is positioned to capitalize on the stacked heel boots/booties popularity. Deckers UGG Slim shows promise and will likely be well received by consumers.

- “The Investors should have plenty of reasons to be optimistic about the fashion footwear category, Camilo Lyon of Canaccord Genuity argued in a note.”
- “Lyon said the ‘fashion athletic’ assortment will remain an important part of the assortment, but more ‘western’ and ‘festival-inspired’ trends are gaining traction. In addition, contacts the analyst spoke with commented the ‘dress’ category is performing well while the ‘flared jean’ look is also being embraced by consumers.”

Deckers Outdoor Corp.

- “Lyon noted the growing trends ‘ties in very well’ with the stacked heel on boots/booties that much of the Steven Madden assortment is comprised of. In fact, should the ‘flared leg’ look become mainstream in the near-term, Steven Madden will benefit ‘disproportionately’ as customers have a tendency to match their shoe purchases with new fashion trends.”
- “Meanwhile, Steven Madden’s new brands (Dolce Vita and Blondo) are already ‘performing very well’ and positioned to drive incremental sales growth next year. In addition, the company is seeing a benefit from the stronger U.S. dollar as it can produce better-quality products in countries like Brazil and Italy.”
- “Lyon also met with Deckers Outdoor Corp’s product team and showcased the company’s spring ‘16 and the new UGG Slim products.”
- “Lyon noted that the ‘purposeful evolution’ of the Classic UGG boot into the new Slim was impressive. In fact, the Slim has many upgrades that will likely be ‘well received’ by consumers. The Slim line will be more expensive than the Classic (\$160 for mini, \$200 for short, and \$260 for tall) and will launch through UGG DTC (direct to consumer) and with some placements at retailers like Nordstrom.”
- “Lyon also added that distribution of Slim will be ‘tight’ with limited quantities. This may be a good move for the company as it speaks to the strategic changes to segment its distribution with the intention of driving traffic to its stores.”

Apparel Retailer Sales

Retail traffic was down in the month of September, due to warm weather in the Eastern U.S. Steve Madden was positioned to benefit if the warm weather persisted through the fall, whereas Deckers, Columbia, and VF Corp were considered more weather sensitive.

Oct. 6 Footwearnews.com [article](#)

Warm weather was blamed for soft sales in September: Retail traffic was down 3.56% year over year during the month. Brands like Deckers and Columbia Sportswear are typically more weather sensitive. However, Uggs has shifted its product assortment away from its weather sensitive core-classic Uggs.

- “Recent [retail](#) traffic data shows an ongoing lag in traffic at footwear and apparel retailers. And, [weather, of course, has taken a huge share of the blame](#) for less-than-ideal retail traffic in recent weeks.”
- “According to a report by Citi Research analyst Kate McShane, which uses data from ShopperTrak’s Market, total U.S. retail visits were down 3.27 percent year-over-year during the fifth week of September. For the entire month of September, traffic declined 3.56 percent year-over-year.”
- “Cowen and Co.’s retail team pointed out, in an Oct. 5 note, that although [retail traffic numbers remained in the negative](#), they were slightly better than the prior week’s decline of 5.51 percent. ‘Cooler temperatures across the Northeast and Midwest drove a pickup in apparel traffic, more than offsetting the disruption from the hurricane threat,’ the Cowen report said.”
- “‘While the warm September in the eastern part of the U.S. prolonged our oft too short summer, it did little to spur sales of fall merchandise,’ Lyon wrote. ‘In fact, according to our channel checks and discussions with our industry contacts, sandals continued to sell well throughout the month – a key indicator that fall did not break early.’”
- “Lyon added that ‘fashion-driven companies’ such as Steve Madden Ltd. are less exposed to weather-related risk. But a few others, namely Deckers Brands and Columbia Sportswear Co., are more weather sensitive, Lyon said. Deckers, added Lyon, has already made some changes to its product offerings that may counter the weather woes.”
- “‘Deckers has shifted its assortment toward more weatherproof fashion and away from the core classic Uggs, while Columbia Sportswear’s assortment remains highly weather sensitive,’ Lyon wrote on Oct. 6.
- “VF Corp. and its North Face brand could be another source of concern during the unseasonably warmer fall, in many parts of the country, but analysts said other offerings in the company’s diverse portfolio could compensate for potential lags in fall and winter spending.”

Deckers Outdoor Corp.

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