

# Deckers' UGGs Slipping in Popularity, Sales

Companies: COLM, DECK, HKG:0494, VFC

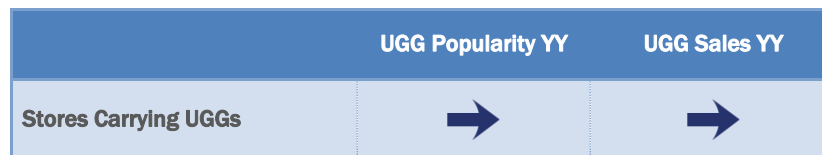
December 17, 2014

## Research Question:

**Are the shearling boot trend and UGG's popularity waning?**

## Summary of Findings

- Deckers Outdoor Corp.'s (DECK) [UGG boots](#) has seen its popularity and sales fade this fall into early December year to year. This development supports the early signals reported by Blueshift Research in [October](#), when sources said UGGs were becoming passé and that the brand's sales might be in jeopardy.
- UGG's popularity has not improved for any of our 10 recent sources who represent retailers carrying the brand. Three said UGG has become less popular, while six said it was stable year to year.
- UGG sales for fall and through the beginning of December declined for four sources, were stable for four others and were higher for two sources year to year.
- One source's store discounted UGG shearling styles by 40% for Black Friday. No other source offered such a discount.
- No major inventory issues were reported.
- UGG's [men's line](#) is slowly gaining in popularity, thanks to demand for the slippers and waterproof boots.
- VF Corp.'s (VFC) [Timberland](#) and Dr. Martens AirWair USA LLC's [Doc Martens](#) have become more popular.



## Background

Blueshift Research has been following Deckers since [2011](#) when we correctly forecast that droughts in Australia would lead to a shearling shortage for its UGG brand. In [late spring 2012](#) we found UGG's sales slowing because of unseasonably warm weather. Then in [September 2012](#), supplier and manufacturing sources said surplus UGGs in Chinese manufacturing plants were restricting Deckers from taking advantage of 50% lower shearling prices. Our [February 2013 report](#) uncovered steady to growing popularity for UGG year to year, driven by consumer loyalty to its Classic styles, demand for its new styles and colors, and cooler weather. Slow fall demand turned into brisk holiday sales.

For our [Oct. 8, 2014, report](#), one supplier and one of eight store sources believed UGG's popularity was declining. The store source said demand for Timberland boots had overtaken that of UGGs. Only two store sources said UGG's popularity had risen year to year, a change from our previous reports on the brand.

Now that Deckers has worked through excess inventory, it is back to buying shearling from Australian farmers. Shearling prices are 20% to 50% lower year to year and nearly 80% lower than three years ago, when Deckers' buying habits were driving up overall market prices. Meanwhile, environmental regulations have shut down several major tanning plants in China.

# Update: Deckers Outdoor Corp.'s UGG Brand

## Current Research

In this follow-up report, Blueshift Research assessed the UGG brand's popularity year to year. We interviewed 10 primary sources, including seven retailers also contacted for our October report:

- 1) Stores carrying UGGs (10)

## Next Steps

Blueshift Research will continue to follow fashion trendsetters to gauge UGG's popularity compared with its competitors. We also will monitor post-holidays UGG inventory levels and Deckers' efforts to retain the brand's cachet.

## Silos

### 1) Stores Carrying UGGs

None of our 10 sources said UGGs has become more popular year to year. The brand's popularity has faded for three sources and has been stable for six others. (One source did not comment.) UGG sales for the fall and into early December were lower for four sources, stable for four others and up for two sources year to year. Sources had no major concerns regarding UGG inventory. Three said the brand's men's line has become more popular. One store discounted UGG shearling styles by 40% for Black Friday.

#### Key Silo Findings

##### UGG's Popularity Year to Year

- 3 said UGG has become less popular.
- 6 said the brand's popularity is the same.
- 1 did not comment.

##### UGG's Sales Year to Year

- 4 said sales were down, 1 specified 10% and 1 said 1% to 2%.
- 4 said sales were stable.
- 2 said sales were up, 1 specified 5%.

##### UGG's Inventory

- No major inventory surpluses or shortfalls were reported.

##### UGG's Pricing

- 1 store reported a Black Friday discount of 40% on UGG shearling styles.
- No other abnormal discounts were reported.

##### UGG Men's Line

- 3 who commented on the UGG men's line said sales were growing.
- Waterproof boots and slippers remain the most popular styles for the men's line.

### 1) Sales associate at an independent shoe retailer in New York City

Although the holiday season onset has boosted UGG demand since October, the brand has declined in popularity and sales (down 10%) year to year. Timberlands are becoming more popular and taking UGG's place. The most well-known style, the [Classic Short](#) boots, were discounted.

#### UGG Popularity

- "UGGs are definitely less popular than they were a year ago, I think especially because the weather has been so bad. What has really picked up has been the Timberlands."

# Update: Deckers Outdoor Corp.'s UGG Brand

- “People are more interested in getting UGGs now as the cold season has hit. They’re more popular than they were in October, since people didn’t need to wear UGGs then.”

## UGG Sales

- “Sales have dropped maybe even 10% compared to last year. The sales are not as good as they were.”
- “Sales are better compared to October. There are more people coming in to buy UGGs because of the cold weather.”

## UGG Inventory

- “We have some boots that are sold out or on their way to being sold out. For example, we have just a few more sizes left in the knee-high boots.”

## UGG Pricing

- “These boots were \$250, and now they’re \$200. These are pretty popular, and a lot of people are buying them. There are also discounts on the Classic Short boots.”

## Men’s Line

- “I’m not sure about the men’s line. We mainly sell women’s UGG shoes.”

“UGGs are definitely less popular than they were a year ago. What has really picked up has been the Timberlands.”

*Sales Associate, Independent Shoe Retailer New York City*

## 2) [Peter Glenn](#) store manager, Southeast; new contact at repeat location

The source was unsure why UGGs have become less popular. Columbia Sportswear Co.’s (COLM) [Sorel brand](#) is replacing UGG among women. UGG sales are down year to year and month to month. Inventory levels are sufficient and have remained consistent throughout the year. Two discontinued styles have been discounted by 20%. The store does not carry the men’s UGG line.

Oct. 8 summary (sales associate): This store’s UGG selling season is October through April, during which it posted good UGG sales last year. The source would not estimate UGG sales for this year but said the brand remained popular. The store only carried women’s UGG boots in the [Classic](#) styles. Customers come into the store seeking sporting goods but then will buy a pair of UGGs. The source reported already offering a 20% discount on UGGs.

## UGG’s Popularity Year to Year

- “They are losing popularity compared to a year ago. I don’t really know why.”
- “The brand that is taking its place is Sorel. They are a little more stylish.”

## UGG’s Sales Year to Year

- “Sales are down for this year compared to last year.”
- “Compared to October sales are down as well.”

## UGG’s Inventory

- “We have just the right amount of inventory.”
- “Our inventory levels have remained consistent compared to last year, last fall and this past October.”
- “Our customers are able to get the styles they want.”

## UGG’s Pricing

- “We have discounts on two discontinued styles from last year. We discounted them 20%.”

## UGG Men’s Line

- “We don’t carry any men’s UGGs.”

Reporter Observations: No customers were in the store at 10 a.m. on this Friday. The store carried six UGG styles for women, including slippers, which were displayed along with other brands. Two UGG styles were discounted by 20%.

## 3) [The Walking Company](#) sales associate in Southern California; new contact at repeat location

UGG sales have been trending downward for the last two years. The source noted a shift toward the [Abeo store brand](#), which have orthotic insoles and longer-lasting shape and comfort. Customers appear to be turning away from UGG as a street shoe for winter and seem interested less in having the UGG label on their feet and more in having comfort and durability. Men’s UGGs are not a big seller in this store.

# Update: Deckers Outdoor Corp.'s UGG Brand

Oct. 8 summary (store manager): UGG sales were about even year to year but were expected to pick up as the temperature dropped. Warm weather had affected demand for all boots and winter wear, not just UGG. The store carried only a few UGG styles aside from the Classic boot, but could order any style free of additional charge. UGG was not losing cachet with customers, but women outnumbered men in wearing the brand.

## UGG's Popularity Year to Year

- "UGGs have been trending down for the past two years."
- "It seems to me that it's partly due to the fact that edgier boots, like combat styles and Doc Martens, are more fashionable for everyday wear now."
- "UGGs are great for hanging out or for certain things in cold weather, but it's not that cold here this year and it's very wet. And another reason that I'm hearing from customers about why they might not chose UGGs is that they are not all waterproof. One day in the rain, like today, and the \$170 shoes are ruined."
- "Abeo is doing very well in the boot and casual shoe category. That's our own line. It offers a lot more support because they come with the orthotics. UGGs do not have the same degree of support. I will put orthotics in an UGG boot, but they aren't the same."

## UGG's Sales Year to Year

- "Sales are down. We aren't going to see what happened last year when everyone wanted UGGs."
- "Compared to October, they are the same. We sell about four or five pairs a day."

## UGG's Inventory

- "We carry about the same number of UGGs as we did last year, but the shearling boots are not selling as well as the hard shoe boots."
- "I get a lot of girls come in who want the tall boot, and we don't carry it. ... The UGGs with bows on the back are one of the best sellers overall, but the biggest seller is still the Short Classic boot."

## UGG's Pricing

- "Some of the boots, not the shearling ones, are marked down right now 30%. Those are selling well. But in general the pricing for UGGs doesn't change very much. We extended a 40% discount for some of the shearling boots on Black Friday and that did well, but those are back up to regular prices now."
- "Abeo offers a very high-quality product at similar pricing, and I think customers are starting to slowly recognize that having the UGG label on their feet is less important than quality and comfort."

## UGG Men's Line

- "We really don't do a very big men's UGG line in this store. We have a couple of pairs of the loafers and slippers."

Reporter Observations: A large UGG sign was prominently displayed in the window and at the store's entryway during our Wednesday visit. The two customers in the store, both women in their 30s or so, were looking at casual shoes and boots, not UGGs. A few pairs of UGG hard boots were on sale, but the bulk of the inventory was being offered at regular prices. The store did not carry the [Short Classic Sparkle boot](#), which is the focus of the UGG winter campaign.

UGGs have been trending down for the past two years. ... It seems to me that it's partly due to the fact that edgier boots, like combat styles and Doc Martens, are more fashionable for everyday wear now.

*The Walking Company Sales Associate  
Southern California*

## 4) [Dillard's sales associate, Georgia; repeat source](#)

Overall sales of UGG are down 1% to 2% year to year despite the source's predictions in October of 60% to 70% growth. Still, the brand has maintained its popularity, and sales have increased 10% compared with October. Inventory has grown since last year, and additional stock is received weekly. The store only discounts UGG if told to do so by the company. UGG slippers are the biggest seller in the men's department, with sales up 10% over last year.

## UGG's Popularity Year to Year

- "UGGs are still very popular at our store. We don't have another brand that is taking popularity away from them."
- "Two months ago we weren't selling as many UGGs, but it's Christmas and we sell more now than the rest of the year."

## UGG's Sales Year to Year

# Update: Deckers Outdoor Corp.'s UGG Brand

- “Sales are actually down a small amount—maybe 1% to 2%—over last year at this time.”
- “Compared to October sales are way up, about 10%.”

## UGG's Inventory

- “We are sent stock every week from UGGs, and they are good about sending inventory if we run out.”
- “We got new leather this year, so we have more inventory than we did in 2013.”
- “Our customers are still able to get the size and style they want. If we don't have an item in stock, we order it for them and waive shipping charges.”

## UGG's Pricing

- “We don't discount UGGs. We only discount if UGGs is discontinuing a style, and then it has to come from UGGs.”

## UGG Men's Line

- “Sales of our men's shoes are up 10% compared to 2013.”
- “UGGs are popular here in our store for the men's slippers. We sell mostly slippers.”

*Reporter Observations:* No customers were in the shoe department on this Thursday afternoon. We noted a five-shelf silver case with “UGG” in large letters but no other signage, and smaller tables surrounded the shelf.

## 5) Journeys sales associate, Milwaukee; repeat source

Over the last year, Timberlands have become the most popular boot, followed by UGGs and Doc Martens. Timberlands outsell UGG 2:1 daily. The UGG Classic Short styles in neutral colors remain the top sellers. Sales are up since October and are expected to slow down after Christmas. The store's inventory was a bit heavy on all boot styles carried, not only UGG. Only one UGG style with a cloth lining was on sale, because of excess inventory. Each week the store sells on average three pairs of UGGs to men, who typically purchase the [Butte](#) snow boot for \$225.

*Oct. 8 summary:* Compared with last fall, sales had surged for Timberlands, both men's and women's, but had been steady for UGGs. Doc Martens and UGG are about even in terms of popularity. The store kept UGGs in stock but did not run out around Christmas 2013, unlike other Journeys stores. UGG inventory was enough to meet demand through the season. The store rarely discounted UGG since it only carried the most popular styles and colors. UGG prices had not increased since last fall. The source reported rarely selling UGGs to men.

## UGG's Popularity Year to Year

- “UGG's popularity does change from season to season depending on what is hot. Overall they are pretty steady in popularity, but I don't see them gaining over Timberland yet.”
- “Timberland started getting popular about a year ago, and now women even wear their Timberland boots in the summer.”
- “Timberland is the best-selling boot in the store, followed by UGG, then Doc Martens.”
- “In a typical day I sell three or four pairs of Timberlands, one or two pair of UGG boots and maybe one pair of Doc Martens.”
- “The two styles that sell the most are the Classic Short in chestnut, followed by the Classic Short in black.”

Timberland started getting popular about a year ago, and now women even wear their Timberland boots in the summer.

*Journey's Sales Associate, Milwaukee*

## UGG's Sales Year to Year

- “Sales this year are pretty even to where we were this time last year.”
- “Since October and in the last month, UGG sales have picked up.”
- “The weather's gotten colder, and with the holidays coming I see a lot of men coming in asking for UGGs for their ladies and I see moms buying them for their daughters.”
- “I suspect UGG sales will slow down again after Christmas. They typically do.”

## UGG's Inventory

- “We have a little too much inventory, but that is not only in UGG. It is across the board with our boots.”
- “It is better to be safe than sorry with UGG inventory. We get calls from customers looking for certain sizes and they drive down here to get them because they are sold out in the suburbs.”
- “We don't carry that many styles, but of what we carry, we have enough sizes available for now.”
- “We have a bit more inventory compared to this time last year, but they are also sending us more so it is all relative.”

# Update: Deckers Outdoor Corp.'s UGG Brand

- “We tried some different styles last year, but this year they only sent us the basic styles. We’ve got Classic Tall in chestnut and black, Bailey Button in chestnut and Classic Short in gray, black and chestnut.”

## UGG's Pricing

- “We have one style of UGGs on sale now. It is the Bailey Button Tall without a shearling lining. They have a cloth lining. They were priced at \$164.99, and now they are \$134.99. We put them on sale because they were not really selling.”

## UGG Men's Line

- “Sales of the men's line are growing. I sell about three pairs of men's UGG boots weekly.”
- “Men don't really know about the men's UGG boots, and when I show them the Adirondack style called Butte, they do like them.”
- “I sold a pair of Butte boots yesterday, and two guys told me they are coming back in this week to buy themselves a pair. They are \$225 a pair.”
- “[VF Corp.'s] [North Face boots](#) also sell as well as the UGG Butte. They are half the price at \$109.99.”
- “Timberland boots sell the most in the men's section. Our top three men's boots are Timberland styles.”

Reporter Observations: UGGs were included in the front window. Displayed were 12 styles for women and the men's Butte in both brown and black. The store also carried the single Bailey Button for kids, at \$99.99. We noted two sales associates but no customers during our Monday afternoon visit. The mall was quiet and had more urban, rather than suburban, clientele.

## 6) Sales associate at [Lord & Taylor](#)

UGG sales are steady year to year but up since October. The brand continues to be popular. Certain sizes of UGGs are sold out.

### UGG Popularity

- “UGGs are about the same in popularity as they were a year ago. I haven't seen any noticeable changes, but I don't have access to actual sales numbers. These are just based off what I see here on the floor.”

### UGG Sales

- “Sales this year are about the same as they were a year ago.”
- “The sales pick up around the end of October, especially when it gets colder. They've picked up since October.”

### UGG Inventory

- “The holiday stuff, which we get in October, is selling really well. We're out of stock with some of the boots sizes, and we won't be getting more. The flats are really popular gifts, as are the holiday boots. The regular boots we get year-round.”

### UGG Pricing

- “We don't offer any discounts on UGGs. There used to be a charity event every year where we sold UGGs for a discount, but we don't do that anymore. The boots sell themselves. Everyone knows UGGs.”

### Men's Line

- “The men's line is pretty popular also. I'm not sure how different sales are compared from a year ago, but I know they're doing pretty well.”

Reporter Observations: Few customers were in the store's shoe department during our 11 a.m. weekday visit, and none looked at the UGGs.

## 7) Dillard's sales associates, Missouri; repeat sources

UGGs sales are steady this year and account for about 40% of overall shoe sales. The store added 25 new styles this year to give customers more options and to capture new and repeat customers.

Oct. 8 summary: These sources had said UGGs for women and men were selling about the same as last year and had remained popular, especially the [new styles](#).

# Update: Deckers Outdoor Corp.'s UGG Brand

## UGG's Popularity Year to Year

- "UGGs are always popular, just much as they were a year ago and in October. We have over 100 styles. The company got smarter and realized that they shouldn't just do classic UGGs. I probably saw 25 new styles come in this fall. If you keep up with the curve and have that brand name, you are going to succeed."
- "Getting new styles is important. If we don't have new stuff, people are going to say, 'I already have that' and walk away."

## UGG's Sales Year to Year

- "UGGs are 40% of my shoe business."
- "We are running about even in sales of UGGs this year. Sales would be up from October. I am still waiting for the really cold weather."

## UGG's Inventory

- "We have not had a problem having enough shoes in the inventory. It is no different than October or a year ago, but we do have a lot more styles to begin with. There are also a few more styles in men's."

## UGG's Pricing

- "We don't have any sale prices, rarely do."

## UGG Men's Line

- "Sales in men's UGGs are about the same as last year. Our men's selection is way smaller."
- "We have done well with [Li & Fung Ltd.'s/HKG:0494] [Frye](#) shoes in the casual shoe line for men."

*Reporter Observations:* Several people were shopping for UGGs in the women's department on this weekday morning. This store has the largest selection of UGGs in the state and displays them on each end of its large shoe department near the mall entrance on one end and along the aisle. We noted several wall signs touting the brand.

## 8) The Walking Company store associate, Wisconsin

UGG's popularity remains strong and consistent, and sales are similar to last fall. Seven out of 10 boot pairs sold are UGGs. Inventory is solid, and shipments of popular styles are regular. UGG's work boot-like styles are popular among men.

## UGG's Popularity Year to Year

- "Compared to last October, UGGs are about the same popularity. They have stayed consistently popular at our store for several years."
- "Most of what people come in here for are UGGs. They are still a very popular boot."
- "Out of 10 boots or pairs of shoes sold, at least seven are UGGs."
- "The Classic Short in chestnut brown continues to be our most popular boot, followed by all the other colors. They have a leopard print this year that customers come in asking for."
- "They introduced the Classic Short in leather for \$165, and that has also sold well, especially in this climate."
- "The Bailey Button is also a popular style, probably a bit more popular than last fall."

## UGG's Sales Year to Year

- "Sales are strong for UGG. We are meeting our goals."
- "Compared to October, UGG sales have picked up. They will continue to as we near Christmas."

## UGG's Inventory

- "We have the right amount to meet demand. We are not sold out of any styles or sizes as of yet."
- "We have lots of chestnut brown because we get shipped anything in chestnut brown and all the Tall Classic colors all the time."
- "We have more UGG inventory than we did in October because not all our styles had arrived yet."
- "Customers are able to get the size and style they want this fall."
- "Our newest style is the red Bailey Button. We got in one pair in each size, and a few pairs have sold. It is too bright for most customers."

## UGG's Pricing

- "For Black Friday, we had a few styles on sale. We had the Classic Short with the breast-cancer pink ribbon on it and the Classic Short Crystal Bow in chestnut discounted."

# Update: Deckers Outdoor Corp.'s UGG Brand

- “The black Classic Short Crystal Bow style just went on sale a few days ago, and when it did we only had six pairs in stock. We have already sold a few.”

## UGG Men's Line

- “Men's UGG sales are OK. Most guys don't even realize we have men's shoes.”
- “We have an Adirondack style that is selling as well as one that looks like a work boot. Otherwise, it's the men's slippers that sell.”

Reporter Observations: During the Thursday evening visit, three pairs of UGGs were sold to female shoppers. One woman bought her first pair, the Classic Tall in chestnut for \$195. She had bought a pair of Timberland boots and returned them due to discomfort. Another bought a pair of the Mini Bailey Bow Snake for \$160. Before she left the store, she showed her boyfriend the next pair of UGGs she intends to buy: the Classic Short in red leather. A third woman bought a pair of Classic Tall in black. One customer tried on UGG slippers but decided on something else. The few styles on sale were mixed in with the other UGGs. The entire front-left window of the store was an UGG display of eight new women's boots and two pairs of slippers. Almost the entire left wall of the store also was UGGs, holding at least 150 pairs represented in different styles and colors. Men's shoes represented about 20% of the store.

## 9) Manager of an UGG store in Southern California; repeat source

This store met its sales goals for the Black Friday weekend, thanks to a drop in temperature. UGG shows no sign of becoming less popular. Sales are up roughly 5% year to year as this UGG store nears its first anniversary. The most popular shoes are the Classic Short caramel-colored boot for women and the waterproof [Leighton boot](#) for men.

Oct. 8 summary: Sales were off to a slow start in early September because of excessively hot weather, but picked up dramatically by mid-month as weather began to normalize. Sales tripled during the Sept. 21 weekend compared with the three prior weekends.

### UGG's Popularity Year to Year

- “UGGs are very popular. The cooler weather is helping sales a bit. Sales were a little quiet in October and November because it was so warm, but it's been steady for the last few weeks.”
- “Even though our strongest demographic, women between 18 and 30, often come in wearing other boots, like Doc Martens, they shop for UGGs because they say they want something more comfortable to wear around.”
- “The most popular shoe is still the women's Classic caramel bootie. I guess because it's the original or maybe because it's really very basic and goes with everything.”
- “The next best-selling item this season so far is Oprah's pick, the [black Alena slipper](#) for women. And the distressed boots for women are selling well too.”

### UGG's Sales Year to Year

- “We met our sales goals for the Black Friday weekend, and I think sales overall are up about 5%. We just celebrated a year in this location, and so far we are doing very well here.”
- “Sales are up from October. Again, I think the cooler weather finally arriving has helped. Also, we are kicking off the holiday season so it's been very busy since the first week or so in November.”

### UGG's Inventory

- “Inventory seems to be OK. We haven't had to discount because of overstock at this store. We did remove our [Rockstar](#) line that came out to celebrate our anniversary in August, and that's only available at outlets now. Other than that, we seem to be at just the right place.”
- “We haven't had to order too many styles for customers because of shortages, but we've had a few of the toddlers' shoes run out of stock and got them quickly from another store.”

### UGG's Pricing

- “We didn't offer any in-store discounts, but we did offer free accessories and bling with purchases of \$100 or more.”

### UGG Men's Line

- “The men's line is doing well, but the popular shoe with men is the waterproof shoes, not the UGG Classics. I think men still like the original boot, but they don't sell as well as the men's shoes.”



# Update: Deckers Outdoor Corp.'s UGG Brand

**Reporter Observations:** The store was busy for a rainy evening at the end of the Thanksgiving weekend. Signage corresponding to the new UGG commercials for the holiday boots was prominent, but did not have a “red tag” event feel. Customers were predominantly younger couples shopping for women’s boots. No one was looking at the men’s section. Inventory seemed solid and had not changed since early fall. The store appeared to be downplaying the purses and gloves, with smaller shelving space away from the main entrance. At the door is the round featured table showcasing the [leopard print glitter boots](#), highlighted in UGG’s holiday “[Twinkling Lights](#)” ad campaign.

## 10) Dillard’s show section manager, Missouri; repeat source

UGGs remain popular at this store for their quality and brand name. Sales are likely up from a year ago, but this manager did not work in the store at that time. Inventory is strong, and UGGs represent half of all shoe sales.

**Oct. 8 summary:** UGGs had become a little more popular each fall for this store. The brand name and the big turnover in styles kept sales growing. Inventory was already low on some models, and boot prices were up about \$10 year to year. Men’s UGG sales were flat, but the season had just begun.

### UGG’s Popularity Year to Year

- “UGGs are as popular as a year ago. It’s their quality and the name brand. There are knockoffs that people buy, but the quality does not hold. Knockoffs are still our biggest competitor. In style, there is nothing else competing with UGGs. We don’t sell any knockoffs here.”
- “They are as popular as a year ago. People know they are not going to go on sale so they need to get them while the prices and selection are what they are now.”

### UGG’s Sales Year to Year

- “Sales are very good. UGGs represent at least of half of our shoe business.”
- “I wasn’t in this store a year ago but I believe that our sales are up from then, at least in this store.”
- “Sales have come up since October as the weather changes, but we have not had a bad winter. When it got cold that one week, people were coming in to get something warm.”
- “A lot of our sales in women UGGs come from kids because a lot of girls can actually fit into the women’s sizes up to size 8.”

Our inventory is good. Our buyers are really good about the styles that we have and getting us replenished.

Dillard’s Show Section Manager  
Missouri

### UGG’s Inventory

- “Our inventory is good. Our buyers are really good about the styles that we have and getting us replenished. Tan, brown, black and gray are the popular colors. We are sent stock every week. In our basic colors, we are fully stocked.”
- “The inventory is as good or better than last year’s, as I understand. Our inventory is about the same as in October.”
- “Shoppers are getting the sizes and styles they want right now.”

### UGG’s Pricing

- “There have been no sales on UGGs this fall, and we don’t give a gift with a purchase as we did a year ago.”

### UGG Men’s Line

- “UGGs are not as popular in men’s. We are selling some as holiday gifts. I am not sure how sales compare to a year ago or in October.”
- “Right now we are pushing men’s slippers. Younger guys like the boots, but really it’s the slippers that sell this time of year.”

**Reporter Observations:** Several of the shoe sales clerks in this store on a Saturday were wearing black T-shirts with the message “I’m UGGing it” on the front. Five or six women were browsing the UGG counters, only 10 minutes after the store opened. Women’s UGGs were spread on several counters in a prominent display along the aisle. Men’s UGGs were in a small display at the rear of the department but near the checkout counter.

Additional research by Jacqueline Fox, Kevin Murphy, Eugenia Lee, Cindy Elsberry and Tina Strasser.

# Update: Deckers Outdoor Corp.'s UGG Brand

The Author(s) of this research report certify that all of the views expressed in the report accurately reflect their personal views about any and all of the subject securities and that no part of the Author(s) compensation was, is or will be, directly or indirectly, related to the specific recommendations or views in this report. The Author does not own securities in any of the aforementioned companies.

OTA Financial Group LP has a membership interest in Blueshift Research LLC. OTA LLC, an SEC registered broker dealer subsidiary of OTA Financial Group LP, has both market making and proprietary trading operations on several exchanges and alternative trading systems. The affiliated companies of the OTA Financial Group LP, including OTA LLC, its principals, employees or clients may have an interest in the securities discussed herein, in securities of other issuers in other industries, may provide bids and offers of the subject companies and may act as principal in connection with such transactions. Craig Gordon, the founder of Blueshift, has an investment in OTA Financial Group LP.

© 2014 Blueshift Research LLC. All rights reserved. This transmission was produced for the exclusive use of Blueshift Research LLC, and may not be reproduced or relied upon, in whole or in part, without Blueshift's written consent. The information herein is not intended to be a complete analysis of every material fact in respect to any company or industry discussed. Blueshift Research is a trademark owned by Blueshift Research LLC.