

TREND INSIGHT

The 'Other' Boot is a Hot Category, Too

Pac Boots Help Drive Increased Boot Sales

Winter boots, growing every year for the past 10, have become the outdoor industry's darling children. With specialty store sales surging tenfold between 2001 and 2009 it is obvious why retailers and Wall Street lavished their attention on the wildly popular, fashionable all-leather boot category. However, over the past 12 months the leather category's less glamorous sibling, Pac boots, deserves some of the attention, too. Best described as the "classic" insulated winter boot with rubber soles, these warm boots, up 50 percent in the rolling year, were some of the hottest sellers this past winter.

After strong holiday sales in 2009 Pac boots only continued to pick up steam the rest of the winter. Leisure Trends Group's Outdoor RetailTRAK™ reports that this past holiday season, Q4 2009, all outdoor winter boot dollar sales in all three channels grew 14 percent over Q4 2008. Pac boots shot up 26 percent in units and 33 percent in dollars. Compare that to all leather boots, which fell 2 percent in units but still managed to gain 6 percent in dollars thanks to higher retail prices. Since January, Pac boot dollar sales surged 88 percent, moving from 24 percent to 32 percent of all winter boot dollar sold. Demand was so high that in Q1, specialty retailers maintained a 44 percent margin, the highest in at least four years. At the end of April, sell-through stood at 86 percent, up from 84 percent last year and just 80 percent the year before.

"Pac boot sales increased across all three outdoor store channels but have been especially strong at core outdoor chain and regional sporting good stores," says JJ Rudman, a retail analyst with Leisure Trends. Sales at chain stores, which made up 58 percent of all outdoor boot dollar sales in 2009, increased an impressive 113 percent this year-to-date. Internet sales increased 80 percent year-to-date and specialty stores 43 percent.

Southern states, which shivered through one of the coldest winters on record this past year, helped drive many Pac boot sales. Year-to-date, Southern specialty store sales shot up a head-turning 190 percent, but the West, up 50 percent, and Mid-West, up 33 percent, also saw significant specialty store growth. A La Niña weather pattern is predicted for this winter so the South should return to its usual balmy temps and Pac boot

sales will most likely return to more normal levels. Sales for the Pacific Northwest, however, where more snow and cold is expected, could surge.

The growth was systemic and across the board. While major players such as Sorel, Itasca, and Kamik all saw growth, so did many others. In fact, nine of the top 10 Pac boot brands had double or even triple digit gains over the past 12 months.

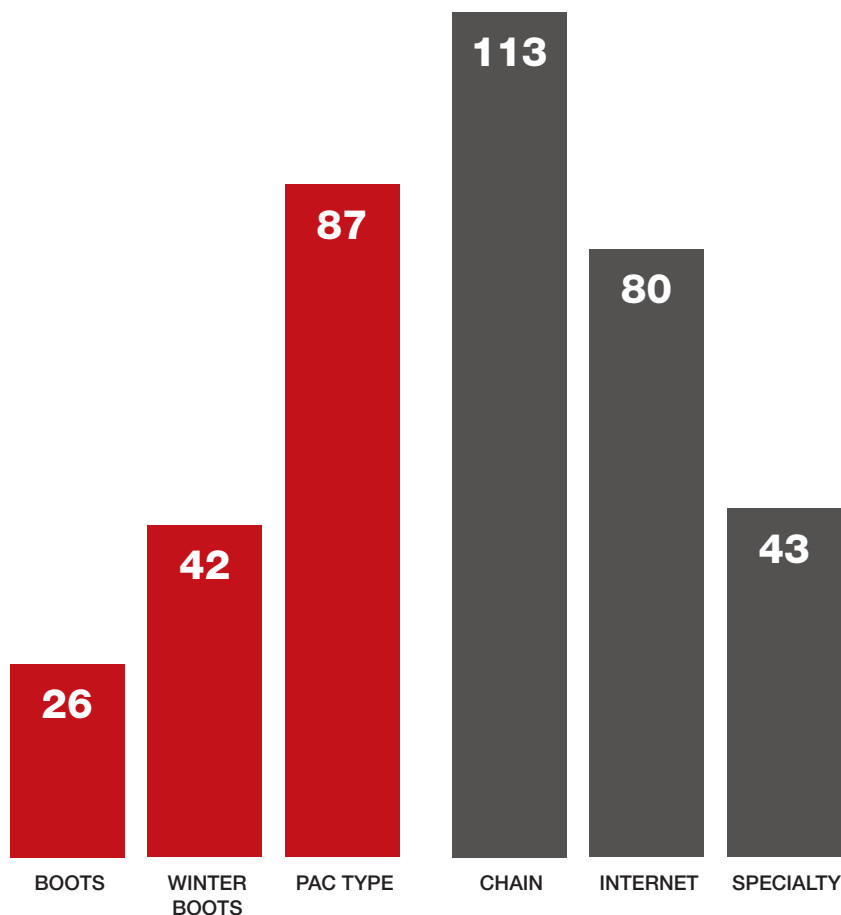
When stocking a winter boot wall this year, don't forget to prominently display junior Pac boots, which surged 119 percent across all channels and brought in one-third of all Pac boot dollars. Junior Pac boots outsold junior leather boots four to one and while they had a significantly lower retail price (\$34 versus \$64), still brought in nearly twice as many dollars at retail. In adult styles, women's Pac boots brought in 55 percent of the dollars compared to men's 45 percent.

Specialty retailers look poised to capitalize on this upward trend. At the end of this September, specialty stores had approximately 72,000 Pac boots already on-hand, a 21 percent increase over last September and the largest early season stock in at least four years. This winter, the ugly duckling of the winter boot category will almost certainly turn out to be the golden goose instead. ●

PAC BOOT GROWTH YTD (%)

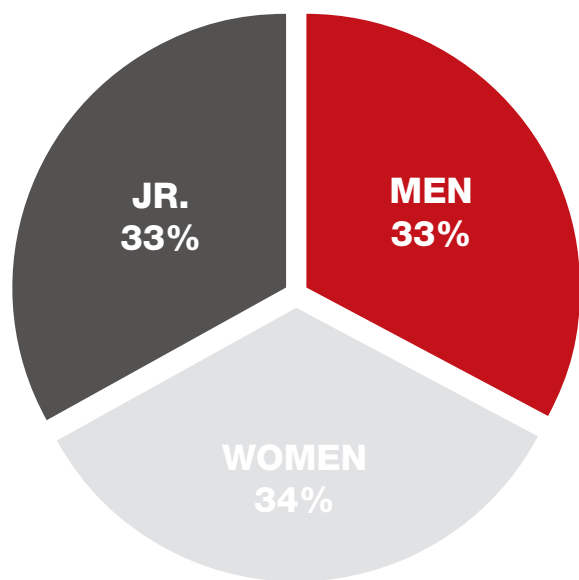
All Channels*

PAC Boots



*Specialty Chain, Internet

PAC BOOT SALES (%)



86%

Sell-through at the end of April—up from 84% last year and just 80% the year before.



TREND INSIGHT

Trend Insight is a feature in *Footwear Insight* that includes consumer research and retail point-of-sale data from The Leisure Trends Group. Data in this issue's report are based off of Leisure Trends Group's LeisureTRAK® report. The LeisureTRAK report is developed from a quarterly poll of 1000 American adults ages 16 and over. The results are projectable to the U.S. population. With over 20 years of historical data, the LeisureTRAK report is the definitive source for information about Americans at play. For more information on Leisure Trends Group or its LeisureTRAK report contact Julia Day at 303-786-7900 ext. 107 or jday@leisuretrends.com. For additional information on Trend Insight, contact Jeff Nott at 516-305-4711 or jnott@formula4media.com.