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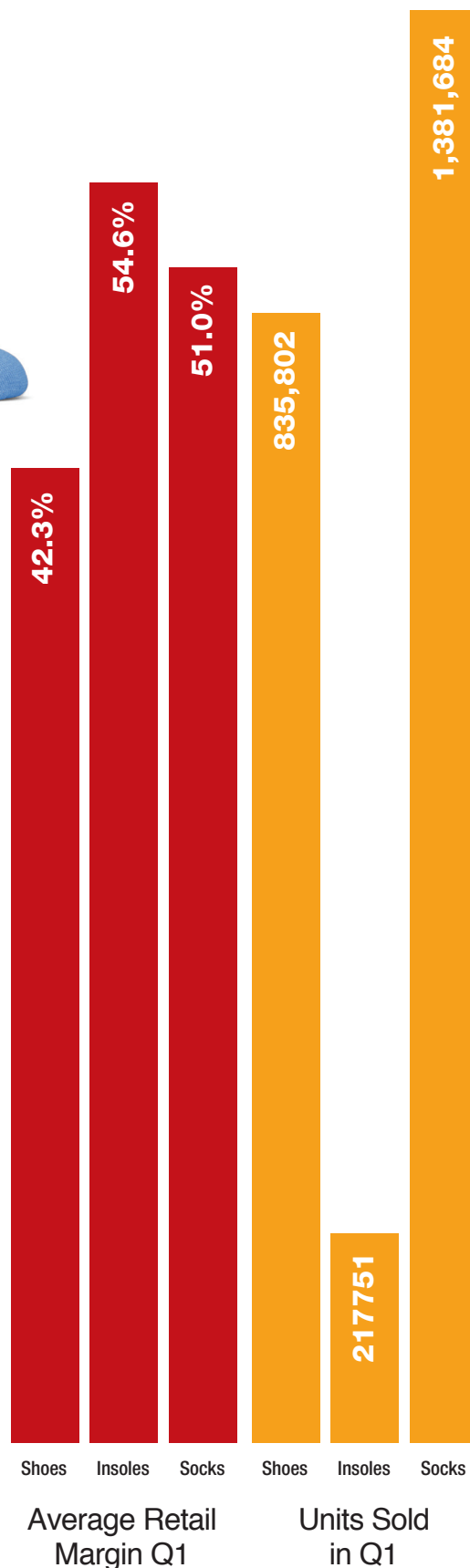
MARGINS TOP ON BOTH PRODUCTS

Insoles & Hosiery: Helping Drive Healthy Feet and Bottom Lines



The rising minimalist running movement has created an impassioned conversation about what is best for injury prevention and overall enjoyment of hitting the pavement and trails. Whether you have embraced the minimalist philosophy or not, one thing is for certain: some swear by it and some don't. Either way there are options to keep those feet happy and healthy no matter on which side of the debate you fall.

Beyond the myriad technologies built into shoes themselves, insoles offer a more customizable option for a customer's favorite pair of shoes. Aftermarket insoles offer targeted cushioning, multiple arch support options, trim-to-fit and fully customizable models, along with anti-microbial treatments to name just a few features. According to Leisure Trends Group's Running RetailTRAK™, running specialty stores sold approximately 218,000 pairs of insoles in Q1 2011, a five percent increase over the same period a year ago. That translates to less than two pairs of insoles for every ten pairs of shoes. "Retailers have a real opportunity to embrace both sides of the minimalist conversation. If a minimalist option is not right for a customer, insoles offer another option to provide proper alignment and keep injuries to a minimum," says JJ Rudman, retail analyst with Leisure Trends Group. "Retailers have the experience and expertise to understand the individual customer's needs and fit the right insole to them. Insoles can quickly turn a stock model into a semi-custom one." They also offer the retailer a profitable add-on sale. The average pair of insoles sold for \$32 in Q1



and offered a 55 percent margin. "Compare that to an average margin of 43 percent on a pair of shoes and you can see the benefit."

Socks have also begun offering more and more high-tech features to not only prevent blisters but also offer cushioning and support to further enhance running comfort and injury prevention. Many brands offer models with wicking material and ventilation fabric to keep feet dry, special stitching to avoid abrasions, anatomic cuts for better fit, and activity specific cushioning options. Compression technology has also benefited the sock category. "The growth of compression socks has been truly phenomenal. Looking at the April '10 through March '11 time period, compression socks sold nearly 36,000 pairs, a 147 percent increase over the same period a year prior." Socks are profitable add-on sales for retailers. The average pair of socks in Q1 sold for \$11 and offered a 51 percent margin. "The great thing about socks, is you generally buy more than one pair," states Rudman. "Retailers should speak to the benefits of quality socks and how much all the new technologies can help in foot care and injury prevention. There's a big difference between the six-pack of white cotton tube socks bought at the local big box and what run specialty retailers offer."

The minimalist movement is here to stay and will continue to fuel the injury prevention and healthy feet debate. Through this process, retailers are in an excellent position to take advantage of the buzz and offer options on both sides of the debate. Insoles and socks can provide not only a profitable add-on sale but also help to keep your customers happy, healthy, and coming back. ●