“The footwear sector picked up in 2019 after a tough 2018. However, the outbreak of COVID-19 in 2020 will have a significant and lasting impact on the sector. The category was previously geared towards the in-store experience, but since lockdown many of the leading retailers have announced significant numbers of store closures.”
– Chana Baram, Senior Retail Analyst

This report looks at the following areas:

What you need to know

37% of footwear shoppers still prefer to visit stores for inspiration rather than going online. This has meant that footwear has been particularly hard hit by the COVID-19 lockdown, and the sector is likely to continue suffering in the inevitable economic slowdown.

The footwear market is set to drop by a further 30% in 2020 due to COVID-19, and it is particularly susceptible to any changes in the weather so will likely bear the brunt of post-lockdown discounting, given that many shoppers will not have bothered purchasing summer footwear at full price due to a lack of holiday plans or social arrangements. Additionally, with many people worried about their finances, the category is likely to become even more polarised – which is expected to have a longer-lasting effect on sales as consumers’ trade down to lower-priced options.

Leading players have faced challenges during 2019, but COVID-19 has exacerbated these issues in 2020, with many retailers reconsidering their physical presence since fewer people are heading into shops. Clarks announced that it will drastically reduce its store estate; Shoe Zone too shut stores, Aldo’s UK arm fell into administration and Hotter entered into a CVA. With so many people still hesitant to go into stores, footwear retailers are going to have to think of ways to make the category easier to shop online.

There are opportunities to fight back, however. Mirroring trends across the retail sector, footwear retailers are looking to digitise their offerings and move away from the in-store retail concept. Some have therefore started to use innovative concepts, such as digital foot measuring apps and online size estimations, to reduce the number of returns. Footwear brands and retailers will need to really focus on offering a fantastic customer experience, whether in-store or online, with unique products to capture shoppers’ attentions, while also reassuring customers they have good hygiene practices in place.

Key issues covered in this report

- The impact of COVID-19 on consumer behaviour when shopping for footwear.
- How COVID-19 will affect the market dynamics within the footwear sector.
- Brand research on leading players within the sector and key launches and innovations.
- Consumer attitudes and shopper behaviours towards footwear.

Products covered in this Report

For the purposes of this Report, Mintel has used the following definitions:
Footwear Retailing: Inc Impact of COVID-19 - UK - July 2020

The Report looks at purchases of shoes for adults and children and uses ONS (Office for National Statistics) consumer spending data, which covers all retail channels – both specialist and non-specialist (eg clothing stores, department stores, sports shops, supermarkets, internet pure players, catalogue retailers, markets, etc.).

This Report covers the following footwear categories:

- All footwear including trainers.

Excluded from the Report:

- Specialist performance shoes (eg football boots, ballet shoes).

There is a grey area between sports shoes and casual footwear, although sports trainers are classified in the government’s consumer spending data under the footwear rather than sportswear category. The latter, in terms of sports shoes, is largely confined to specialist performance shoes, such as football boots, athletic spikes or ski boots.

COVID-19: Market context

The first COVID-19 cases were confirmed in the UK at the end of January, with a small number of cases in February. The government focused on the ‘contain’ stage of its strategy, with the country continuing to operate much as normal. As the case level rose, the government ordered the closure of non-essential stores on 20th March.

A wider lockdown requiring people to stay at home except for essential shopping, exercise and work ‘if absolutely necessary’ followed on 23rd March. Initially, a three-week timeframe was put on the measures, which was extended in mid-April for another three weeks.

The Health Protections Regulations 2020 came into effect on 15th June allowing the reopening of all non-essential stores in England as well as the mandatory use of face coverings on public transport. Pubs, restaurants, hotels and hairdressers were able to reopen on 4th July, with many beauty businesses following on 13th July.

Mintel’s economic assumptions are based on the Office for Budget Responsibility’s central scenario included in its July 2020 Fiscal Sustainability Report. The scenario suggests that UK GDP could fall by 12.4% in 2020, recovering by 8.7% in 2021, and that unemployment will reach 11.9% by the end of 2020, falling to 8.8% by the end of 2021. The current uncertainty means that there is wide variation on the range of forecasts however, something reflected in the OBR’s own scenarios. In its upside scenario, economic activity returns to pre-COVID-19 levels by Q1 2021. The OBR’s more negative scenario, by contrast, would mean that GDP doesn’t recover until Q3 2024..
Table of Contents

Overview

What you need to know
Key issues covered in this report
Products covered in this Report
COVID-19: Market context

Executive Summary

Short, medium and long-term impact of COVID-19 on footwear retailing
Figure 1: Short, medium and long-term impact of COVID-19 on footwear, July 2020

The market
Footwear was an erratic sector even prior to COVID-19
Figure 2: UK footwear sector size and forecast, 2015-25

Footwear and clothing specialists lose share
Figure 3: Estimated distribution of spending on footwear, by type of retailer, 2016-19

Unseasonable weather continued to disrupt sales
Figure 4: Year-on-year difference of UK monthly mean temperature, 2019-20

Footwear continues to experience deflation
Figure 5: Annual changes in CPIH for footwear (including repairs), 2008-19

Companies and brands
JD Sports remains the market leader
Figure 6: Estimated market shares for top 10 retailers of footwear, by value, 2017-19

Clarks is the most trusted retailer, Dr. Martens is the most innovative
Figure 7: Attitudes towards and usage of selected brands, June 2020

The consumer
Shopping local has become a higher priority
Figure 8: Changing habits since the outbreak of COVID-19, 16-22 July 2020

Women are worried about their spending power
Figure 9: Impact COVID-19 will have in the UK, by gender, 18th June - 24th June 2020

Trainers remain the most popular option
Figure 10: Styles of women’s footwear purchased, Feb 2019 and May 2020

Men’s footwear suffers biggest decline in number of shoppers
Figure 11: Styles of men’s footwear purchased, Feb 2019 and May 2020

Trainers continue to be the most popular choice for children
Figure 12: Styles of children’s footwear purchased, Feb 2019 and May 2020

Clothing stores more popular than specialists
Figure 13: Types of retailer footwear was purchased from, Feb 2019 and May 2020

There is a need for more trend-led sustainable options
Figure 14: Footwear shopper behaviour, May 2020
Consumers have become accustomed to discounting

Price, quality and comfort are most important when choosing children’s styles

Shoppers value trusted retailers

What we think

The Impact of COVID-19 on Footwear Retailing

The Market

COVID-19 has caused big declines in the footwear sector
Store closures hamper market recovery
COVID-19 has impacted the supply chain
Children’s footwear experiences smaller declines
Retail parks predicted to outperform other destinations as shops reopen
Interest in sports has endured
Retailers concentrate on online
People are still nervous to try on items in-store
Children’s footwear adapts to an appointment model
COVID-19 has led to new ways of shopping online
Home measuring for children’s footwear
Many say their financial situation has worsened
Companies and Brands
Clarks continues with turnaround strategy
A wave of administrations and store closures
Amazon attracts new brands since COVID-19
Social media used to increase brand awareness
There are opportunities in livestreaming
Retailers and brands are upping their charitable efforts
Online shopping becomes a must due to COVID-19
Over a third of shoppers still expect to spend less on fashion items
Fewer people have been purchasing footwear
Discounting likely to impact the market

Issues and Insights

Further opportunities emerge online due to COVID-19

The facts

The implications

Social media and apps utilised to raise brand awareness

BUY THIS REPORT NOW
More brands turn to livestreaming
Charitable work and giving back have presented opportunities

The facts

The implications

Figure 20: Kurt Geiger NHS products, 2020

Opportunities in children’s footwear
The facts

The implications

The Market – What You Need to Know

COVID-19 has caused big declines in the footwear sector
Store closures hamper market recovery
Children’s footwear experiences smaller declines
Footwear and clothing specialists lose share
Unseasonable weather continues to disrupt sales
Footwear continues to experience deflation

Market Size and Forecast

Short, medium and long-term impact on the footwear industry

Figure 21: Short, Medium and long-term impact of COVID-19 on footwear, July 2020

Lockdown
Re-emergence
Recovery

COVID-19 has caused big declines in the footwear sector

Figure 22: UK footwear sector size and forecast, 2015-25

Footwear forecast
Footwear is less suited to online retailing
Store closures
Impact on the supply chain

Sports styles expected to do well

Figure 23: UK footwear sales, at current prices, 2015-25

Learnings from the last recession

Figure 24: UK footwear sales, at current prices, 2007-13

Share of the market by women, men and children’s footwear

Figure 25: UK footwear sales, segmented by market value and percentage share, 2015-20
Figure 26: UK footwear sales, segmented by women’s, men’s and children’s, % share, 2017-20

Channels to Market

Footwear and clothing specialists lose share

Figure 27: Estimated distribution of spending on footwear, by type of retailer, 2016-19

Specialist chains struggle during COVID-19 lockdown
**Market Drivers**

**COVID-19 causes stores to shut**
- Figure 29: Year-on-year footfall change, by location, 2015-20

**Reliance on online retail increases**
- Figure 30: Internet sales as a percentage of total retail sales, 2007-19

**Interest in sports has endured**
- Figure 31: People’s priorities around exercise since COVID-19, 16th April -14th May 2020

**Unseasonable weather continues to disrupt sales**
- Figure 32: Year-on-year difference of UK monthly mean temperature, 2019-20

**Number of school-age children set to decline**
- Figure 33: Projected year-on-year percentage population change, based on 2018 projections, by age at last birthday, 2015-24
- Figure 34: Projected (2018-based projections) UK population at mid-years, by age at last birthday, 2015-24

**Many say their financial situation has worsened...**
- Figure 35: Change to people’s finances in the UK since COVID-19, 16 – 22 July 2020

**...leading to a decrease in discretionary spend**
- Figure 36: Trends in activities people are considering over the next three months, May 2019 and May 2020

**Footwear continues to experience deflation**
- Figure 37: Annual changes in CPIH for footwear (including repairs), 2008-19

**Clothing, footwear and underwear experience steepest declines**
- Figure 38: Trends in fashion purchases over a three month period, June 2019 and June 2020

**Companies and Brands – What You Need to Know**

- Clarks continues with turnaround strategy
- Aldo enters administration and Hotter applies for a CVA
- JD Sports remains the market leader
- Online sales of footwear continue to increase
- Total advertising expenditure down year-on-year in 2019

**Leading Footwear Retailers**

- Leading footwear retailers record declines
- Clarks accelerates turnaround strategy
- Shoe Zone expansion and digital investment
  - Figure 39: Leading footwear specialists: UK revenues, 2015-19
- Aldo files for bankruptcy protection amid COVID-19 pandemic
- Schuh rolls out Gen Z shopper-inspired designs and exits Germany
  - Figure 40: Schuh’s new branding, 2020
- Footwear chains reduce store numbers
- Hotter enters into a CVA
- LK Bennett shuts stores
Deichmann-Shoes UK store expansion
Office mulls store closures after steep fall in profits
Sales per outlet
Foot Locker’s immersive Power Store concept helps drive footfall
Figure 42: Leading footwear specialists: estimated UK sales per outlet, 2015-19
Operating profit
Figure 43: Leading footwear specialists: UK operating profits, 2015-19
Footasylum swings to a pre-tax loss on the back of low footfall
Department store concessions dent Dune sales and profits
Product diversification and ecommerce drive profits at Kurt Geiger

Footasylum swings to a pre-tax loss on the back of low footfall
Department store concessions dent Dune sales and profits
Product diversification and ecommerce drive profits at Kurt Geiger

JD Sports fashion revenue surges on back of athleisure trend
Figure 44: Leading non-specialist retailers: estimated footwear sales (excluding VAT), 2015-19
Sports Direct is a potential bidder for footwear specialist Office
Marks & Spencer and New Look jump on vegan-friendly bandwagon
Budget-priced designer shoe look-a-likes help drive Primark sales
Big name footwear brands quit Amazon
Figure 45: Leading non-specialist retailers: positioning, offer and brands stocked, 2020

Sports fashion retailers are market leaders
Figure 46: Estimated market shares for top 10 retailers of footwear, by value, 2017-19
Figure 47: Estimated market shares for top 20 footwear retailers, by value, 2017-19

Online sales of footwear continue to grow
Figure 48: Estimated online sales of footwear, 2015-19
COVID-19 has led to new ways of shopping online
Artificial intelligence used to measure feet
Figure 49: Nike Fit in use, 2019
Home measuring for children’s footwear
Figure 50: John Lewis’ guide for measuring children’s footwear, 2020
Figure 51: Start-Rite children’s foot measuring gauge, 2020

Big brands ditch Amazon
Launch Activity and Innovation
Re-imagining the in-store experience
adidas’ most digital store to date
Timberland’s eco-focused shop concept

Vans new boutique and flagship London stores

Steve Madden opens its first UK flagship store

Shoenvious launches in the UK

New Balance teams up with Unmade

Hotter introduces bespoke fitted shoes

Footwear brands explore new market opportunities

Roger Vivier launches jewellery collection

Jimmy Choo debuts cosmetics range

Bridging the gap between online and in-store footwear shopping

Conversational commerce gives online footwear shoppers more confidence

Sneakers app offers users the chance to shop for the latest releases

Eco-friendly footwear

Asics launches recycled footwear

Allbirds releases high performance shoes

Aldo showcases its first sustainable collection

Veja opens standalone store in Paris

Reformation creates sustainable ‘dad sneakers’ with New Balance

Vegan footwear gaining traction

New footwear inspired by gardening and medical professionals

Comfort and style

Shoes in support of charity

Limited editions, collaborations and out-of-the-box partnerships

Nike teams up with Ben & Jerry’s

Skechers collaborates with Goodyear

Dr. Martens launches second Sex Pistols collection
Crocs partners with KFC
  Figure 65: Crocs Finger Lickin’ Good shoes, 2020

Cartoon collaborations
  Figure 66: Disney x ALDO: Lunar New Year Collection, 2019

Clarks ramps up number of collaborations

Advertising and Marketing Activity

Total advertising expenditure down 19% year-on-year in 2019
  Figure 67: Total above-the-line online display and direct mail advertising expenditure on footwear, 2016-19

Skechers is the sector’s biggest advertising spender
  Figure 68: Total recorded above-the-line, online display and direct mail total advertising expenditure on footwear, by leading advertisers, 2016 - 2019

Campaign highlights

TV celebrity fronts adidas gardening-themed footwear collection campaign

Clarks’ autumn/winter 2019 campaign focuses on ‘comfort in every situation’

Hotter Shoes showcase SS19 collection

Converse celebrates iconic Chuck Taylor sneakers

30% of total advertising expenditure channelled through digital
  Figure 69: Total above-the-line online display and direct mail advertising expenditure on footwear, by media type, 2019

Leading advertisers’ spend by media type
  Figure 70: Leading advertisers’ total recorded above-the-line, online display and direct mail total advertising expenditure on footwear, by media type, 2019

Nielsen Ad Intel coverage

Brand Research

Brand map
  Figure 71: Attitudes towards and usage of selected brands, June 2020

Key brand metrics
  Figure 72: Key metrics for selected brands, June 2020

Brand attitudes: Clarks has great customer service and Shoezone offers good value
  Figure 73: Attitudes, by brand, June 2020

Brand personality: Dr. Martens and Skechers are fun brands
  Figure 74: Brand personality – macro image, June 2020

Brand personality: Dune and Kurt Geiger perceived as aspirational but also overrated
  Figure 75: Brand personality – micro image, June 2020

Brand analysis

Clarks trustworthy and highly recommended by those who have used the brand
  Figure 76: User profile of Clarks, June 2020

Skechers a fun and somewhat unique, innovative brand
  Figure 77: User profile of Skechers, June 2020

Dr. Martens cutting edge and stylish
  Figure 78: User profile of Dr. Martens, June 2020

Kurt Geiger exclusive and aspirational
Footwear Retailing: Inc Impact of COVID-19 - UK - July 2020

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The Consumer – What You Need to Know

Online shopping becomes a must due to COVID-19
Fewer people have been purchasing footwear
Clothing stores more popular than specialists
Young shoppers want buy now, pay later options
Consumers have become accustomed to discounting

Shifts in Consumer Behaviour since COVID-19

Appetite for online shopping has increased
Over a third of shoppers still expect to spend less on fashion items
Shopping local has become a higher priority
Many feel uncomfortable trying footwear on in-store
Parents with young children cut back on non-essential spending
Women are more worried about the financial implications of COVID-19

Types of Footwear Bought

COVID-19 leads to fewer footwear sales
Comfortable styles prove most popular among women...
...particularly among younger age groups
Fewer people have bought men’s trainers...
...but the style continues to be a popular gifting option
Men buy fewer styles than women

Types of Children’s Footwear Bought

Trainers continue to be the most popular choice
Children's footwear less prevalent in older age groups

Where Footwear is Bought

Increasing numbers shopped for footwear online

Younger people shop footwear online via smartphones

Clothing stores overtake specialists

Sports Direct remains the most popular footwear retailer

Women are far more likely to shop around

Behaviour towards Footwear

More trend-led sustainable options are required

A third think vegan footwear is always sustainable

Younger shoppers are drawn towards credit options

Deciding what Footwear to Buy

Consumers are accustomed to discounting

Stores remain important for style inspiration

Female shoppers research styles but men research quality

Younger shoppers read online reviews

Purchase Drivers when Buying Children's Footwear

Price, quality, and comfort are of utmost importance

AB consumers most likely to care about experience and the environment

Attitudes towards Children's Footwear

Shoppers value trusted retailers
The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.