
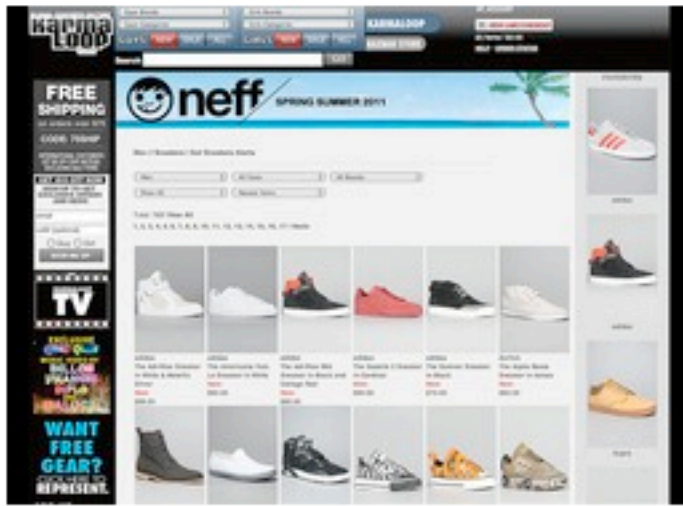




Kmart


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Karmaloop.com

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To attract cash-strapped consumers, the retailer, a subsidiary of Sears Holdings Corp., rolled out a comprehensive b-t-s marketing campaign that highlights the retailer's in-store layaway program, which has seen double-digit growth since 2008.

"We expect it to continue to increase in popularity because people are trying to figure out ways to manage their budget and get the things their families need without going into debt with credit cards," Snyder said.

At Burley, Idaho-based Hudson's Shoe Store, owner Mike Searle said that although consumer spending at his store is somewhat higher than last year, price increases are making his customers think twice before purchases.

"There are some spendable dollars out there, but everybody is cautious," he said, adding that Skechers, Nike and Merrell should be strong sellers during the season. Searle added that he would wait until September to decide whether to roll out markdowns this season.

While many retailers are cautious, there are signs that footwear could have a leg up on other categories this season.

The International Council of Shopping Centers, which forecast a 3 percent year-over-year increase in total b-t-s sales, estimated that footwear will be one of the strongest-performing segments of the market and that the category is on track to post 3.5 percent gains over last year.

Baltimore-based athletic retailer DTLR is betting on a strong shoe season after a robust spring.

"We're coming off one of the best seasons we've ever had, so we're really bullish on the back-to-school selling season," said Todd Kirssin, DMM of footwear at DTLR. "Our inventories are really on trend and [the athletic category] is so hot right now." The executive cited Adidas and New Balance as standout brands for fall.

Online retailers are also banking on solid results.

Karmaloop.com founder and CEO Greg Selkoe reported that sales for his firm are already up 70 percent from last year, and the e-tailor is looking for more gains in the coming months. "We're expecting back-to-school to be really strong," he said.

However, the continued growth of e-commerce and flash sale sites is causing anxiety for many independents.