

Vans off the wall case study

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Vans " Off the Wall" is an established brand and has been in business for many years. They range from high quality footwear to well-fitting apparel. The company distributes its products through U. S. domestic wholesale accounts and retail stores, internationally to approximately 50 countries, and on the internet.

More than a fashion trend, Vans has maintained double-digit growth for 19 consecutive quarters. Thus far, their approach has been working and there is significant room for future growth. The global footwear market is set to reach \$211. 5 billion in 2018 and redefine Vans beyond action sports has positioned the company to tap a much larger percentage of this pie.

Competitive Strengths

Vans " Off Wall" describes its competitive advantage by targeting a certain type group, who they advertise with and by collaborating with the marketing team to work effectively with each editorial team they develop ideas on how each department can work together and brainstorm on ways to come up with new products, even strategies and how to develop PR plans for each individual magazine. They are different and better than other brands because they have a variety such as Vans, Sperry's, and Toms.

Vans is a company that makes shoes and other related accessories for skateboarding and snowboarding. The company which targets a young customer group is popular for their stylish yet comfortable accessories as well as shoes which are custom-designed for extreme sports - a hot trend today.

With such a successful beginning in history, the shoes that continue to be manufactured could be defined as one of the leading shoes for the skateboarding industries. The reputation of the shoe itself has led the skating industry in a revolutionary and unexpected way since 1966 up until this year with a lot more in store for us in the future.

The shoes have its unique style with its signature waffle sole that has made an impact with the younger customers. Differently from its current competitors in the skating industry, vans shoes have a unique sense of style by using canvas material, making the shoes more durable than the competition.

Founding Philosophy

The company was first established in the year 1906 when its promoter Van Doren realized that there was an opportunity in selling shoes directly to the public. Vandoren along with Serge De Elia and Gordy Lee decided to open a shoe retail store where the shoes were designed and manufactured by them based on customer needs. The company moved officially into skateboarding and snowboarding in the seventies when the sport became a craze in the US.

Vans is a state of mind. Whether or not you are thinking differently, embracing creative self-expression, authenticity and progression, or choosing your own line on your board and in your life.

Vans holds over 50 years of youthcultureconnectivity and continues to advance its roots in action sports while recognizing the global " Off the Wall" connection between the brand and art, action sports, musicand street culture enthusiasts (Vans. com, 2015).

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The Vans " Off the Wall" brand has been connecting with youth culture to promote creative self-expression, authenticity and progression for nearly 50 years, while linking the brand's deep roots in action sports with art, music and street culture.

Today, the Vans brand evolution continues. From its foundation as an original skateboarding company, to its emergence as a leading action sports brand, to its rise to become the world's largest youth culture brand, the Vans brand has taken on a power that matches its business performance and lived up to its expectations since its establishment.

Strategic Direction

Big brand usually faces more difficulties to survive and maintain the competitive position in current world. Many business strategies are often prepared as a 3 to 5 years plan. When some business strategies are implemented, it will affect huge number of people's career and global market. Although the reform strategy is to be implemented, the conclusion is that many people's careers will be ended when large losses have occurred by accident. Because the company is a listed company, profits must be stable.

Vans uses a wide variety of marketing strategies to publicize their brand. The main objective for a brand like Vans is to remain consumer focused and listen to the needs of loyal customers. For that reason, they have tapped into social media such as Facebook, Twitter, Instagram, or Snapchat, where they know their target markets by separating them into social gender.

Vans also does a fair share of direct marketing like magazine ads, billboards, and TV commercials. They understand that the younger customers are on

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social media almost every minute and Vans uses it to their advantage by offering deals to followers of their pages. If a younger customer likes anything that Vans posts onto their social media, they are most likely to influence other customers followers or anyone around him in general.

Vans also sponsors athletes similar to other major brands like Nike and Adidas except with extreme sports such as skateboarding, BMX riding, or surfing. They have former professional skateboarders as well as professionals today who are sponsored or wearing Vans products. These professionals have a wide reach among their peers and have a lot of influence over what their fans wear. Therefore, it is beneficial for Vans to sponsor icons in the extreme sports community as well as up and coming talent. Vans also sponsors events like the music festival known as Warped tour or the U. S. Open of Surfing. These events pull in a large group of the targeted demographic which gives them the ability to influence the targeted consumers.

Domestic Economic Conditions

The Vans craze went strong until 1984, when the company was forced to sell their shoes under manufacturing costs due to a number of Vans imitators. The company soon filed for Chapter 11 bankruptcy after building a debt of \$12 million dollars, which they eventually crawled out of in 1986.

By 1987, Vans had completely turned around their company and were in the black with \$50 million in sales thanks to huge international demand. In 1988, the original founder Paul Van Doren, sold the company to a banking firm for

\$74.4 million because he was tired of controlling the company's day to day operations.

The company went public in 1991, and Paul Van Doren was majority stakeholder, but stepped down from the board. The company soon felt the recession of the early nineties and saw a major drop in their stock, from \$14 per share to \$7. The company was also fined \$400,000 for employing illegal immigrants and had 300 employees deported.

The future looked empty until new CEO Walter Schoenfeld took hold of the company. Once Schoenfeld joined Vans, he hired a new marketing team, new shoes designers, upgraded retail locations, and expanded the product line overseas which accounted for 75% of sales. Domestic production became a problematic source for Vans because their sales had declined so much that their stock bottomed out at \$3 per share and they eventually laid off 1,000 employees and closed their Orange, CA plant.

They began manufacturing operations in South Korea in order to compete in the shoe market with a cheaper product line. Sales steadily bounced back and their shares were worth \$11 in 1996. The company was now focused on producing what would sell, rather than selling what it produced.

In 2004, the V. F. Corporation bought Vans for \$400 million. Vans has been a huge success for the V. F. Corporation especially in overseas markets like China and Mexico where the shoes brand is growing in popularity. In 2011, sales for Vans rose 20% compared to the previous year and V. F.

Corporations is now believed to be a \$2 billion company in 2015 (David, 2015).

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Vans distributes their products through over 2,000 domestic wholesale accounts and 170 Vans retail stores and skateparks, internationally to approximately 50 countries, as well as on the Internet. Key accounts in the U. S. include Journeys, Pacific Sunwear, Footlocker, Famous Footwear, Kohl's, Mervyn's, JC Penney, Galt's and Nordstrom.

As of August 27, 2002, Vans had 97 Vans full-price retail stores, 54 outlet stores and 12 skateparks in the United States, and also operated seven outlet stores in Europe. Internationally they vary their marketing and distribution approach on a country-by-country basis, taking into account the particular cultural, economic and business conditions present in each international market.

Vans also has direct sales operations in key European markets, including, most recently, France, a licensing arrangement for Japan, Hong Kong, Taiwan and South Korea and distribution agreements for approximately 30 other countries.

The increase in total U. S. sales resulted from a 28.5% increase in domestic wholesale sales as a result of increased penetration of existing accounts and a 32.9% increase in sales through our U. S. retail stores. The increase in U. S. retail store sales was driven by sales from a net increase of 10 new stores versus a year ago, including three skate parks, and a 12.7% increase in comparable store sales which was partially attributable to store remodels, store expansions and increases in sales of equipment and women's shoes.

The increase in international sales was primarily due to increased sales in Latin America and Europe and an increase in royalties from International

Trading Corporation partially offset by a decrease in sales to Japan, which resulted from a change in our agreed relationship with ITC from a distribution arrangement to a license arrangement.

Strengths and Weaknesses

Vans " Off the Wall" has a wide variety of colors, patterns, and styles for their shoes. Their brand connects with a broad range of individuals. Vans also has a pretty good hold on the Californian skate/surf/beach lifestyle. Their brand extends into several other areas such as apparel, music festivals, house parties, and other events and collaborations.

As Vans extends into new markets like the Asia-Pacific region, where revenue was up 25% in the fourth quarter of 2016, it continues to stay on message. " No matter where you go in the world, you see a very consistent brand identity," says Doug Palladini, Vans global brand president who joined the company in June 2004.

The company understands that its youthful appeal is the key to its success. If it loses its feeling of authenticity and its connection to its past, it forfeits the thing that makes people want to wear its shoes.

Global sales for Vans rose by 7% last year to \$2. 2 billion, or 14%, excluding the impact of the strong U. S. dollar. Considering sluggish economic growth around the world, Vans notched a pretty impressive year. In the United States, sales rose to a pretty good percentage, in Europe by mid-single digits and by more than 20% in Asia. Vans represented about 17% of V. F. Corporation's (apparel company) total business in 2015.

Vans success over the past year or so, despite a small consumer spending backdrop globally, could be boiled down into several factors. First, the company continues to nail limited-time sneaker collaborations and printed graphic collections due to its innate sense of who Vans customers are and what they want from the brand. For example, in early June Vans launched a collection of footwear, apparel, and accessories in partnership with Nintendo, celebrating the early days of videogames.

From canvas sneakers to trucker hats, the unique collection features graphic prints using 8-bit inspired artwork and characters from Nintendo's classic games Super Mario Brothers, Duck Hunt, Donkey Kong and the Legend of Zelda, as well as an assortment inspired by Nintendo's first console, the Nintendo Entertainment System.

Another factor to the success of Vans is the expansion of their products to different stores. You can find Vans in high luxury stores such as Nordstrom or Urban Outfitters. Their ability to expand their products to other stores allows them to create more of a broader revenue.

One weakness everyone who wears vans can agree on is that their shoes do not last long. A classic vans shoe is sold at around \$40 to \$60 but their durability is not very strong because of the thin fabric and waffle sole. So if a shoe were to be that much, you would expect it to last pretty long.

Personally, after about wearing vans for at least a month, I find myself already needing a new pair.

Also, the Vans reputation is not as high as a Nike shoe or an Addidas shoe. Most people around the globe don't know what Vans " Off the Wall" is compared to Nike where everyone in the world is wearing a Nike shoe.

Conclusion

Today, the Vans brand evolution continues- from its foundation as an original skateboarding company since '66, to a leading action sports brand, to defining its anthem of living 'Off the Wall' as youth culture. From its birthplace on the West Coast, Vans has grown beyond a shoe. It's a global movement- reaching from Barcelona to Beijing, Sao Paulo to Sydney, Orange County to New York (Vans. com, 2015)

Vans " Off the Wall" is not about corporate meetings or three piece suits or making sure that your entire life is organized in yourGooglecalendar. The customers that Vans attract are the young guns, the independents, the rebels, the musicians, the artists, and the extreme sport athletes like skateboarders. The brand embodies individuality and the creative mindset that young adults and all who are wild at heart have inside themselves. They are about pushing boundaries, the feeling of invincibility, living life on the wild side, hanging out with friends, and enjoying life.