

# [Ecco case assignment](https://assignbuster.com/ecco-case-assignment/)

ECCO CASE – PROJECT 1 Table of contents? Table of contents Question Theory used in this report Data collection Company description Financial situation SW – Internal Value Chain R&D Production Sales and Marketing Service Core competences Benchmark Ansoff’s matrix of growth GAP-analysis OT – External Porter’s 5 forces Force 1: The degree of rivalry Force 2: The threat of new entrants Force 3: The threat of substitutes Force 4: Buyer power Force 5: Supplier power Porter’s Diamond PEST Political factors Economic factors Social factors Technological factor SWOT Generic Strategy Conclusion Sources Appendixes?

Question For this assignment we have chosen question one: “ The company’s strategic situation – using relevant theory and models” because it is the question we found the most interesting. For this, we have made three sub-questions to help us further narrow our report to the Hungarian market: \* What is ECCO’s position on the Hungarian market? \* What challenges does ECCO face on the Hungarian market? \* What strategies does ECCO have for entering new markets? Theory used in this report For this report we have used different theories that we have found relevant to further analyze ECCO on the Hungarian market.

First off we analyzed the company using the value chain, to find the core competences we needed for benchmarking, together with the financial situation. For the external part of the SWOT analysis we have used the PEST analysis, Porter’s Diamond, Porter’s 5 forces and GAP analysis together with Ansoff’s Matrix of Growth. Data collection This project is based on the assumption that all material used and present our strategy should cover the most essential aspects of the chosen subject. We, therefore, intended to include as broad a material selection as possible.

Company description The ECCO organization is composed of nine business units consisting of the three sales regions – ECCO Europe, ECCO Asia Pacific and ECCO Americas – together with ECCO’s five shoe factories and the ECCO Leather Group. In addition to the nine business units, ECCO’s head office in Denmark has an important development and support function in the areas of branding, sales, design, products and concepts, together with the corporate functions of IT, Finance, HR, Logistics, Corporate Conduct, Communication and Legal Affairs.

ECCO’s core product is shoes, and with the introduction of several line extensions, ECCO now produces casual and outdoor shoes for men, ladies, and children, as well sport shoes such as running and golf shoes. In 1999 ECCO launched its first bag collection. On one side the competition comes from Nike, Reebok and Adidas, with their immense marketing budgets, and one the other side the casual lifestyle and business footwear segment represented by Geox, Lloyds, Clarks and Timberland.

Even though ECCO has experienced success and increased growth in the sports division with their golf shoes they still consider their competitors in the casual lifestyle footwear segment their main competitors. ECCO has been exhibited at the Danish Design Center as an innovator in Scandinavian Design. In all ECCO designs there has to be a rationale, a contributing factor that add to the entire shoe. Designing is not just for the sake of design. This isn’t to say all ECCO shoes have a Danish look – the Danish element is that form has to fit function.

The competitive scope of ECCO is the ability to control production throughout all aspects of the value chain, assuring that quality of raw materials, including the most important – leather. Furthermore, the “ direct injection” technology used in production where the shoe bottom, including the out sole and heel are attached to the uppers under very high pressure, gives ECCO an important advantage. This technology has for a long time been attempted applied by competitors but the production process of ECCO includes several other adjustments which make the finished product nearly impossible to imitate. Financial situation

Although ECCO’s combined credit facilities remained unaltered at approx. 1, 860 million DKK in 2009, the lower utilisation (960 million DKK as of 31 December 2009 compared to 1, 262 million DKK as of 31 December 2008) caused an overall rise in the Group’s committed credit facilities from 598 million DKK at the end of 2008 to 900 million DKK at the end of 2009. The reason for the rise in the Group’s committed credit facilities and positive cash flow outlook for 2010 is the reduction in guaranteed short-term loan facilities from 500 million DKK as of 31 December 2008 to 200 million DKK as of 31 December 2009 (see Appendix 1).

The ECCO Group pre-tax total income amounted to DKK 459. 7 million compared to DKK 745. 9 million in 2008, a decrease of DKK 286. 2 million or 38%. In 2009, ECCO achieved total net sales of DKK 5, 041. 2 million, a fall of 6% compared to 2008. Like the year before, 94% of net sales consisted of shoe sales and the remaining 6% of sales of accessories as well as leather and wet blue. Net shoe sales also fell by 6%, but despite difficult market conditions it was possible to increase the average selling price by 2% a pair by taking new initiatives such as investments in new ECCO stores.

Exchange rates negatively affected net sales by 0. 7%. Sales of accessories rose by 10%, continuing the positive trend of previous years, albeit at a more moderate level. The profit margin was 9. 8% in 2009 compared to 15. 4% in 2008. Altered market conditions meant that the company took decisive measures to cut costs in all areas of the business. As a consequence, it was forced to reduce staffing levels to adjust the capacity in the production units. Income tax amounted to DKK 114 million in 2009. The effective tax rate was therefore 24. 9% compared to 23. % in 2008. The profit for the year after tax and minority interests totaled DKK 299. 2 million compared to DKK 527. 4 million in 2008. At the end of 2009, consolidated total assets totalled DKK 4, 182 million, representing a fall of 4. 9% or DKK 215 million. Fixed assets totalled DKK 1, 441 million, of which DKK 1, 329 million were tangible fixed assets. In 2009, the Group reduced its inventories of finished products by 21% or DKK 322 million which is in line with the Group’s overall goal of reducing inventories and increasing turnover rate.

Equity as of 31 December 2009 was DKK 2, 431. 8 million, equivalent to a solvency ratio of 58. 1%. The solvency ratio at the end of 2008 was 56. 3%. The cash flow from operating activities amounted to DKK 985 million, an increase of DKK 196 million despite a fall in total income. This was mainly due to the reduction in the Group’s inventories. Net cash outflow for capital investments amounted to DKK 207 million in 2009 compared to DKK 477 million in 2008. In 2009, ECCO achieved a free cash flow of DKK 762 million compared to DKK 306 million in 2008.

This increase can be primarily attributed to the reduction in the Group’s inventories and a reduction in the consolidated total investments which were unusually high in 2008 due to the expansion of production capacity. SW – Internal Value Chain R; D The expression « Footwear exists for feet» became the revolutionary slogan, which has changed the world of footwear. The major principle of footwear ???? is a quality and durability. ???? makes footwear from quality leather. The high-quality leather is made worldwide at own enterprises ECCO.

Therefore ???? also differs from other enterprises of footwear that all is made independently. Each pair of footwear ???? – results of application of high technologies. The lining for shoes is made from polyurethane and thermo polyurethane that gives flexibility and cushioning properties. These qualities reduce loading on a backbone and joints. Linings in footwear absorb all moisture and passes air that provides a healthy climate in footwear. Enterprise ECCO lets out footwear of different style. People can get in shops footwear for the following needs: for business, casual, for sports, and also for children.

All footwear is tested by the well-known sportsmen or usual people who constantly are in movement. Production The ???? company turns great attention on culture and customs of people from the different countries. As in each country there is own fashion and style, therefore manufacture in each country is miscellaneous. ???? has the factories in Portugal, Slovakia, Thailand, Indonesia and China. In shops ECCO, but there are considerable quantity in the world of them, it is possible to buy any other accessories. Such as: bags, belts, purses, socks and others.

Leather factories makes also covers on cars’ seats, planes, and also factories make good quality leather for furniture manufacturing. Sales and Marketing ???? places their products Shop-in-shop. The basic requirements at opening of new shop are right partners and a right place (location). Also at opening of new shop it is necessary to define target clients. ???? perfectly copes with these requirements; therefore, their net profit constantly increases every year. Company ECCO aspires to make obvious the association with high-quality production, and it in turn demands professional presentation of the goods.

For this reason window dressing and the equipment of shops work on the basic idea. The show-window is a presentation of shop, therefore it should be attractive that the buyer has paid to it attention and has come into shop. Besides, the show-window advertises brand ????. Marketing always was a key link in work ????. As in the beginning resources have been limited, it was necessary to search for original and non-standard ways of advancement. Therefore the company began to stamp label: “????” on top and on footwear sole. A sole – the best and not expensive advertising.

Service Service attendance in shops ECCO is very high. The main task of workers to offer the services as much as possible highly that the client remained happy and would come for purchase next time. Clients can also buy and order shoes through the Internet. Goods delivery goes in a current of 5-7 working days after the order. If the footwear has not approached, the client has the right to return the goods in a current of 28 days. Core competences Main advantage of ECCO Company is a quality of footwear. Factories make all independently, even a material (leather).

Each kind of footwear passes test for weather conditions, and also for durability. Most important thing that the client will be happy with the goods buying. Footwear expensive because of highly qualitative material, but for that competitors cannot copy product ????. Years are necessary to competitors to make the same footwear while ???? lets out newer, qualitative and convenient footwear. Benchmark Company Competence| \*| | | | Value chain control| ECCO controls everything in the value chain down to what food the cows they get the leather from are fed with. | Produces many products themselves, some outsourcing. | Production is outsourced to Asian manufacturers| Branding / Brand Management| Quality and elitist brand: Golf shoes, high quality leather shoes| Low to high end sport shoes and clothing| Mid-high end sport shoes and clothing| Mid-high end sport shoes and clothing| Price| Expensive| Reasonable price| Reasonable price| Reasonable price| Events| ECCO Walkathon, animal charity founds| Not so well known and promoted in the sport events| Often represented at sport-events| Often represented at sport-events| Ownership of manu- acturing| they have their own tanners where they produce leather and in this way they promote healthy life in all the aspects of the human life| use all the materials from the suppliers; we don’t have so much information about the way of production| use all the materials from the suppliers; we don’t have so much information about the way of production| use all the materials from the suppliers; we don’t have so much information about the way of production| Ansoff’s matrix of growth

ECCO is constantly researching to get a new, better materials, and each year there are technological innovations, as in the method of processing the skin, and by parts. ECCO owns several patents on the materials for the manufacturing of footwear. The company is located on an existing market, where products constantly change. ECCO uses product development to promote new shoes and technologies which completely fits the basic concept of the company. Previously, footwear was designed for an audience older than age 27 years. In those days it was thought that by this age people have become conservative.

In recent years, there was another trend: With a more dynamic rhythm of life, improve education 19-23-25-year-old may already be, if not to replace the 30-year-old, then compete with them. Therefore, the latter are trying to look younger to keep up with the times. Thus, on the one hand, to amend the request of traditional target audience, and with another – the company had a desire to expand the circle of buyers. From this it follows that the company began to operate not only at its current audience, but also to a younger.

Accordingly, the product was designed completely different. New design, new technology. On the Ansoff matrix this strategy is the most risky of all, the strategy of diversification (new product, new market). Company selection was justified by the fact that new direction has promised to be much more profitable than the existing development. In addition, the development of a new direction did not require major investment, as the company had all the competences and many years of experience within this business.

Branded leather ECCO, which is produced in-house ECCO, located around the world, used successfully not only in the shoe industry, but also in machinery, furniture and even aircraft – out of this leather seats are made of many private aircraft. The company sells its already existing product to a new market for it. This strategy is called a strategy of market development. ECCO company uses new distribution channels. GAP-analysis Using GAP analysis, we can find ways from the actual performance of the company to potential performance  and search steps to achieve the set goals. In our case, we consider the Company ECCO on the Hungarian market.

Became aware of the materials in Hungary is very low demand for branded goods, goods of higher quality. They are too expensive and almost no one can afford to buy high quality merchandise. in 2005, according to statistics, it appears that only 6% of the population move in step with fashion. Naturally, at the moment of their Number has grown and continues to grow, as the financial condition of the country. This small audience of buyers is the main objective of the company ECCO. As we know, the main objective of the group is to be leaders in the footwear market, win the favor and affection to the mark.

GAP analysis is one of the most effective methods of strategic analysis. Consider how we can use the GAP analysis for increasing the company’s sales in the Hungarian market. This task can be approached from different points of view. Using the extensive approach, within the current market volume, ECCO can increase sales by partial or complete interception of sales to competitors such as Clarks, Puma, Nike and Adidas. The same high-quality shoes are manufactured in Hungary too. However, we must not forget that the competitors in the same way can win the market share of ECCO, and from them must be able to intelligently defend himself.

If to resolve this issue through an intensive method, there is a large group of potential consumers, not covered by items of ECCO. If we assume that all potential consumers use their products, while total sales represents an absolute market potential and can be taken as the desired state of the company do not forget to list and the main reasons hindering cover the entire potential market: 1. Firstly, it is a lot of competition brand companies, producing quality shoes and just wanting to get a leading position in the market. 2. Secondly, it is a high price for the goods, not every potential buyer can afford to buy a product company. 3.

Thirdly, there are numerous groups of consumers who are not satisfied with existing products. It can be monotonous style, lack of production. Customers can be confident that the coming into one of the company’s stores, they will receive a wide range to choose and receive the selected product immediately or as soon as possible. and this means that the logistics system must work flawlessly. \* We have considered the approximate current situation of the Hungarian market, as well as revealed general picture of demand for expensive quality shoes. \* We have defined the desired state of the company – to satisfy all of the hypothetical market demand. We have chosen the criterion by which examined the path between the current and desired state – have made the analysis of the causes of non-realization of the goods. \* We have defined a desirable set of actions – protecting the current position, capture foreign market share, issue an additional range of products, improved distribution network. Thus, we set out the strategic themes within which you can search for specific solutions. Gap of the company between the actual performance of the company and the potential performance firstly are buyers, who can’t afford expensive products.

Objective of the company is reducing production costs and stimulate sales. Cost reduction can be achieved by searching for raw material suppliers with lower prices. Quality and design are still summit, but at the expense of cheaper material could be to reduce the price of production. If the company does not want to lose the name of the highest quality footwear manufacturers, there is another, more suitable option-sales promotion. As is known, Hungary began to infiltrate the fashion world thanks to magazines and newspapers, which propagate the standard of style and quality.

Thus, it is necessary to conduct a series of marketing operations: advertising, development of dealer network, acquisition of new stores, staff development company that produces sales to customers etc. The company must also not forget about the existing customers, for which we can develop activities with a view to their retention, discounts and other benefits. OT – External Porter’s 5 forces Force 1: The degree of rivalry On the shoe market in general there are a lot of competition with many different brands, in the higher end of the price range however competition is less severe, but still at a level where slacking is not allowed.

Force 2: The threat of new entrants The shoe market is regularly exposed to new fashion companies and brands that wishes to get their share of the market, but is however dominated by the many old well established players. In general this threat is very low, because of ECCO’s relatively strong position on the market. Force 3: The threat of substitutes The only kind of substitution that exists on the shoe market is the product for product substitution, as you cannot substitute shoes with movie tickets or candy. In addition many shoes serve specific purposes and will not fit others.

Some have focus on the style while others on the use, eg. dress shoes and walking boots. All kinds of shoes are made by many different suppliers. Force 4: Buyer power The buyer power is huge as there are so many different suppliers, and if the buyer is unhappy with the business, he can simply get another partner that will sell shoes in the same style. Force 5: Supplier power ECCO has eliminated all supplier power, by being the supplier of everything themselves. ECCO controls everything down to what kind of food the cow gets, meaning that ECCO does not suffer from pressure from this side, at all.

This gives them a great competitive advantage compared to many others. Porter’s Diamond \* Factor conditions \* Increasing mean disposable income \* Increasing population (used to be declining) \* Supporting Industries \* Luxury vehicle production \* Renewable energy systems \* High-end tourism \* IT \* Demand \* Increasing demand for luxury goods. \* Rivalry \* Black markets competing with regular markets \* Focus on price rather than quality \* Government \* Business licensing is slow \* Regulations are not applied consistently \* Chance \* Record of many famous inventions

PEST Political factors As a member of the European Union (EU), Hungary joined the single European market and the customs union with the 26 other member states. Hungary is a functioning democracy. Corruption scandals delegitimized the Hungarian Socialist Party, leading to a landslide victory of the centre right-wing Fidesz party in 2010. Despite being perceived as more pro-business than the socialist party, Fidesz’s officials in power have thus far pursued a populist economic policy that led to disagreement with the International Monetary Fund (IMF).

In July 2010, the disagreement resulted in the suspension of the US$25. 0 million stand-by loan, part of a loan facility provided by the IMF, the European Union (EU) and the World Bank in October 2008. Moreover, a hefty tax on bank profit threatens to reduce foreign investment in the financial sector. Thus far, despite the two third majority of which it benefits, the Fidesz party has not passed legislation to modernise the Hungarian economy, for example a reform of the pensions system aimed to increase its sustainability.

Mirroring its difficulty to reform, in 2010 the country ranked 51st out of 179 economies in the Heritage Foundation’s Index of Economic Freedom, well below the comparable economies of the Czech Republic (34th) and Slovakia (35th). The index is based on 10 measures of economic openness, regulatory efficiency, the rule of law, and competitiveness. In an attempt to rein in the fiscal deficit, value added tax (VAT) was raised from 20. 0% to 25. 0% from July 2009. With effect from 1st January 2010, corporate income tax rates were raised to 19. 0% (up from 16. 0% in 2009).

Personal income tax lower rates were cut from 18. 0% and 36. 0% to 17. 0% and 32. 0%, while a new tax on luxury items was introduced. High complexity and high total rates generate vocal discontent. Economic factors The policy of economic adjustment introduced in Hungary in the fall of 2006 eased in the first half of 2008, but the global financial crisis accelerated reduction of the general government and caused the balance of payment deficit to be inevitable. Hungary suffered a severe recession in 2008-2009. A fragile recovery is being stimulated by the performance of trading partners.

In 2010, financial markets have not stabilized, as doubts remain over the sustainability of government budgets (see Appendix 2). The global and local crisis impact is reflected in the Footwear market performance because consumers started to buy cheaper clothing. Second-hand clothing stores are becoming more popular in Hungary due to decreasing disposable incomes and the possibility of buying premium clothing brands at inexpensive prices. People still wish to improve their quality of life and believe that by wearing branded apparel procured at cheaper prices, they are able to achieve this.

The current impact of this situation is that the second-hand clothing stores’ popularity has influenced negatively the Footwear market performance during the review period. Due to the increasing demand for second-hand apparel manufacturers and retailers are being forced to improve and develop their products to obtain a competitive advantage in volume terms. This trend is negatively influencing the premium quality and high price level footwear goods performance. This situation proved to be a challenge in the majority of ECCO’s markets and also reflected in the Hungarian market at the end of 2008.

In 2009 ECCO started to adjust production cost levels to the lower sales and to the changing market conditions and still to be competitive. This meant that ECCO had to reduce production from ECCO’s factories in Indonesia, Thailand, China and Slovakia by approximately 1, 150 employees during April. This adjustment was to a large degree responsible for ECCO being able to achieve a sensible balance between supply and demand during 2009, but it was not the only thing which the company did to adapt to the changing market conditions. And the results of this work started to be tangible.

During 2009, work was carried out in order to develop and integrate collaboration with key suppliers. Another crucial area of focus for the shoe factories in 2009 was to reduce inventories to a minimum, which was very successful. This focus made a large contribution to the improvement in ECCO’s cash flow. Social factors In Hungary, footwear is mainly available through single line clothing and footwear shops; 64% of items are sold via these retail venues. The distribution share of single line shops decreased somewhat during the review period, going from 68% in 1998 to 64% in 2006.

Shopping for shoes in markets is still very common in Hungary. In many cases, the quality and origin of the goods are questionable but Hungarian consumers don’t mind because the clothes are cheap and widely available. Hungarians are usually loyal to the brands and styles they wear and, once they are satisfied with certain products and know what to expect, they are confident in purchasing them online. Postal and delivery services, however, need to improve before significant growth is achieved. ECCO products are considerate to address to any raise, age, religion and lifestyle.

Also, it has demonstrated that their products are always in fashion with special design in each product sold. Nevertheless, is focused on people who want to be fashionable but in the same time who like sports and practice. ECCO is well known being involved in the social activities. „ Do something good for others while doing something good for you”. This is the basic idea behind the ECCO Walkathon, and people participating in one of the ECCO walks do just that – they enjoy a day filled with healthy exercise and great entertainment, and help others with every step they take.

For each kilometer covered by each participant, ECCO donates EUR 1 to charity. In 2009, ECCO Walkathon events in Copenhagen, Odense, Arhus, Aalborg and Kolding in Denmark, Hamburg in Germany and Warsaw in Poland were joined by over 48, 000 people. Participants used their feet to raise a total of more than EUR 400, 000 which ECCO donated to selected charity programs. In its 11th year, the ECCO Walkathon is still gaining popularity in cities across Northern Europe, especially among families with children. For many years, the World Wildlife Fund (WWF) has been a partner to ECCO’s program.

A new project of great urgency was chosen for the partnership in 2009. ECCO and the Walkathon participants are now contributing to the WWF project for the protection of polar bears from the consequences of climate change. This year, WWF’s organisations in Denmark, Germany and Poland received over EUR 146, 500 for their Arctic climate protection programmes. Street Kids International’s “ Street Work” programmes in Poland and Kenya received EUR 110, 000. In cooperation with local NGOs and authorities, nearly 2, 000 teenagers and young adults in the two countries have now been trained in how to earn a living safely and legally, e. . by way of micro-loans and starting their own businesses. Technological factor Two strategic lean projects ECCO’s focus on training, education and constant optimization of production equipment are followed through ECCO’s projects. The first project is a “ laboratory” for the development of ECCO’s production system. The goal is to reduce lead times and process losses while continuously testing new processes and systems with the intention of sharing experiences with all ECCO’s factories. The second project focuses on securing and developing highly qualified employees.

The market conditions for global shoe sales have been very challenging throughout 2009. Although a degree of recovery was experienced in certain markets during the year, the negative impact of the economic crisis led to a slowdown in all ECCO’s sales regions and also in Hungary. The main challenges included lower consumer traffic and spending in the markets, cash-flow constraints and fluctuating currencies. Another relevant element is that ECCO Leather uses personal inspiration and hands-on experiments to generate new and innovative leather types.

A team of designers, leather buyers, product developers and sales and marketing specialists works together in creative workshops to generate new concepts and designs for leather. Prior to the creative workshops, the participants are asked to think about what inspires them and to bring along objects and images to illustrate themes. To begin with, the participants present their themes in an informal “ show and tell”. Then, ideas and themes are discussed and debated and finally everyone gets a chance to transform their ideas into real leathers. SWOT Analysis: \* Strengths \* Quality \* Technological innovations every year Several patents on the materials for the manufacture of footwear \* The footwear durability \* Having their own tannery operations involved in phases like prototype, laboratory and ramp-up which is reflected in the production of leather \* ECCO’s design philosophy embraces innovation and tradition \* Research \* ECCO company explores the needs of consumers \* Its designers inspiration is from life around us, our heritage, and new materials to make every shoe a work of art that puts technology at the service of nature \* The newest knowledge about comfort and material Professional and thorough research and knowledge of the human foot traffic \* Comfort \* Design the shoes to live up to all customers functional needs \* The company’s stores have modern design and spacious rooms. \* Liberties to competitors \* Company pays attention to developing only products of footwear, but competitors such as Puma and Adidas pays attention as clothing and sports equipment. It subliminally suggests that ECCO company is more responsible and more productive in doing their work. Participating at the campaigns where is promoting healthy exercise and great entertainment and, in the same time, help others with every step they take. \* They have developed technologies that reduce the use of materials and energy resources, minimize waste, prevent excess pollution, and recycle waste from production units \* Discounts \* The company has deep discounts during the seasonal sales and also there are discounts for regular customers. \* Weaknesses \* Costs \* The footwear in the ECCO Company is expensive. \* Customer needs ECCO’s footwear do not always meet the demands of the colder countries due to differences in weather conditions during winter. Winter footwear ECCO is developed for the Danish weather. \* A small range of choice. \* Opportunities \* Collaborate with other retailers in Hungary \* Promote the healthy life and environment through ECCO Walkathon events in Hungary too \* Threats \* Continuing challenges in import and export duties \* The economic crisis Generic Strategy The most important rule for ECCO company: “ the shoe must follow the foot”. ECCO has created a product that combines quality and comfort, design and utility.

The main strategy used by ECCO is differentiation. ECCO produce the shoes for different customer segments: for men and women and also for children. People can get in shops footwear for the following needs: for business, casual, for sports, and also for children, as well sport shoes such as running and golf shoes. ECCO Company likes internalizing production and services as much as possible. Management of all components of the production – part of a strategy designed to provide innovative and high quality products, more than 90% of which are for export.

By expanding their array of products they have been able to answer the needs of a bigger number of customers. Differentiation allows the company to explore new markets and to expand their knowledge into new products. New markets mean new customers or processing the needs of already existing ones. By creating good marketing for new products and entering new markets following the same code of conduct the company is capable of attracting its customer loyalty. The company can claim to leadership. Conclusion

ECCO still has a lot of penetration to do before gaining a real position on the Hungarian market. As seen in Appendix 1, their market share is very low. This is one of the big challenges that ECCO must face to gain a position on the Hungarian market. It request further focus on branding and marketing, like its competitors do, to further broaden the brand recognition and general awareness of the brand. As for strategies we suggest that ECCO uses their usual differentiation strategy where they combine their unique competences with a broad market scope.