

Analysis and Assessment of the 5C's
Crocs Inc.

Company

Crocs Inc. is a globally known footwear manufacturer that is famous for selling affordable, comfortable, and customizable footwear options for its customers. This company focuses on providing its consumers with dozens of options for their need of shoes. Primarily, the products are directed for those that are in need of shoes that are affordable and have different style options that can be used for many different activities. Currently, Crocs have been the top option for many of the customers that are in need for these type of shoes. Their best selling item are the Crocs clogs, that can be found in an abundance of different colors and designs. What really differentiates the Crocs company from all of its competitors are the amount of options, the affordability of its products, and the fact that Crocs can be used for a handful of activities and events (Keijzer, 2011).

Customer

When looking at the footwear industry, especially for casual footwear, it is noticeable that there is a high demand for these types of products. Crocs are the leaders when it comes to this industry, but its competitors are not far behind. Crocs especially, do not focus on a specific group of consumers, they try to market to everyone that is need of casual shoes, as their competitors do (Keijzer, 2011). This market is very broad because these companies offer comfortable, stylish, and casual shoes for an affordable price. The typical consumer in this market is looking for a shoe that is affordable and comfortable. The footwear market has been shifting, and consumers are starting to become reluctant of compromising their comfort (“U.S. Footwear Industry Growth Continues to be Comfort-Driven”, 2018). The customers for this industry can not be described with general characteristics because these consumers are all different, they can not be put into any specific group (“Leisure Sneakers, Comfort-Oriented Styles Drive Footwear Sales”, 2018).

When it comes to the three stages of the purchase process, the first stage that comes to mind is the Pre-Purchase Phase. In this phase, a customer would have to decide whether buying a pair of crocs is a necessity or a want. If it results a necessity, a consideration set will be done to meet certain criteria of all the brands in competition with Crocs. For this instance, consumers make a list of the good and bad factors on Crocs and evaluate the pair to see if it can meet their needs. After, during the Purchase Phase, customers would eliminate brands and narrow down their search to purchase the product that most appealed to them. In this case, the Crocs. Finally yet importantly, the Post-Purchase Phase will take over to let the

consumer opinionated on the purchase and decide whether it will lead to a repeated acquisition or a return.

When purchasing a pair of Crocs, the consumers see this as a high involvement purchase because they see the product as one that is high family oriented. Therefore, Crocs marketing wants to make their customers feel comfortable and safe in these, since they can be used for either children or adults. The strong connection Crocs has with family is that they are both seen as a connection, long lasting, and functional. When purchasing Crocs, the company feel as if they have a more personal experience, in difference to their competitors, because Crocs always tends to find ways to connect with their consumers. Let it be through their diverse colors and shoe styles. Therefore, it is seen as a “classic.” This typical feel leads to a history and future generation of consumers. For example, getting parents to come back for new Crocs as their children grow older, getting mothers to buy for as themselves, and generating interest in different styles and formats. Moreover, the company’s strategy lets the consumers have a fast and effective in-store experience by simply selling them the product they want and avoiding small talk. In addition, customers can also shop online; it varies to try to accommodate each consumer that is interested in the brand (Keijzer, 2011).

Customers that are possibly looking to buy in the casual footwear area have various resources they can use to decide what brand and style they should buy. The first option is rather obvious and that is the internet (Keijzer, 2011). There are a number of websites that are dedicated to rate shoes and other clothing options, one of these is Zappos.com. Zappos is famous around the country for their great reviews and are a great resource for people that are trying to make a decision. Also, customers can visit each companies individual site to look at their own descriptions.

Context

One of the biggest factors impacting the footwear industry around Crocs is the consumer shift from buying in-store to online. Online shopping has started to take over the industry even putting some companies out of business if they could not transition to online sales sufficiently. This shift has come from a change in consumer wants, needs and expectations. People are now more likely to purchase from online sources because of how convenient they can be (Rigby, 2011). Customers have come to expect this level of convenience from modern companies and this alone has completely changed the footwear industry. Year after year more consumers are switching to buying shoes online which is

forcing many companies to completely change their business strategy (Butler-Young, 2016). Crocs has been able to adapt to this change well, and they currently have a fully functional up to date online store.

Another related factor in the footwear industry is a company's social perception. This has become an important aspect of the modern footwear company because many consumers are regular users of social media and companies have a lot to gain for interacting on these platforms. That being said however, there has been a push for more socially responsible companies that care about more than generating a profit. The overall, image of the company has become a hugely important factor because this is how many consumers make their decisions on where to spend their money. One of the first footwear companies to successfully grow a business while still focusing resources on charities is TOMS. In the past corporate social responsibility was less important to consumers but now studies show that 63% of Americans hope businesses will help lead social change (Fritz, 2018).

Crocs has a strong presence in the area of corporate social responsibility as well. Crocs recently tried to create a social movement by advertising their message online as well as on social media. Their message was telling people to remember to be yourself and love who you are (Pasquarelli, 2017). This relates to a lot of current social and political topics that are presently important. Getting involved in what consumers think is "right" is hugely important in modern commerce and has changed the footwear industry.

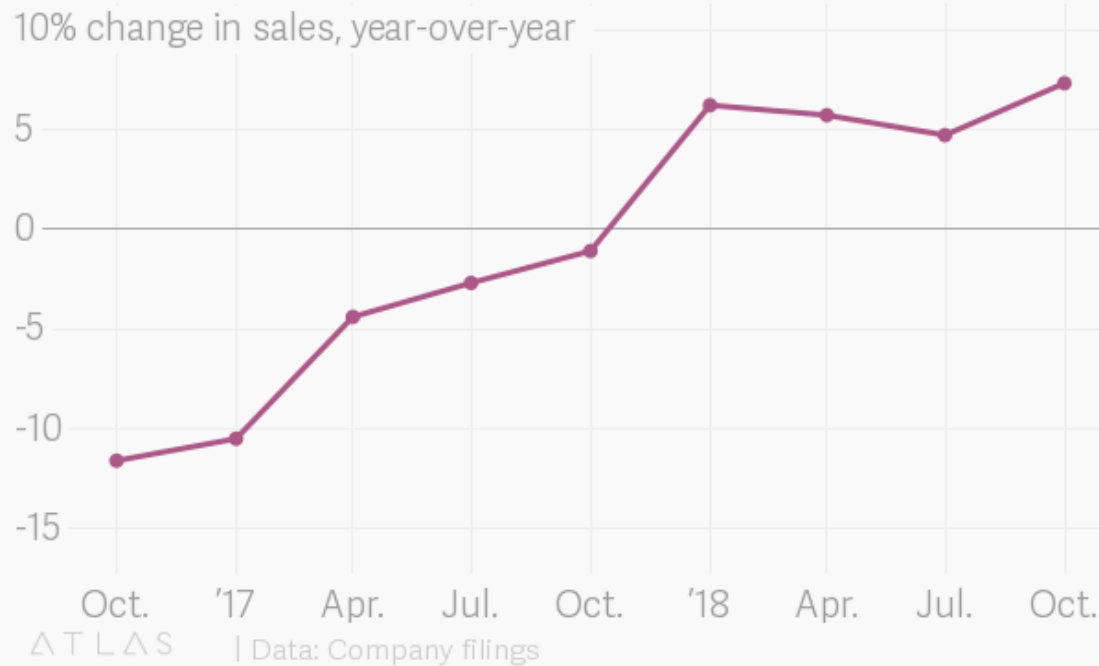
Another key influence of the footwear industry has been the emergence of a greater desire to be healthy. Over the past decade health and fitness have become much more important to consumers. We have come to better understand our bodies and extensive research has helped uncover what to do and what not to do in order to lead a healthy lifestyle and live longer. This has led to a spike in demand for athletic footwear as people aim to be more healthy and fit. Heart disease and obesity are the two biggest killers in America which has led to more people becoming health conscious in order to extend their life as well as the lives of their loved ones. More and more Americans are getting involved in sports or other athletic activities that require specific types of shoes and this has been a huge driver in the footwear industry as people look to change their lifestyles (Smith, 2018). Crocs Inc. has adapted to this trend by adding product lines that can help people achieve their health and fitness goals rather than just selling their classic rubber clog. This keeps them competitive in

both the athletic and non-athletic parts of the footwear industry without changing their commitment to inexpensive, comfortable and casual footwear.

Although athletic footwear is on the rise, non-athletic footwear still makes up a very large portion of the footwear industry that has only been increasing. Millennials are the main target of the footwear industry as many of the people in this age group influence or follow fashion trends. As fashion evolves many people find themselves requiring many pairs of shoes that can be matched with different outfits or used for different activities/events. Different types of shoes utilized in different scenarios has lead to new styles and technology used in footwear. This has made footwear companies have to diversify their product lines in order to stay ahead of competitors. Millennials are also targeted due to their presence in the workforce which over the past few decades more and more women have joined. This has led to a greater demand for women to have more shoes, specifically ones fit for work and business settings (Credence Research, 2019).

Crocs Inc. has enjoyed success in this new found era of fashion importance and shoe diversity. Many people find themselves buying Crocs again in 2018 as the company looks to rebound from their initial surge of success and then decline from when they first were released. Crocs have just recently become quite popular with teens this past year due to their versatility and ability to differentiate themselves from the other competitors in the footwear industry. Their use of influential celebrities has also given way to a new outlook on Crocs. By using names such as John Cena and Post Malone, Crocs was able to rebrand their product so that teens see them as comfortable and trendy rather than clunky and lame. Celebrities are a very integral part of the fashion industry and can help set trends especially among influential teens that are more inclined to follow what they do. This strategy has evidently worked as Crocs' sales charts show (Bain, 2018).

Crocs has climbed out of the swamp



The changing culture and trends has led to a very different footwear industry that we may have witnessed ten or twenty years ago. This very competitive industry has steadily grown over that time due to all these changes and it doesn't seem to be declining any time soon as the industry is projected to reach almost \$300 billion in value by 2026 from where it sits now at about \$222 billion (Credence Research, 2019).

Competitors

The main competitors for Crocs are Adidas, Nike, Sketchers and Deckers outdoor. These companies are much more diversified and in the products they offer as they also provide clothing, whereas Crocs is only a footwear company with a differentiated product having their signature clogs, these are not offered by any of its competitors. Crocs often is known as comfortable footwear that is cheap and durable. The competitor companies have started taking out very light and cheap shoes that are durable, so that people choose their product over Crocs. However, Crocs has a very loyal customer due to its design and comfort and its signature clogs, which no other company has attempted to replicate. Crocs has also added a decorative add on called Jibbitz, which is a signature of Crocs. This way one can

learn how Crocs is very differentiated from all its competitors, and none of the competitors are trying anything new to market their products.

Collaborators

Crocs also has a multiple number of suppliers given the small amounts of materials needed in order to produce the product. The primary material used is “Croslite” which is closed-cell resin, Crocs has a number of suppliers it currently uses in order to manufacture the resin. Yet, it has also identified other suppliers that can do the same making Crocs much less reliant on a specific supplier. As Crocs has made different shoe models over the years it has also required additional suppliers for materials such as leather and other textile fabrics which it currently purchases from third parties in Europe. Crocs has no key intermediaries that give it expertise or services since Crocs are sold within their own stores and websites. Employees create value in the experience customers get in stores since the product is a shoe with standards that are maintained throughout (“Crocs's Suppliers Performance”, 2018).

Key Marketing Challenges and Opportunities

The Footwear industry is growing as the demand is extremely high for products due people’s desire to change their footwear according to fashion and their comfort. In the coming future, a company must be able to predict the upcoming fashion trends and stay at pace with the consumers preferences, which can be hard to predict, but with differentiation and having a unique product a company can succeed. Also, by marketing to different demographics groups a company can be very successful as this way the brand will have a loyal customer and will be able to grow their sales. Lastly, managing a company’s international operations as a lot of company’s main sale and revenues comes from international sales.

Companies today are looking towards the future taking into account the use of technology, as in using 3D printed shoes, which will be very cost efficient and aesthetically pleasing, which will make production of shoes way faster and more efficient. This may mean that the consumers would demand a reduction in prices and more aesthetically pleasing comfortable shoes.

For a company to gain advantage over these threats they should start adapting technology in a much larger way as this way a company will be able to become more efficient with making the shoes on a larger scale. Also, the transaction process of choosing and paying for the product with an improvement in technology will be very helpful for the

clients. Continuing, the companies should also put a lot of focus on the data about trends and different demographics as this way the companies would know what their customers are looking and will be able to target the segment in a much better way

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