

Strategic development

Report



CROCS inc.™



Executive summary

Crocs, a shoe brand known for its ugly appearance, has undergone a remarkable turnaround since its inception in 2002. The brand focused on simplifying its products and shaping its iconic and classic line (Danziger, 2023), which is still associated with the "Classic Clog" in the midst of the Generation Z trend. However, this marketing strategy will be challenged in the future, as the brand's image is tied to a single product, affecting public opinion and causing consumers to overlook other innovations. This homogenization is a direct result of Crocs' mixed performance in its six core markets, particularly the UK (Statista, 2024).

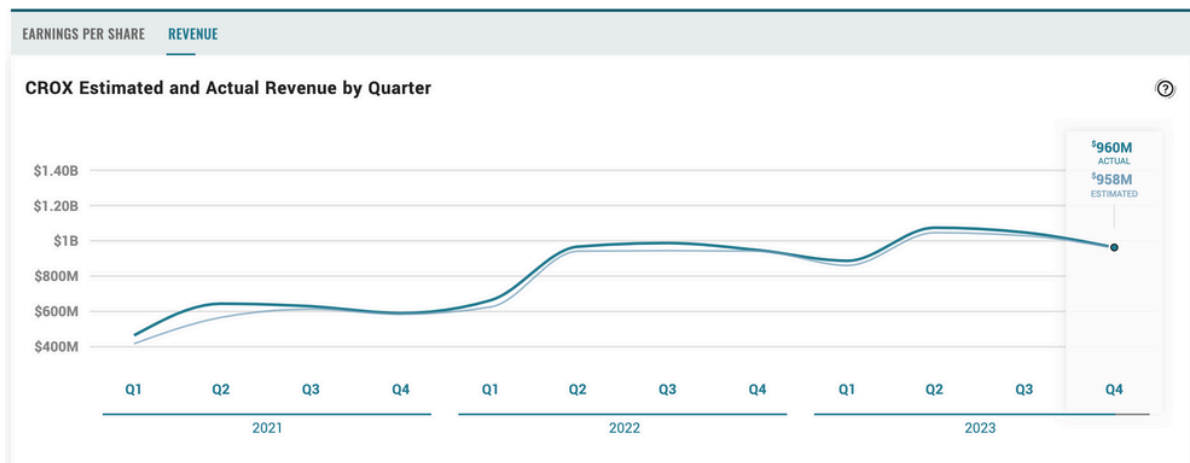


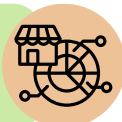
Figure 1.2.1 Crocs Revenue by Quarter (Nasdaq, 2022)

Therefore, this raises a question for the future strategic development of Crocs: does the brand need to break stereotypes, reinvent its image and transform again?

01 Stereotypical marketing focus



02 Unpenetrated UK market



03 Poor use of technology



04 Limited focus on sustainability



05 Immature stock management



Diversify

Innovative

Environment

Figure 1.2.2 Crocs's key issues identified in the situational analysis (Author's own, 2024).

Strategic Objectives.



Eliminate brand stereotypes and build a more diverse brand image.



Enhance sales performance in the UK market.



Merging brands with AR, VR, metaverse and other technologies



Investing in sustainability to accelerate the realisation of zero net



Strengthen supply chain management and optimise inventory forecasting



5 Key issues and associated strategic objectives for Crocs' future strategic development were discovered through internal investigations and macro influences (Figure 1.2.2). Crocs is offered a distinct array of opportunities by these strategic objectives.

Figure 1.2.3 Crocs's future strategic objective (Author's own,2024)





Crocs combine with technology innovation

Brand Issues Solved



Enhance sales performance in the UK market.

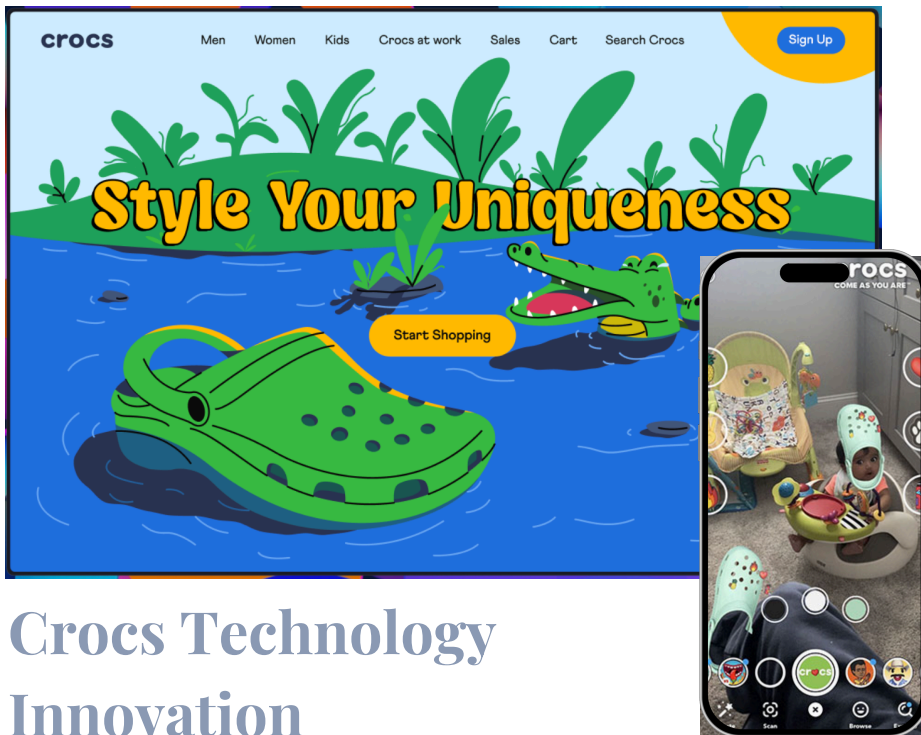


Merging brands with AR, VR, metaverse and other technologies

Crocs will pursue the expansion into new technologies to establish an integrated virtual and physical environment that enables users to engage in exploration, interaction, and shopping, thereby accomplishing strategic strategies 2 and 3. The integration and fusion of AR, VR, and 3D printing technologies are specifically developed to amplify the consumer experience and captivate consumers' interest and allegiance towards the Crocs brand. Additionally, it will enhance brand recognition among this specific target demographic, offering consumers an exclusive and distinctive shopping encounter.



Crocs' distinct and distinctive identity will differentiate them in the market, as they incorporate technology and virtuality into the retail industry. The brand's cutting-edge in-store experience will offer users a fully engaging and interactive shopping experience, solidifying Crocs' position in the retail industry. As a result, this will emphasise Crocs' market position, positioning itself as a leader in consumers' thoughts by means of technological advancement.

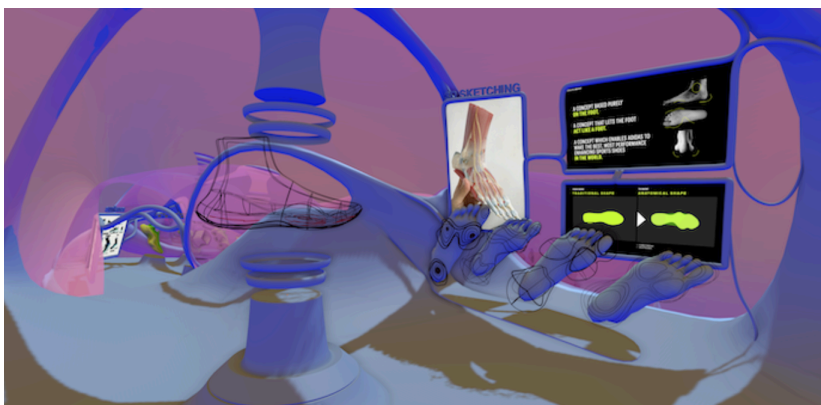


Crocs Technology Innovation

The VR headset lets customers interact with the brand's products in-store and learn about their manufacturing. Based on data and the user's website selection, artificial intelligence creates a model diagram. 3D printing lets users customise Crocs after confirmation. DeepR.ai's Crocs-specific virtual fitting software lets users choose styles at home and let AI recommend product sizes to reduce returns. It enhances brand innovation, customer satisfaction, and experience.

Justification

VR in Crocs stores creates an immersive and unique consumer journey that encourages user participation and lets consumers see product production firsthand. Give customers an innovative, interactive physical retail experience. VR virtual fitting software and 3D printing customisation give customers another brand consumption option. Through this experience, Crocs leads digital innovation and achieves strategic goals.



1

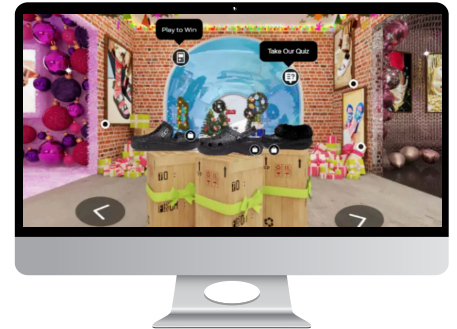
AR Technology

2

VR Technology

3

3D Printing



Peter Rabbit Co-Branding Campaign

The insights gleaned from Crocs' Strategic Development Report (2024) highlight several key issues. Among these, the two main concerns are:



**Unpenetrated
UK market**



**Stereotypical
marketing focus**

Evidence indicates that the brand confronts consumer misconceptions about its product diversity and innovation. Thus, expanding the product line and increasing market exposure are crucial to enhance consumer brand perception and ensure successful growth (Mardiani et al., 2024).

The Concept

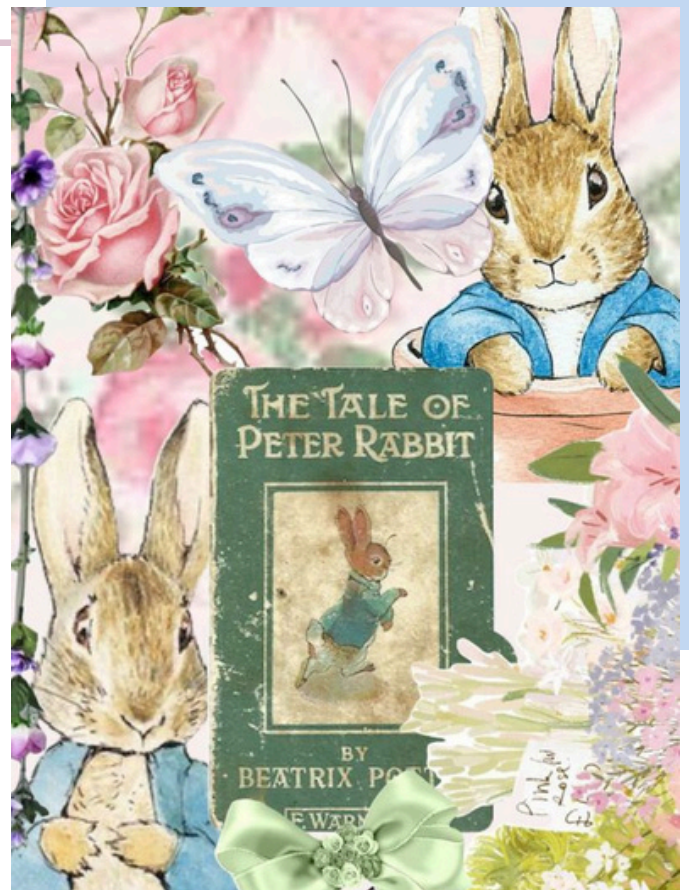
The concept focuses on boosting market presence by **collaborating** with the cultural icon, **Peter Rabbit**. This collaboration aims to change the UK consumer perception that Crocs' classic clogs are uncreative and aesthetically unappealing. It also strives to build an emotional and cultural connection with consumers, increasing their engagement with the brand.

Key Facts

Crocs' **UK** performance is **limited**, with EMEA revenues accounting for only 17% of the brand's total, according to Crocs (2024).

59.5% of respondents were **unaware** of Crocs styles other than the classics (Author's own).

Many styles fail to receive sufficient market **exposure**, and some collaborative styles are **unavailable** in the UK market (Tiktok, 2024).



The Strategy

With more and more consumers (around 66 %) taking their **social and cultural values** into account when making purchasing decisions (McKinsey & Company, 2022), Crocs is using a **campaign** to promote its culturally British Peter Rabbit co-branded collection to all UK consumers.

The choice to co-brand with Peter Rabbit, an icon of British culture, was made because:

- In the consumer survey, **39.5%** of families with children or older children chose Peter Rabbit out of four possible co-branding suggestions.
- The range is aimed at the **children's** market and Peter Rabbit is extremely popular with children in the UK.
- Peter Rabbit's emphasis on "**curiosity and discovery**" (Victoria and Albert Museum, 2023) has high promotional value for the children's market.



Eliminate brand stereotypes and build a more diverse brand image.



Enhance sales performance in the UK market.

TOWS matrix.

Opportunity.

- UK children's footwear market continues to grow
- Peter Rabbit boosts Crocs' cultural appeal in the UK and globally.
- Partnering with IPs like Peter Rabbit can enhance Crocs' brand image, especially among families and children.

Threat.

- New children's shoe brands' innovations are impacting Crocs' market appeal.
- Economic instability may cut spending on non-essential items like pricey children's shoes.
- Crocs must innovate continuously to keep up with fast-evolving children's shoe trends.

Strength.

- Global revenue growth
- Crocs' product design and material innovation capabilities can be used to develop specialty children's shoes that fit the Peter Rabbit brand image.
- Rich experience in working with well-known IPs and artists

S1 + O1: Expanded in the UK by launching Peter Rabbit-designed children's shoes to boost cultural relevance and market appeal.

S2 + O2: Use Crocs' strong experience with IPs to enhance partnerships with cultural icons like Peter Rabbit, boosting brand appeal globally.

S1 + T3: Leverage product innovation to keep pace with evolving trends and maintain appeal against new market entrants.

S2 + T1: Strengthen collaborations with well-known IPs to offset competitive pressures from new innovative children's shoe brands.

Weakness.

- Stereotypes may affect the acceptance of new collections among fashion-sensitive parents.
- The market for children's footwear is highly competitive and price sensitive.
- Inadequate distribution and retail channels in some key small towns or rural areas affect product accessibility and sales.

W2 + O2: Create marketing campaigns that promote Crocs' Peter Rabbit collaboration, targeting fashionable parents to enhance brand perception.

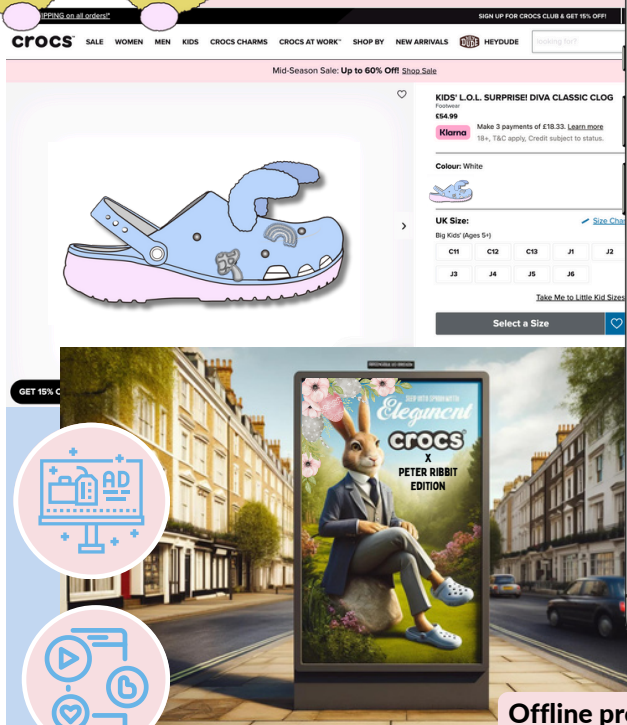
W1 + O3: Introduce limited-edition, culturally themed Peter Rabbit collections to attract trendy parents and children, refreshing Crocs' brand image.

W2 + T2: Address the competitive and price-sensitive nature of the market by refining pricing strategies and increasing value proposition.

W3 + T2: Improve product accessibility in key small towns and rural areas to mitigate the impact of economic instability on sales.

The TOWS strategy targets the expanding UK children's footwear market and cultural opportunities, emphasizing brand diversification through partnerships with IPs like Peter Rabbit. Marketing efforts should cater to children who enjoy stories and adventures and tailor to fashion-conscious parents, using a blend of online and offline methods to boost effectiveness. This approach will increase Crocs' market appeal and sustain its brand image and competitiveness.

Visual Output



Social Media promotion

Offline promotion

Justification

By utilising Peter Rabbit's popular image and cultural symbols, Crocs will increase its recognition and appeal in the UK market, deepening consumer awareness of the diversity and innovation of its products. This collaboration strategy combines market analyses, consumer preferences and brand IP fit with the aim of expanding the market and enhancing the brand's image.

The **overall objectives** of the co-branding campaign:

- Eliminate consumer stereotypes (without undermining the business mission)
- Improve UK regional net revenues (commercial success)
- Enhance the brand's cultural value and diversified image.

Today, the tradition of using animated characters as a fashion element continues in modern fashion (Maarit Kalmakurki and Healy, 2022).

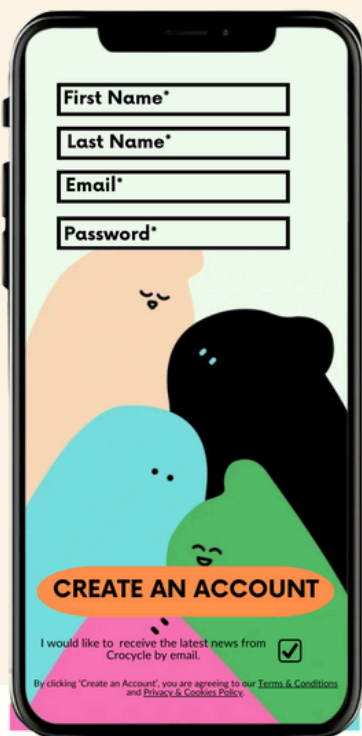
The new collection is inspired by Beatrix Potter's original illustrations, specifically the colors and rabbit images. This connection not only honors her classic children's art but also drives brand forward by merging timeless charm with modern design, appealing to both kids and parents.

MOBILE APPLICATION

Fashion Project
Yixuan Fang 10855486

OVERVIEW & CONTEXT

For Crocs, the Strategic Brand Development Report (2024) suggested three strategic directions to strengthen its market position: launching physical stores in the UK to establish a direct retail presence, initiating the "New Life for Old Crocs" campaign in these UK stores to emphasize sustainability, and expediting the Net-Zero emissions target, currently set for 2040 (Crocs, 2023). These recommendations are informed by in-depth brand analysis, considering the critical shifts in the external environment, consumer trends, and Crocs' specific challenges.



Limited focus on sustainability



Poor use of technology

STRATEGIC TIMELINE

2024



Enhance sales performance in the UK market.



Merging brands with technologies



Investing in sustainability to accelerate the realisation of zero net



Strengthen supply chain management and optimise inventory forecasting

Future

OBJECTIVE

- Increase consumer awareness and action on **sustainability**
- Enhance **brand image** and **social responsibility**
- Increase consumer **engagement** and **loyalty**.
- Engage consumers by **offering sustainable activities** and increase their **identification** and **loyalty** to the brand.
- Develop and optimise **mobile apps** to address the lack of Crocs **technology** applications

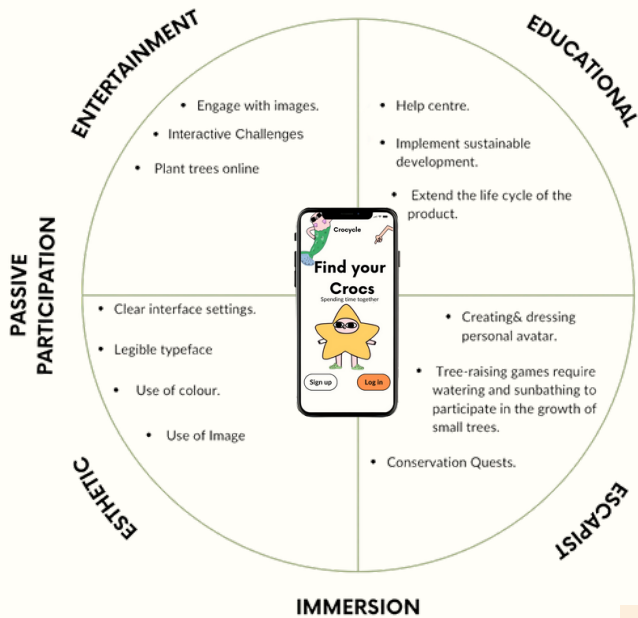
CONSUMER REVIEW

73% of Gen Z **consumers** were willing to pay more for **sustainable** products (Jahns, 2021).

About **two-thirds (64%)** of **Gen Z** are prefer **shopping online** (McKinsey & Company, 2024).

62% consumers are more likely to buy an item of from a brand that values **sustainability** (Fashion Revolution, 2018).

ABSORPTION



RESEARCH & ANALYSIS

Developing an app that provides education, aesthetics, escapism, and entertainment is important to increase consumer awareness, engagement, and loyalty towards sustainability (Business of Fashion, 2023). The nature of second-hand resale apps allows for a high level of user engagement and focus on the brand's efforts towards sustainability, thus contributing to the net zero goal set by crocs (Crocs, 2023). This has also helped Crocs to reduce its environmental burden and improve its use of technology. Interactive educational content, engaging visual design, personalised experiences, and gamification elements are important themes in fashion apps (Lau and Ki, 2021).

VISUAL OUTPUT



JUSTIFICATION

Mobile apps encompass key themes of sustainability and environmental protection while also redefining the consumer experience through enhanced user interaction and engagement. Given that Generation z users are increasingly inclined to use their digital bodies to express themselves (Francis and Hoefel, 2018), mobile apps offer a personalised and interactive user experience.

The increased demand for sustainable products in the market has forced brands to look for innovative and effective ways to do so. And the development of digital technology improves market adaptability for Crocs, allowing it to realise greener consumption patterns through resale and recycling platforms (Charnley et al., 2022).

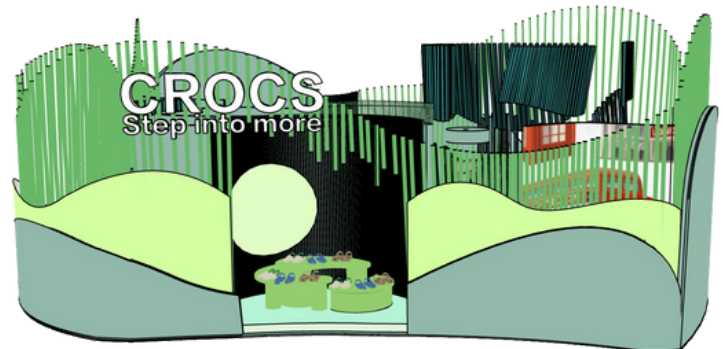
Pop-Up store: Step into more

Objectives

Building brand awareness and engagement

Demonstrate Product diversity and fictionality

To pave the way for the full opening of the UK Market



Key Issues to Solve

01

Stereotypical marketing focus



02

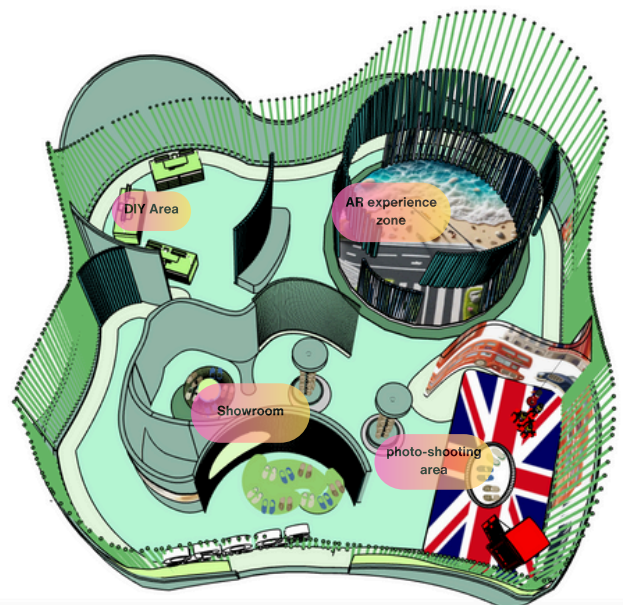
Unpenetrated UK market



This report is centred around the fact that Crocs will be expanding its presence in the UK market by strategically deploying flash mobs as well as a strong social media campaign. The main aim of the strategy is to increase Crocs' awareness and engagement with consumers in the UK and to promote and introduce the brand's extensive product line as much as possible, thus paving the way for crocs' full entry into the UK market. There are five issues that Crocs is currently facing as mentioned in the group strategy report and this piece focuses on addressing two of them 'Untapped UK market' and 'Stereotypical brand image'.

Pop-Up Store

Pop up stores are designed to build significant brand awareness and engagement through direct interaction with consumers in high-traffic urban areas and through dynamic online platforms. The pop up shop will not only serve as points of sale, but also as venues to vividly showcase the diversity and functionality of Crocs' expanded product line, which includes stylish new designs and classic, comfy wooden-soled shoes. They will also include exclusive UK customer photo stops to promote synchronised marketing between the flashmob and social media. The pop up shops will be rolled out progressively in London, Birmingham and Manchester.





Social Media

In order to effectively promote the Crocs flash mob and increase brand awareness in the UK, our strategy includes a multi-faceted social media campaign. Prior to the event, we will engage local influencers through teaser content and interactive posts, utilising platforms such as Instagram, TikTok and Twitter to spread the word. Influencers will utilise countdowns and share story content to create excitement.

During the event, we will live-stream the celebrations on Instagram and Facebook Live to encourage real-time interaction and promote user-generated content using designated hashtags, such as an exclusive punchline in the flashmob to take photos and share them on social platforms. After the flashmob, dynamic highlights were shared across all channels, recapping the vibrant display and driving footfall to nearby flashmob shops through promotions. This strategy not only leverages the immediate impact of the flashmob, but also reinforces long-term engagement by linking the excitement of the event to ongoing dialogue and promotions, ensuring continued interest and a deeper connection with the brand.



Justification



This approach not only generated immediate buzz and widespread content sharing, but also cost-effectively appealed to young, fashion-conscious consumers. In addition, the integration of social media allows for ongoing interaction and community building, fostering long-term customer loyalty and providing valuable consumer insights for future strategies. Overall, the project is expected to significantly enhance Crocs' brand presence and pave the way for continued growth in the highly competitive UK market. This approach not only generated immediate buzz and widespread content sharing, but also cost-effectively appealed to young, fashion-conscious consumers. In addition, the integration of social media allows for ongoing interaction and community building, fostering long-term customer loyalty and providing valuable consumer insights for future strategies. Overall, the project is expected to significantly enhance Crocs' brand presence and pave the way for continued growth in the highly competitive UK market.



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