

Strategic Development Report.

UGG®



Executive Summary.

KEY ISSUES

Limited apparel and homeware offerings



Narrow focus on one demographic



Lack of experiential in-store retail



Seasonal brand limitations



Lack of sustainability



Figure 1.2.2 : UGG'S Key Issues
(Authors Own, 2024).

It is evident that UGG's success has varied with seasonality and trends significantly contributing towards the brand's popularity, supported by figure 1.2.1. As of 2024, UGG's comeback has put them in a secure financial and reputational position that they need to sustain. UGG's comfort connotations must be carried through within their strategy to remain coherent to their DNA and provide a compelling USP.

To address UGG's key brand issues (see figure 1.2.2), they must pivot their attention from brand associations with footwear to expansion, as they broaden their product portfolio towards apparel and homeware. UGG need to widen their demographic focus to recapture millennials, an identified neglected market, through a reshape of their promotional activities. This will aid them to evolve and adapt as they strive to become a 'lifestyle brand', aligning with their mission to 'make self expression comfortable for all' (UGG, 2024).

Interest over time

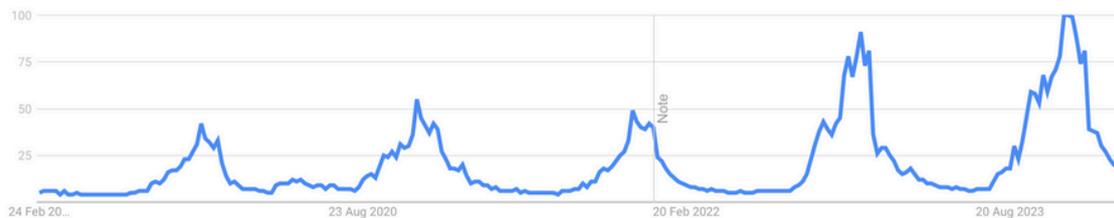
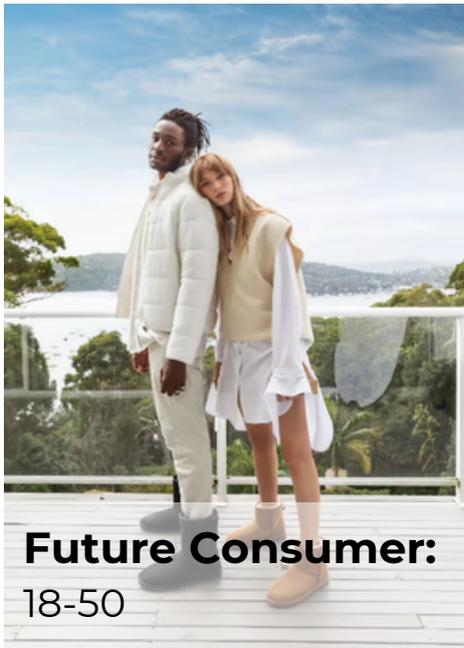


Figure 1.2.1 : UGG'S Seasonal Searches (Google, 2024).

Expand.

Recapture.

Comfort.

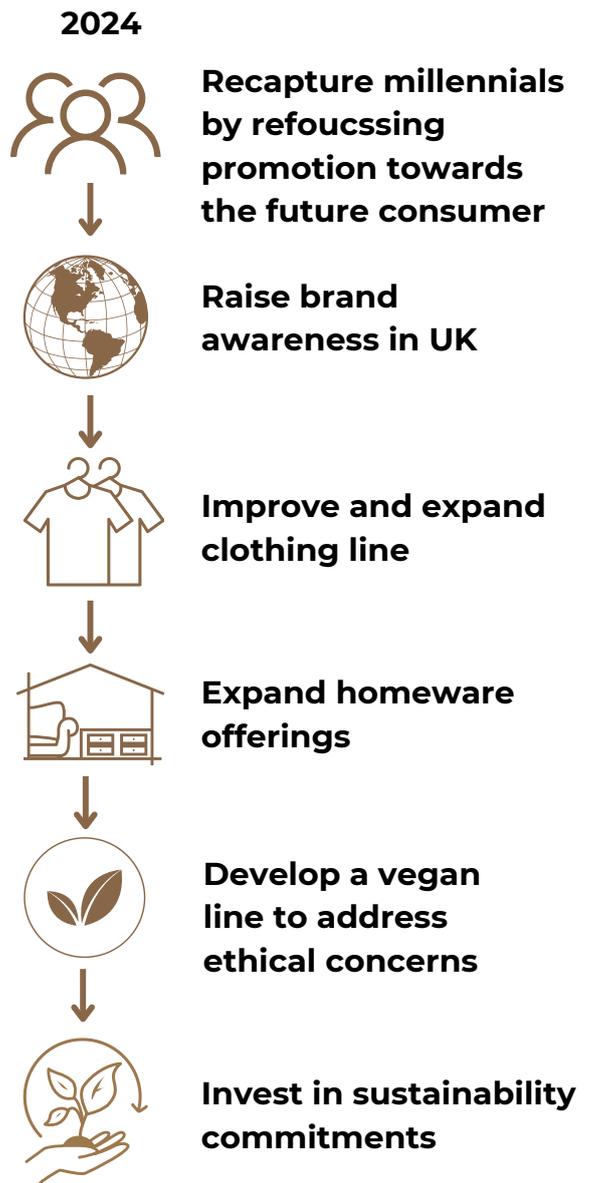


As sustainability is a prominent driver in the fashion industry, UGG should prioritise environmental and ethical practices to align with demographic demands and changing industry standards.

Based on internal and external findings, we have drawn 6 effective recommendations for UGG's future strategic direction (see figure 1.2.3).

These suggestions implement a market penetration strategy, providing solutions through incremental changes to minimise potential risks and external market pressures. It is highly likely, this will solidify and enhance UGG's position within the competitive marketplace by becoming more versatile.

Strategic Objectives



Future Consumer

Figure 1.2.3 : UGG'S 6 Recommendations (Authors Own, 2024).



The Ugg Elevate Collection.

**Strategic Concept:
Fashion product development
strategy producing a new
clothing range plan**

This project aims to address four of the key issues identified in the Strategic Brand Report (2024) that are threatening Ugg's current successful positioning within the market and limiting their potential for expansion.

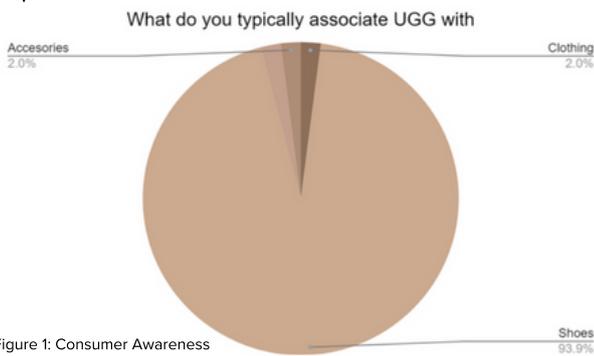


Figure 1: Consumer Awareness (Strategic Brand Report, 2024)

Key Issues.

Limited and disconnected apparel offerings



Seasonal brand constraints



Narrow focus on one demographic



Sustainable and ethical concerns



Only '9.9% of Ugg's product offering is attributed to clothing' (EDITED, 2024) resulting in little consumer awareness of the current collection (see figure 1). The present range also lacks cohesion with the brands identity, containing an excess of "irrelevant styles, prints and colours" (Jackson and Shaw, 2008) that are not tailored to their millennial consumers demands.

Therefore through the development of a new clothing range (**The Ugg Elevate Collection**), the company will cement their position within the apparel market by leveraging their positive brand image based in footwear and by strengthening internal communications between the marketing and buying teams to ensure the new garments alignment with both the brand and the consumer.



A/W 24/25 and S/S 25 Range plans.

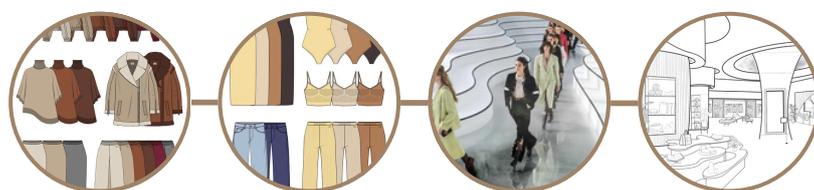
The Elevate collection will feature both autumn/winter and spring/summer ranges diluted from runway trends to establish Ugg as a trans-seasonal brand in order to maximise profits all year round. As discussed in the Strategic Brand Report (2024) “50% of customers stating they preferred to have vegan-verified products across all clothing categories” (The Vegan Society, 2021). The use of animal skins in their footwear range presents a challenge for Ugg as they attempt to support their commitments to their CSR values “people and planet” (Ugg, 2024) without

diminishing their product quality and brand heritage. Animal based materials are not prominent within the current clothing range however synthetic fibres and artificial dyes contradict the brands sustainable initiatives thus the entire Elevate collection will be produced using only sustainable and vegan materials and methods.

The collection will be underpinned by a comprehensive price architecture evaluation to ensure the extensions financial viability. Samples of the full range will be showcased at the live launch event to increase consumer awareness for the new line and gather pre/post testing data before the collection is available for purchase in Ugg’s wholly owned UK stores, with a view to integrating into their concessions when the collection is proved to be a success.



Implementation.



A/W 24/25 Collection
Development

S/S 25 Collection
Development

Live Launch Event
March 16th

Flagship Opening
November 26th

EXPAND

Clothing product offering

RECAPTURE

Millennial consumers

COMFORT

Re-align to brand identity

The UGGElevate campaign.

Strategic concept: Invest in experiential marketing to recapture millennials, raise awareness for UGG's apparel, and enhance the future consumers' brand experience.

Evidenced from the strategic development report (2024), UGG faces multiple issues which threaten their current popularity spike and pose the risk of another decline and becoming a forgotten brand. Rivalry is high within the luxury market with direct and indirect competitors excelling in experiential marketing strategies that create tangible connections between their audiences. This report recommends the implementation of an omni-channel launch campaign aimed to tackle two of UGG's brand issues (figure 1.2.1). The campaigns' goal is to promote the UGGElevate clothing line, underpinned by UGG's need to redirect targeting towards the 'future consumer' to specifically recapture millennials. Given the growing demand for versatile, seamlessly transitional fashion, this immersive campaign will captivate a diverse range of consumers, enabling UGG to enhance visibility for their apparel line.

Targetted key issues



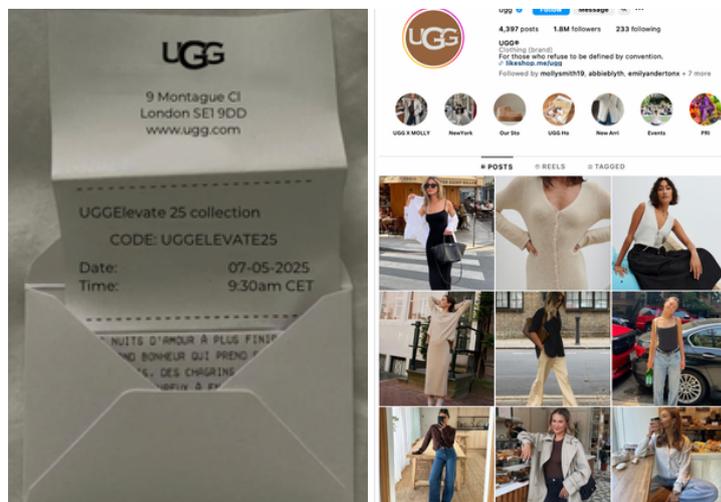
Narrow focus on one demographic



Limited apparel and homeware offerings

Figure 1.2.1: UGG's highlighted issues (Strategic development report, 2024)

Research & development



The evolution of modern consumers' shopping habits, blending digital and in-person experiences (Green, 2021), has initiated a new era of marketing communications with brands enhancing customer experiences through captivating promotional efforts (Nobile, 2020). Therefore, UGG's marketing campaign will include content across both digital and physical landscapes, proving opportunities to engage with UGG's future customer at various points in their journey. The campaign is strategically scheduled (figure 1.2.2), with key stages outlined to develop a clear, consistent narrative.

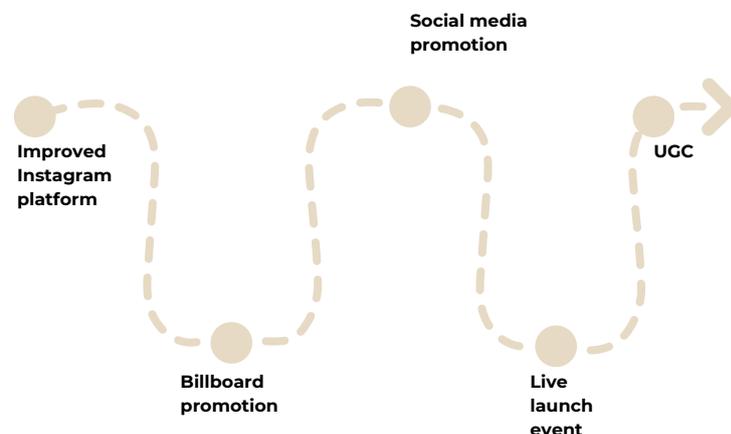


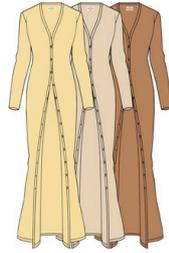
Figure 1.2.2: UGGElevate campaign timeline (Authors own, 2024)

Campaign objectives

- 1 Recapture the millennial consumer
- 2 Gain recognition of UGG's clothing line
- 3 Captivating fashion-conscious individuals
- 4 Maintain in consumer's memory

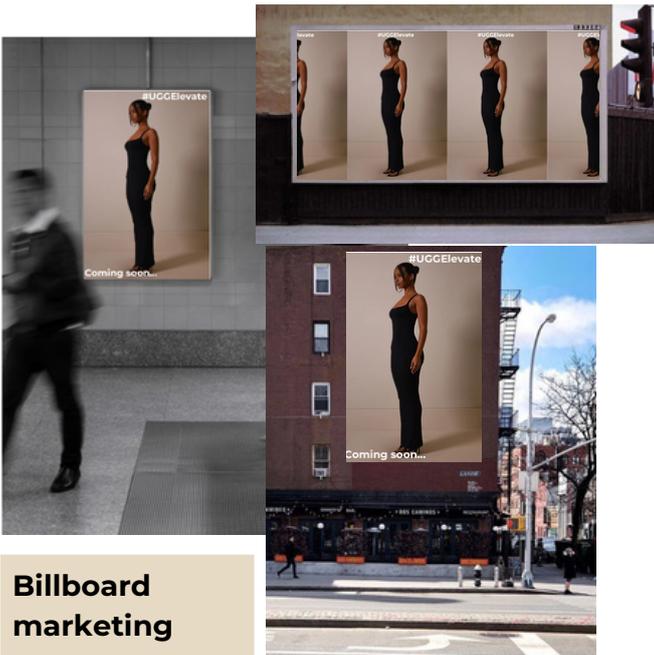
Campaign visualisation

To ensure the campaign's longevity, innovative technologies are integrated into the live launch event through live-streaming, and ongoing customer engagement planned with post-launch user-generated content (UGC).

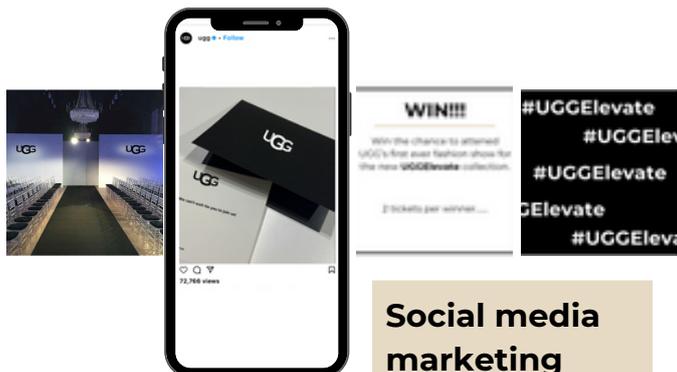


Live launch event

#UGGElevate



Billboard marketing



Social media marketing

Justification

The UGGElevate campaign recognises that UGG's offerings go beyond footwear. By infusing experiential marketing throughout, it will drive success, fulfil UGG's objectives, and broaden their identity as a lifestyle brand. It is important to note that this strategy meets all three key words, from the aims illustrated in the strategic development report (2024).

Expand UGG's promotions utilising experiential marketing to engage the future consumer

Recapture millennials, key to the success of UGG's promotional strategy.

Innovatively communicate UGG's new apparel line, underpinned by **comfort**.



At Home With UGG.

Issues.

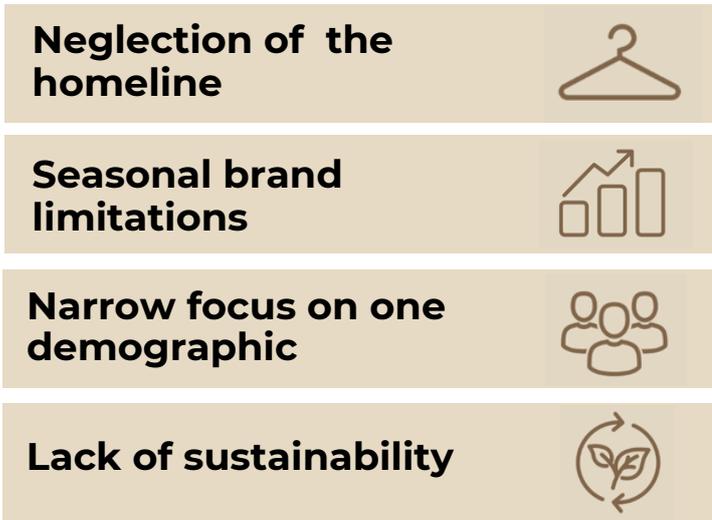


Figure 1 : UGG's Brand Issues (Authors Own, 2024)

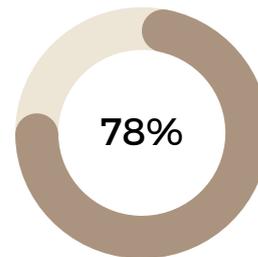
This project will address UGG's brand issues identified in the 2024 GSR (Figure 1), through a strategic pivot towards fostering product diversification as they transcend footwear origins and recapture millennial's. This addresses transeasonal appeal as they reinforce maintaining a prominent market positioning and sustain popularity.

97.5% of individuals state UGG have strong scope to expand their homeline and would be interested in the collection (Authors Own, 2024)

Objectives.



Figure 2 : Product Development Objectives (Authors Own, 2024)



Individuals prioritize their home spaces' appearance due to indoor lifestyle shifts. (Intel, 2024).

Homeware sales increased by 6.3% to 7.9% in 2023 (Passport, 2024).

The home line will incorporate sustainability within every stage of the process model. Leveraging Industry 4.0 technologies will enhance sustainable efficiency, alongside the adoption of eco-friendly Innovative materials. UGG aims to re-engage with millennials, a demographic previously overlooked, as they drive a consumer centric approach to product development, placing mature values of quality, sustainability and timeless appeal at the forefront of the collection.

An identified gap in the market for brand driven homelines from mid market retailers suggests a strong USP that UGG can leverage and capitalise on.

UGG's robust brand equity centered around comfort and iconic elements, will be carried through their strategy to remain consistent with other product categories.

The Range.



Fashion Snoops (2024) outlines 'Zen Refuge' as a FW 24/25 macro trend driven by increasing indoor lifestyles. UGG will support the unwinding of millennial's through the integration of sensory elements within product attributes to support calming sensations. This enables UGG to deepen their market penetration by fostering meaningful connections with consumers, that Johnson and Scholes (2010) states drives long term loyalty.

EXPAND

Brand offerings as they become a lifestyle brand

RECAPTURE

Millennials, tapping into core behaviors

COMFORT

Embed comfort into the strategy

Implementation.

The home market forecasts robust growth, presenting it as a lucrative market for UGG enter with strong profitability, with a long term sizable market segment to tap into.

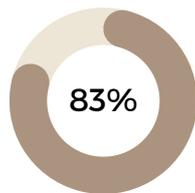
The implementation of the homeware line will be supported alongside two other strategic concepts. It will be stocked across all stores including the new London destination flagship, and the mobile national pop up concept moving throughout the UK. The pop up addresses UGG's store shortages, with 84.9% of consumers pre purchase liking to visualise home products in person.

The strategy aligns with all three key objectives outlined in the 2024 SBR, fulfilling the aims and goals (Figure 3).

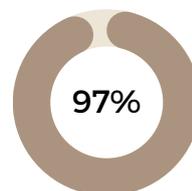
Figure 3 : UGG's Brand Issues (Authors Own, 2024)



The entire range is at least 90% sustainable



Millennials consider sustainability in buying decisions. (Ndure, 2023)



Consumers state UGG has strong scope to expand its homeline and would be interested (Authors Own, 2024)



The Destination Flagship

Key Issues

Narrow focus on one demographic



Lack of experiential in-store retail



Lack of sustainability



Figure 1.1.1 : UGG'S Key Issues (Authors Own, 2024).

81%

81% of consumers are willing to spend more for experiences (Fashion Snoops, 2024.)

72%

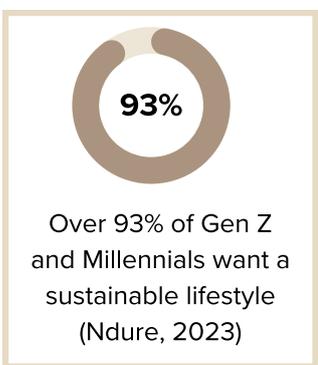
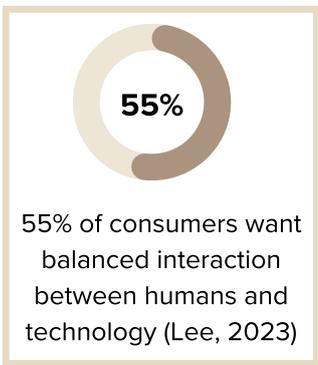
72% of consumers prefer in-store shopping (AuthorsOwn, 2024)

This report proposes the launch of a new destination flagship store aimed at effectively addressing three key issues identified within the Strategic Brand Report (2024.) The overarching idea of this destination flagship is to promote a more sustainable shopping approach through a relaxing and experiential shopping experience. The proposal will ensure UGG can broaden their focus beyond traditional in-store environments, recapture the neglected cohort of millennials and increase sustainability associations with the brand to redirect the attention of their future consumer. With the rise of experiential stores, this concept will allow consumers to fully immerse themselves within the UGG brand, making it the most suitable development to solve the key issues. The store will conceptualise all aspects adding features of digitalisation, personalisation, sustainability and other experiences.

This mood board illustrates the destination flagships strategy through visual representations. It suggests appropriate in-store environment and atmospherics to stay timeless and align with the UGG brand.



Elaborating on each concern; millennials account for a significant proportion of UGG's clientele, neglecting this demographic can have consequences for UGG, including a decline in market share, brand perception and customer loyalty. The lack of experiential retail can present several implications for UGG as experiences tend to increase store traffic. They provide an engaging interaction between consumers and the brand and attract consumers in today's competitive landscape. Additionally, integrating sustainability into retail services is important as consumers demand more eco-conscious options.



The destination flagships experiential and sustainable aspects will align with UGG's future consumer needs, preferences and commercial trends. These elements will be integrated seamlessly with UGG's identity to ensure brand alignment.

It is vital that the strategy meets all three key words, to meet the Strategic Brand Report (2024) key objectives.

Expand UGG's focus on more sustainable implementations through in-store experiences to become more eco-conscious.

Recapture UGG's future consumer through their behaviour to build brand stability and increase market share.

Incorporate. Comfort into each stage of purchase within the strategy



The home pop-up shop.

Key issues.



Narrow focus on one demographic.



Lack of experiential in-store retail.



Limited & unrecognised homeware offerings.

Objectives.

Recapture millennials with the innovative promotion of UGG's new homeware line.

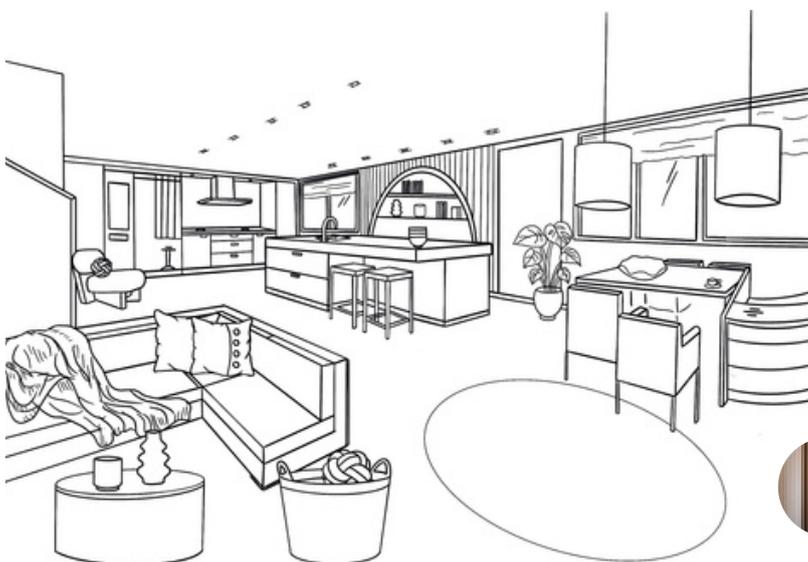
Attract UGG's future consumer through the experiential pop-up.

This report proposes the launch of an experiential pop-up shop to address three key issues facing UGG, identified in the Strategic Brand Report (2024). The objectives set out demonstrate how UGG can tackle these core issues.

UGG's current promotional strategy has a Gen Z focus, failing to align with the multi-generational direction of their product portfolio (Ashley, 2015). Their brand association with footwear has led to their homeware being largely unrecognised by the consumer. Expanding UGG's promotional focus to include millennials and Gen X not only broadens their customer base but also increases visibility for their homeware line.

Global consumer trends are centred around digitalisation, personalisation and experience. Research highlights the role of technology in enhancing the shopping journey, with consumers showing preference for brands offering bespoke experiences. UGG's current lack of experiential in-store retail demonstrates a failure to keep up with evolving consumer preferences, hindering their competitive advantage (Henkel and Toporowski, 2023).

Pop-up design visualisation.



Calming.



Products as art.



Fluffy walls.



Wood.



Greenery.



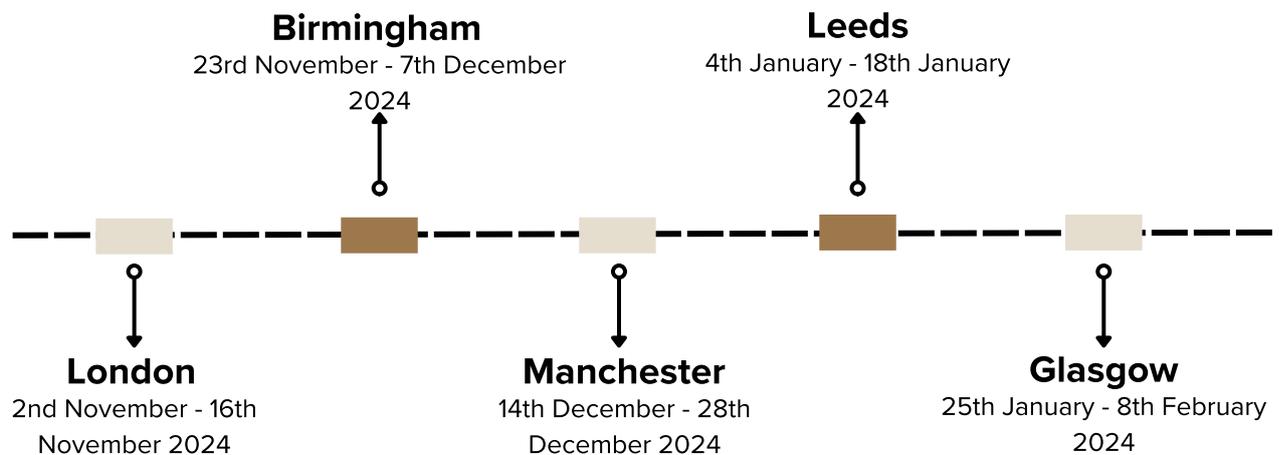
UGG
HOME



Experiential & physical touchpoints.



Location timeline.



The pop-up space will encompass digitalisation, personalisation and experience, through innovative store design and atmospheric elements outlined in the commercial research. It is designed to attract their 'future consumer' by integrating current visual merchandising trends and experiential touchpoints, addressing UGG's three key issues while aligning with UGG's brand identity of comfort and relaxation. This will result in increased word of mouth (WOM), building an UGG community where consumers feel valued and engaged (Rosenbaum et al., 2021).

The multi-sensory environment will be launched sequentially across five locations in the UK to effectively manage cash flow and ensure the strategy's success. The UK only makes up 9.83% of UGG's consumer base (Similarweb, 2024), therefore these UK pop-ups provide an opportunity for UGG to tap into an unrealised market.

This strategy encompasses all three key words, aligning with the goals outlined in the Strategic Brand Report (2024) to facilitate UGG's transition into a comprehensive 'lifestyle brand'.

EXPAND UGG's product offerings.

RECAPTURE millennials by targeting UGG's 'future consumer'.

Keep COMFORT central to the strategy, aligning with UGG's brand identity.





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UGG