A Business Report on Company Vans: Analysis of Marketing Strategy

Summary

Vans is an American manufacturer company owned by VF corporation. The company has been selling shoes since 1966. The company is very popular among the younger generations. It has been the go-to brand for skateboarders. The shoes company has gained popularity all over the world. The key promotors and customers of Vans are the skateboarders and teenagers. The target customers of Vans are the younger generations. Vans understands its key market very well thus, they know exactly how to grab its customers attention.

Introduction to the company, VANS

VANS is one of the leading apparels and footwear brands in the world. It has been associated with skateboarding given the design and utility of the shoes matched the likings and the needs of the skateboarders. It is an American manufacturer of skateboarding shoes and related apparel based in California and owned by VF corporation. The founder of Vans was Paul Van Doren, who was a shoemaker at Randy's, a shoe manufacturer. Brothers Paul Van Doren, James Van Doren and Gordon C, Lee opened the first Vans store in Anaheim, California under the name The Van Doren Rubber Company in 1966. The business manufactured shoes and sold them directly to the public. They manufactured custom shoes for the skate and surf community in southern California. Although the name of the company was the Van Doren Rubber Company, the customers began to call their shoes Vans.

The skateboarding fever in the early 1970s created a plea for different colours and patterns, which Vans had already been producing. But in response to this they released the Era line. It was a red and blue shoe that had been developed by professional skateboarders. Due to the stickiness of the soles on the bottom of the shoes it became a quick favorite of skateboarders because of the ability to perform more sophisticated tricks with a better gripping shoes. This is when Vans became the choice footwear for skateboarders. Slowly Vans started to associate itself with BMX, snowboarding, surfing and motocross and increased its product portfolio. Vans is in the clothing industry. They sell various types of shoes and clothing for everyday outfit. Vans products mix varies from men, women and kids.

The Vans craze went strong until 1984 when the company was forced to sell their shoes under manufacturing costs due to several Vans imitators. The company soon filed for Chapter 11 bankruptcy after building a debt of $12 million, which they eventually crawled out of in 1986. Vans had completely turned around the company and made a $50million dollar sales because of international demand. In 1988, the founder Paul Van Doren sold the company to a banking firm because he was tired of controlling the company's day to day operations. After the company went public, Paul Van Doren was the majority stakeholder of the company, hover, he stepped down from the board later on.

Vans mission statement is "Vans are the original action sport footwear company grounded in

youth, authenticity and individual style. Our purpose is to embody and to represent the creativity and the self-expression at the care of action sports and youth culture." The main purpose of Vans is to sell merchandise just like any other company.

Vans has positioned itself well with the young people who take part in sports like BMX and skate boarding. It has thus targeted the upper and the upper-middle segment of the urban population, school and college going teenagers. Vans main strategy is to price the products affordably and sell in volumes. Vans has a good distribution worldwide and a strong geographical reach. Vans had a single store in 1966. Whereas today, it has a network of 370+ own stores and partner channels like retail stores, sport equipment stores. Its products are being sold in 170 countries. It has become a firm that generates three billion dollars. It also has a strong online presence with great tie ups with ecommerce marketplace companies. It also sells a lot of its products through its own website and its ecommerce business alone is expected to grow by 2022.

Vans is also able to push traffic to their website to sell more products, encourage people to share their message and showcase their corporate responsibility. Vans is very active with Truth, the company to stop underage smoking and American for the arts, which they have helped to raise nearly $500,000. Corporate responsibility is important to Vans because their image in the past has not been the most honest. They have employed illegal immigrants, been fined by the government and have been chastised for moving manufacturing overseas while not providing livable wages. So, it is necessary for Vans to retain an image of loyalty and responsibility to the youth movement

Target Customers

Vans products have always been intended for a younger demographic. Since they are widely known as a outdoor, extreme sports brand, their main customers are young men who enjoy skating, surfing and biking. Vans has introduced other product lines to include babies and toddlers as well as women's shoes which has become quite popular with the surge of women's action sports. Young people enjoy the idea of creating something unique. Vans allows them the opportunity to create custom sneakers that will help them stand out from the crowd.

Vans shoes has been a sponsor of the touring music festival known as the Warped Tour for over 15 years. This festival is home to hard core, punk and metal bands and their fans are generally young and enjoy loud, hard and fast music. Vans partnered with the Warped Tour because they understood that their demographic was young, hard, fast and loud. The skate and surf culture is very stylish and the people that wear vans like to appear as though they are a part of the community as a whole.

The secondary and tertiary customers would be young parents who are interested in having their children wear unique shoes and clothing similar to their own tastes and women who are involved in action sports. These two groups are smaller than the primary target demographic. However, it is growing tremendously due to their increased recognition in international markets.

Marketing Strategy

Vans uses a wide array of marketing strategies to publicize their brand. The main objective for a

brand like Vans is to remain customer focused and listen to the needs of its loyal customers. For that reason, they have tapped into social media where they know their target market spends a lot of time. Within these online social venues, they can indirectly campaign to different markets by separating them into social, gender, and age clusters. Vans also does a fair share of direct marketing like magazine ads, billboards, and TV commercials. However, they have a good footing in the social media arena. Asia, specifically China is the growth opportunity for Vans. Vans understands its focus on subcultures over the mainstream could be an advantage. It believes that in a market like China members of younger generations are more eager to portray themselves as global citizens. Facebook, Instagram and Twitter are banned in China. So, its biggest social network in China has become WeChat. WeChat has also become the staple in Vans Marketing for all the years it has been in China. Vans sees higher engagement on its livestreamed videos on WeChat versus those posted to other social networks in their market.

Vans also sponsors athletes. They have former professional skateboarders as well as new professionals. 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 upcoming talents.

Sustainability and ethics

Vans shoes are made up of vulcanized rubber and light weight canvas. Although the company states that it uses sustainable and reusable materials for the manufacturing of its products, there are not many statements published about its sustainability and policies in the company's website. According to rankabrand.org, Vans has achieved the E label as only a little information is published about its policy on sustainability. Its hard to see the efforts Vans is making on sustainability. Vans is a member of the Sustainable Apparel Coalition, but it uses few eco-friendly materials in its products. Although it has set a target to consume 100% renewable energy in its own by 2025, the corporation has not set a supply chain target. Vans has also not yet set the target to eliminate hazardous chemicals in its supply chain. Vans still uses wool and sources wool from non-mulesed sheep and doesn't use fur, angora or other exotic animal skin or hair.

Conclusion

The corporate identity of Vans is very effective. Vans gives back their customers and listens to what they want. They company has opened various skate parks and has given a great amount of money back to the skate community. Vans is also very influential in the alternate music scenarios. The company has merchandises for all gender and age line. The opportunity to create custom shoes and showcase one's creativity is a great marketing strategy for Vans. Most customers of Vans are the younger generations. The price range of Vans are very affordable. Their shoes are colourful, vibrant and unique. Overall, every marketing strategy that Vans has used is very effective and cost friendly for customers of every gender, age and class. However, Vans should take the environmental impact of its products more into consideration. It should also set targets for its supply chain. There is not much information provided about the company's sustainability policy. Therefore it should make it's sustainability policy transparent.

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