

# Target Market Analysis

## VANS, New Zealand



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## 1.0 Introduction

Vans are the original skate shoe and have been leading the action sports industry in the US since the late 1960's. With product expansion, innovation, sponsorship and heavy involvement in youth culture, Vans has become a global footwear and apparel brand, while still keeping their classic heritage alive. Never losing sight of who they are and what they represent.

Vans is however not the industry leader in New Zealand as it is in the US. The perception of Vans in New Zealand is of a quality high-end shoe, but a has been in lifestyle fashion.

The reason for this polar difference in consumer perception of Vans in the US compared to New Zealand is the distinct lack of an integrated marketing strategy targeted to the New Zealand market.

This paper is the first in a series of three, focusing on re-positioning the Vans brand in New Zealand.

In this first report we will be analyzing Vans target market in the New Zealand footwear and apparel industry. We will be developing an understanding of Vans target audience in order to better aid us in developing an effective marketing strategy for the Vans brand in New Zealand.

Before that however I will introduce you to Vans and outline the company's history. We will then take a look at Vans as an international brand and discuss the key elements that attribute to why Vans has become an industry leader in the US as well as becoming a global brand.

From there we will look at Vans in the New Zealand market and make comparisons with the US and global brand, as well as analyzing Vans target audience in New Zealand.

To finish this report we will be looking at preliminary recommendations in developing an integrated marketing campaign. We will identify effective media channels to be used in achieving our marketing objectives and create a clear positioning statement for the Vans brand, with the objective of re-positioning Vans as the industry leader in action sports and youth lifestyle fashion in New Zealand.

## 2.0 Who Are Vans?

Vans say: *Since 1966 Vans has been at the heart of skateboarding. That tradition continues on today with the styles of Vans shoes available today. Vans shoes boasts the most sought after and the largest collection of classics in the industry today. From the Vans Classic Slip-On®*



*to the Classic Authentic®. Vans has put their signature on the skateboard and fashion world for over 40 years. With pro riders such as Geoff Rowley and Tony Trujillo, Vans has one of the most complete teams in the skate and snow industry. Vans shoes, Vans Watches and Vans snowboard boots continue to evolve through style and technology to provide riders with style, comfort and performance. At the core of Vans shoes are the athletes that help develop footwear that not only defines their individual style, but technologically pushes the parameters of their sports. (VANS, N.D)*

Vans, is a subsidiary of American based VF Corporation (VFC), a leading global action sports and urban lifestyle company that merchandises, designs, sources and distributes Vans-branded footwear, apparel and accessories for Core Sports including skateboarding, snowboarding, surfing, BMX and Motocross. (VFC Annual Report 10-K, 2010)

Vans focus has been proprietary branding with the goal of creating a leadership position for the brand and a strong emotional connection with it's customers. (Vans INC Annual Report, 2002)

Vans promote action sports lifestyle and youth culture through their support of hundreds of athletes on boards and bikes, (Vans Careers, N.D), as well as sponsoring music, art and sporting events all over the world.

## 2.1 The Vans Story

Incorporated as Van Doren Rubber Company in 1966, Vans was established in Southern California by Paul Van Doren and partners Serge D'Elia and Gordy Lee. Paul Van Doren's younger brother James Van Doren later joined the company also. Van Doren's company was unique in that it manufactured shoes and sold them directly to the public through branded retail stores, with the first store being opened in Anaheim in



(Figure 1: Vans Authentic Shoe)

March of 1966. (Funding Universe, N.D) On that first day of opening, 12 pairs of Vans deck shoes now know as Authentic were sold. (The Vans Story, N.D)The Van Doren Rubber Co. shoes were to be known simply as Vans.

With the rise of the skateboarding scene in the early 1970's Vans become popular, leading Van Doren to jump on the opportunity to engage a fresh new market segment. In 1975 the Vans #95 now known as the Era, a red and blue shoe designed by professional skateboarders Tony Alva and Stacy Peralta was developed. (The Vans Story, N.D) Vans became the shoe of choice for a generation of skateboarders, the start of the company's long and devoted association with the sport. Over the 1970's many more colours and pattern combinations were added to the range. (Funding Universe, N.D)

After a structural change to the company in 1976 James Van Doren was given control of the company's direction and set out to expand the Vans market. With the new craze of BMX sweeping across California, Vans quickly became the shoe of choice amongst young BMX riders. (Funding Universe, N.D)

In 1979 with the help of skateboarders and BMX riders, Vans #44, a slip-on shoe, now known as the Checkerboard, was introduced and became the rage in Southern California. By the end of the 1970's Van Doren had 70 stores in California and sold through dealers both nationally and internationally.



(Figure 2: Vans Checkerboard)

By the early 1980's Vans had expanded into a range of sports including surfing, motocross, wakeboarding baseball, football, umpiring, basketball, soccer, wrestling, boxing, and skydiving shoes (Funding Universe, N.D) in an effort to compete with the larger athletic shoe brands. It wasn't however until the release of the 1982 hit film 'Fast Times at Ridgemont High,' where lead actor 'Sean Penn' was wearing a pair of Checkerboard slip-ons, that Vans really gained nationwide and international attention. (The Vans Story, N.D)

Although Vans core shoes were selling well, due to the large range of products that Vans now offered and the expense of maintaining that range, high labour costs and an influx of cheap Vans knock offs into the market, the Van Doren Rubber Co. was forced into bankruptcy in 1983. (Funding Universe, N.D)

By 1986 Vans had repaid all of their debt and by 1987 had returned to profitability. International sales now accounted for 10% of the company's sales and a third of Vans business went to custom designed shoes. By this time almost all of the major shoe makers had moved production to Asia, but Vans stayed true to it's tradition of domestic production, boasting order-to-delivery times of five days for its catalogue items, compared with an industry average of nine months. (Funding Universe, N.D)

In 1988 Vans sold to San Francisco-based venture banking firm McCown De Leeuw & Co. and was renamed Vans Inc. With the new financial backing Vans increased it's worldwide presence and by 1990 international sales accounted for 25% of total sales. In 1991 the company went public and by 1992 international sales accounted for more than 32% of total sales. (Funding Universe, N.D)

In 1994 Vans moved some production off-shore for the first time in an effort to develop new shoe designs and enable further expansion. Due to the popularity of the foreign made 'International Collection,' off-shore production soon accounted for 75% of company revenue. Company focus had now shifted from manufacturing to becoming more market-orientated and in 1995 the first line of snowboarding boots was introduced into the market, as well as a deeper expansion into women's footwear. In 1997 Vans launched a range of young

men's apparel. By 1998 all Vans production had been moved off-shore and the first Vans retail stores were opened in Europe. (Funding Universe, N.D)

During the 1990's Vans assumed a position as the leading brand in action sports and youth culture with the primary sponsorship of the popular youth music tour, the Vans Warped Tour (Vans, 2011), as well as sponsoring of the Triple Crown Skateboarding Series, which then developed into the Vans Triple Crown Series including events in skateboarding, BMX, surfing, wakeboarding, snowboarding, motocross and super-cross. Vans also went on to build their first branded skatepark, which opened in California in 1998. (Funding Universe, N.D)

In 2001 Vans financed the production of Californian skate culture documentary 'Dogtown and Z'boys' and in the same year purchased a controlling interest in the Vans Warped Tour, by now the US's leading action sports and music festival. (The Vans Story, N.D)

In 2004 Vans launched 'Vans Customs' at [www.vans.com](http://www.vans.com), where customers were able to design their own classic slip-on shoe with hundreds of different colour and pattern combinations. (The Vans Story, N.D) Multiple styles can now be customized online. 2004 also saw the sale of Vans to current owners VF Outdoors, a subsidiary of VFC. (Vans, 2011)

Today Vans sponsor leading skateboarding contests such as Vans Downtown Showdown, held at Universal Studios, the Pro-tec Pool Party, held in Orange County and the Vans Bowl-a-Rama, held in Sydney and Wellington.

## **2.2 A Global Brand**

With a growing number of youth consumers around the world responding to Vans brand image of originality and self-expression, the brand continues to grow internationally, in physical presence and in awareness.

Vans has over 270 branded stores throughout the US and in key European markets and distribute through more than 2000 domestic wholesale accounts. (VFC Annual Report 10-K, 2010) In 2010 Vans opened more than 150 new stores in China bringing their total retail presence in China to 260 stores. As well as having 21 branded stores throughout the Asia Pacific region, Vans are expanding into new markets such as Israel and Eastern Europe. As at the year ending January 1<sup>st</sup> 2011 Vans products were available in 93 countries. (VFC Annual Report, 2010)

Internationally Vans vary their "marketing and distribution approach on a country-by-country basis, taking into account the particular cultural, economic and business conditions present in each international market" (Vans INC Annual Report, 2002)

Regardless however of which market Vans are in, their 40 plus year heritage and association with action sports and youth culture has become the basis of their branding and marketing strategy, helping to provide them the authenticity and



credibility to be the leading brand with Core Sports enthusiasts, participants and followers. (Vans INC Annual Report, 2002)

Vans are distributed throughout Australasia through Auckland based footwear importer Accent Group LTD. Accent Group has been operating in New Zealand since 1988 (Accent Group Limited, N.D) and started distributing Vans to New Zealand stores in 1992.

### **2.3 Target Market**

Since the late 1960's Vans has targeted Core Sports athletes, enthusiasts and followers and this has not changed much to today. With significant diversification of their product range Vans nowadays target to males and females between the ages of 15-24 years who have an interest in action sports and lifestyle fashion.

Vans however can cater to a much broader market with over 200 shoe styles sized from infants to adults, as well as apparel items and accessories including watches, belts, hats, bags and clothing.

Vans heavy involvement in the youth music scene with the Vans Warped Tour has added another dimension to their target market, while still maintaining the same youth culture and style.

### **2.4 Global Market Positioning**

Vans are well established as an action sports lifestyle brand, both in the US and globally. Vans has served the action sports industry for over 40 years as well as being an active leader in youth lifestyle fashion and culture, particularly in the US. With their support and sponsorship of the youth music and arts scenes, action sports events and athletes, Vans has forged a name for itself as the brand at the heart of the action sports and youth culture.

Vans are the original skateboarding shoe and by staying connected with the skateboarding industry, Vans has maintained strong brand awareness throughout this industry. Vans shoes are considered to be of high quality, but are sold at competitive prices in order to meet the target market. (Associated Content, 2009)

Vans are a niche brand specialising in performance footwear as well as lifestyle footwear and apparel, with the perception of the Vans brand being not only shoes and apparel, but also a way of life, a rich heritage of action sports, youth entertainment and non-conformity.

### **2.5 Competition**

Vans is an industry leader in skateboarding shoes but still sees strong competition from similar niche brands targeting the same youth market and action sports culture. Like Vans niche Brands such as DC, Element, Osiris, Globe and DVS sponsor action sports athletes and play an active role in this industry.



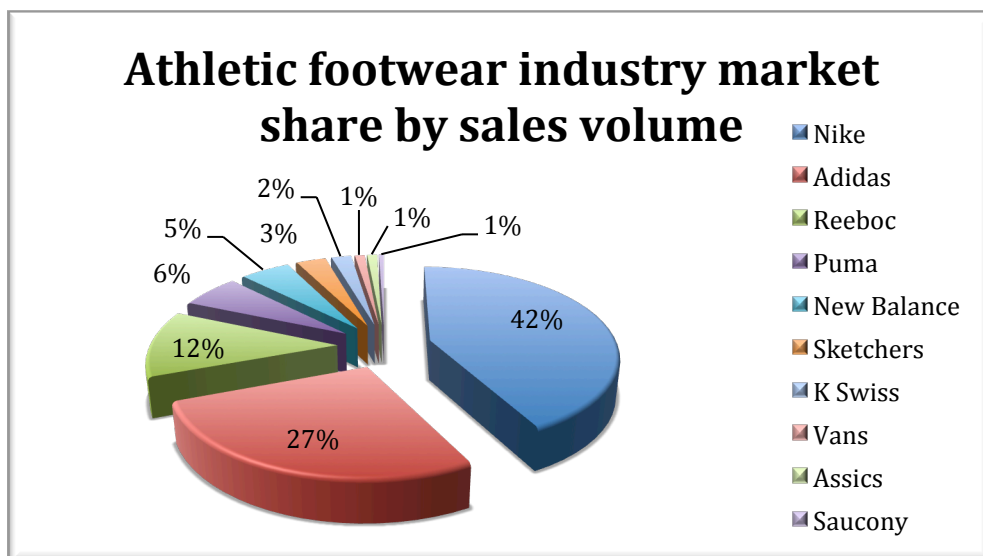
Vans Strongest competitor DC, now owned by quicksilver, have followed a similar marketing strategy as Vans by becoming more involved in the youth music and arts scenes. (DC Shoes, 2011)

Larger athletics brands such as Nike and Adidas have also come into the action sports market in recent years. Nike competes directly with the Vans skateboarding range of shoes with their own line of skateboarding shoes, Nike SB, and compete in the lifestyle shoe and apparel market with subsidiary brands such as Converse and Hurley.

Adidas also sell a line of skateboarding shoes and like Vans offer a range of classic style shoes and apparel in both the action sports and lifestyle ranges. Adidas also sponsor action sports athletes from around the world.

Skateboarding shoe sales declined about 20% with every major brand from 2009 to 2010, (Brilliant, 2010) except Vans where revenue rose by 20% (VFC Annual Report 10-K, 2010)

The following chart shows the US market share by sales volume of the athletic industry's top ten brands.



(Figure 3: US market share in athletics footwear, 2004 (Athletic Footwear Industry Analysis, 2006)

Although Vans hold only a 1% market share in the US, this is of the total sales of athletics footwear. Vans is the only niche, action sport and lifestyle brand to make the list.



The following table shows sales in wholesale volume in 2004, where Vans were the seventh largest in the US with US\$275m of sales, a 3.1% market share, and held a 1.9% global market share with US\$395m in sales.

Branded Athletic Footwear Market Share 2004				
*Sales in millions of wholesale \$				
Company	U.S. Sales*	U.S. Market Share	Global Sales	Global Market Share (%)
Nike	3225	36.3	6780	33.2
Reebok	1087	12.2	1963	9.6
New Balance	1020	11.5	1357	6.6
Adidas	795	8.9	3150	15.4
K-Swiss	395	4.4	480	2.4
Converse	305	3.4	905	4.4
Vans	275	3.1	395	1.9
Puma	209	2.4	1396	6.8
American Sporting Goods (Avia, Ryka, Nevados, Turntec)	205	2.3	303	1.5
Asics	197	2.2	920	4.5
Keds/Pro-Keds	136	1.5	203	1
Foot-Joy	124	1.4	180	0.9
Fila	120	1.3	305	1.5
Saucony	104	1.2	141	0.7
Sole Technology	100	1.1	140	0.7
And 1	95	1.1	175	0.9
Mizuno	59	0.7	287	1.4
Hi-Tec	59	0.7	191	0.9
Brooks	54	0.6	126	0.6
Lotto	7	0.1	141	0.7
Other	319	3.6	873	4.3
<b>Total</b>	<b>8890</b>	<b>100</b>	<b>20411</b>	<b>100</b>

(Figure 4: US and global wholesale market share in athletic footwear, 2004 (Athletic Footwear Industry Analysis, 2006)

Again Vans were the only niche action sports brand to feature on this list of more than 20 brands, and was second behind Converse in niche lifestyle brands. (Athletic Footwear Industry Analysis, 2006)

### 3.0 Vans In New Zealand

Vans are sold through more than 250 retailers around New Zealand including major outlets, Rebel Sports, Sterling Sports, Amazon and North Beach. (Vans Stores, N.D)

#### 3.1 The NZ Market

As at March 2010 there were more than 4,500 footwear and clothing retailers in New Zealand. (NZ Retailers Association, 2010) As at December 2010 the footwear and clothing industry was worth almost \$3.4 billion to the New Zealand economy. (NZ Retailers Association, N.D)

It is difficult to measure the size of Vans target audience in New Zealand as the action sport and lifestyle industries are relatively new, with very few studies undertaken. By using basic population growth statistics, and US and Australian



action sports industry trends we can make an assumption as to the dimensions of this market segment to be approximately 525,000 consumers.

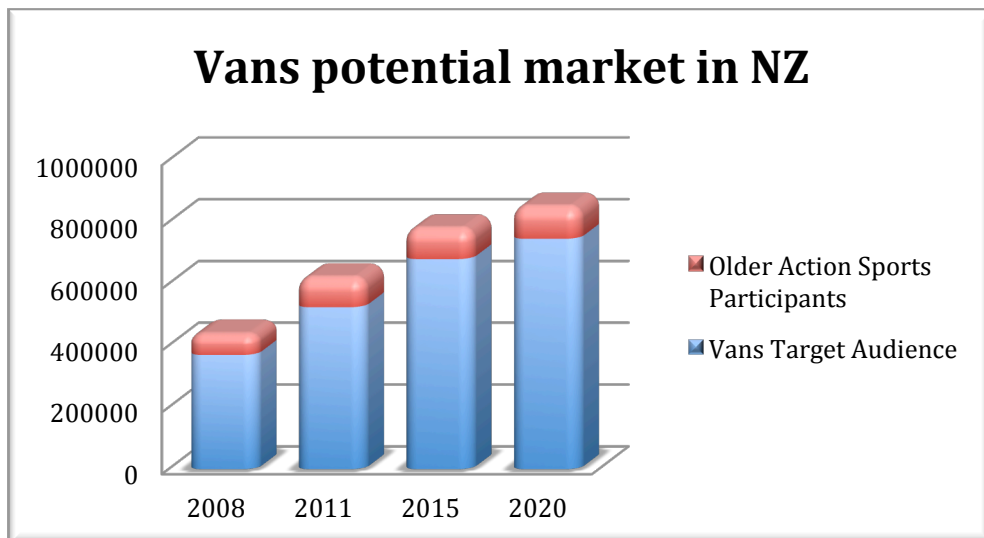
In addition to Vans target audience we can make an estimate as to the total size of Vans potential market in New Zealand by adding the number of consumers who are older than 24 years, but who actively participate in action sports. This number of consumers I estimate to be approximately 94,000, bringing the total size of the potential market in New Zealand to be approximately 620,000 consumers in 2011.

Assuming that New Zealand's population will continue to grow at the same rate as it has done over the past few years, we can use the current growth rate to help forecast the future size of Vans market. It is unlikely however that action sports participation will continue to grow at all levels by 13% per annum as it did in the US between 1995-2007, so for this exercise we will assume that after 2011 youth participation will grow by 6.5% per annum.

Based on this logic Vans target audience will increase to approximately 680,000 consumers in 2015 and to approximately 746,000 consumers in 2020.

Vans total potential market will increase to approximately 780,000 consumers in 2015 and to approximately 850,000 consumers in 2020.

*(See calculation method of market dimensions in Appendix 1)*



*(Figure 5: Vans potential market size in New Zealand, 2008-2020)*

### 3.2 Competition

Vans face the similar competition in New Zealand as they do in the US as all of the major action sports and lifestyle brands are also in the New Zealand market.

However, due to Vans having a lesser brand presence in the New Zealand market compared with the US market, competitors in New Zealand have a larger comparative market share than they do in the US.

Brands in New Zealand appear to have minimal competitive advantage over competing brands. No single brand seems to be doing anything differently from other brands in the market place. This creates a very even spread of market share for the leading brands over the industry as a whole, with outside influences such as sponsored industry related movies and international athletes differentiating individual brands.

### 3.3 NZ v US Marketing Strategies

Although New Zealand imports and sells Vans footwear and apparel under license from the US, the brand is by no means the industry leader in New Zealand as it is in the US. Vans US have spent over 40 years building, leading and maintaining a youth culture spanning much wider than just shoes and apparel.

Vans have essentially achieved this by developing a niche market, and being where that market is. The key to this has been Vans involvement and support of the youth music, arts and action sports industries across the US. With Vans sponsorship of hundreds of top athletes including Geoff Rowley and Tony Trujillo, action sports events such as the Vans Triple Crown and Downtown Showdown and the Vans Warped Tour, as well as having several professional skateparks and over 250 branded stores, Vans has developed a cult following amongst the US youth culture.

Technology also keeps Vans in touch with their consumers making use of popular social media tools Twitter, LinkedIn and Facebook where they have over 3 million fans. Vans have four different smart phone apps and send regular industry updates via a subscribed text message service.

Vans have created their own TV network with 'Off the Wall TV' dedicated to art, music, action sports and youth culture. Vans also launch new product lines and up coming events with TV advertising.

From the very beginning Vans built their business around their ability to customise shoes to their customers needs. Vans still do this today with 'Vans Customs' via the Vans website.

The Vans website is kept up to date with current industry news and information and runs regular competitions to win Vans shoes, clothing and concert tickets, as well as offering almost 600 different pairs of shoes and more than 600 clothing and accessory items on the online store. (Vans Shop Vans US website, ND)



Vans US are a marketing machine, a stark contrast to Vans in New Zealand.

Vans New Zealand have no branded stores and sponsor only three action sports athletes. (Vans Team, N.D) Vans New Zealand have no connection to any music scene, sponsor one annual skateboarding event, Bowl a Rama, and have no Vans sponsored skateparks.

The Vans New Zealand website is basic with only a limited catalogue of 44 pairs of shoes, no news or competitions and no online store. The homepage has advertising and action sports videos that can be viewed, however most of this content is from Australia. There is also a link to 'Off the Wall TV'. (Vans NZ website, N.D)

Vans New Zealand use no social media tools or mobile marketing, making no real effort to keep in touch with New Zealand's youth culture.

Vans key marketing tool in New Zealand is point of sale advertising with footwear and clothing displays within stores as well as window advertising.

New Zealand is obviously a much smaller market than the US. This however makes it all the more important to develop and maintain an effective marketing strategy in order to capture maximum market share to enable Vans New Zealand to sustain long term brand equity.

### **3.4 NZ Market Positioning**

Although Vans are a well known and respected brand in New Zealand, the brand is not perceived in the same way as it is in the US. Due to a much more conservative and less comprehensive marketing strategy in New Zealand, Vans does not carry the same leadership role in the action sports and youth market as it does in the US.

Vans are seen in New Zealand more as a quality skateboarding shoe than a youth lifestyle brand. Although Vans shoes are perceived within the skateboarding shoe genre as being durable and of high quality, they are also perceived as being a 'has been' brand, which has not kept up with the youth market and fashion trends. This negative perception could simply be due to the limited range of Vans shoes and apparel that are available in the New Zealand market.

## **4.0 Target Market Analysis**

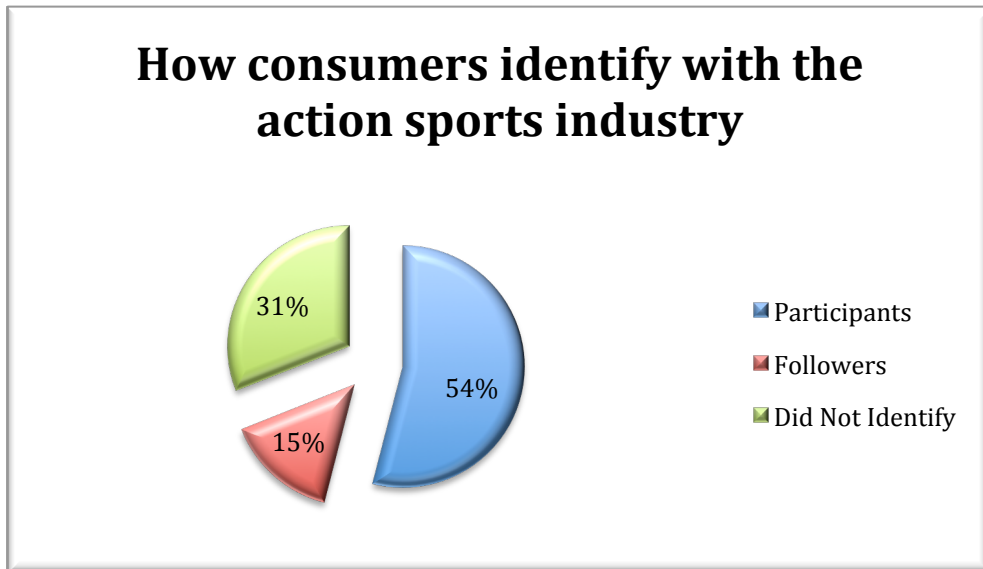
As a result of primary data collected in 13 personal interviews we are able to analyze Vans target market in better detail. Of the surveyed group of 15-24 year old consumers 69% identified in some way with the action sports industry and 100% of them owned a pair of skate/street shoes.



#### 4.1 Evaluation of Research Data

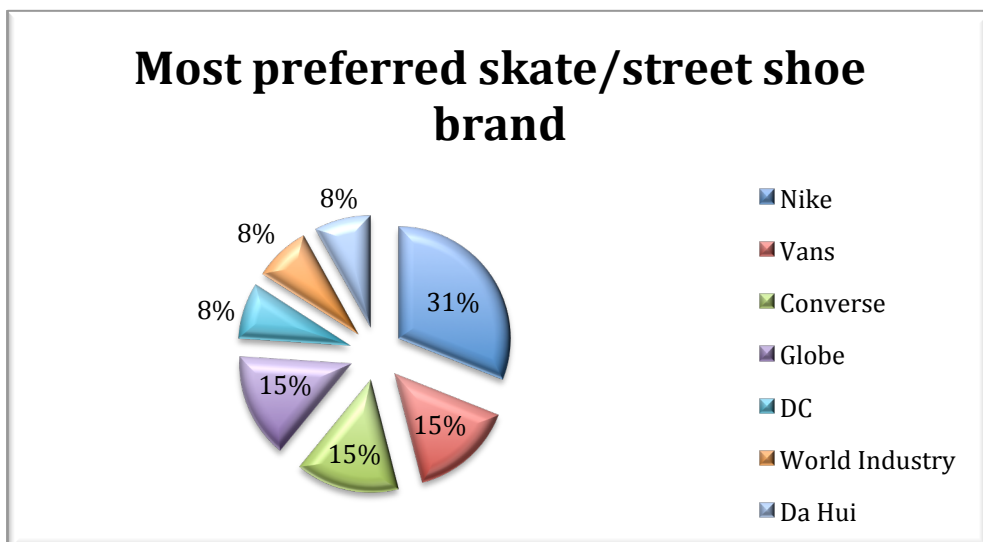
The following analysis will provide for a closer understanding of the target market and will allow us to better plan for future marketing strategies.

- How consumers identify with the action sports industry:



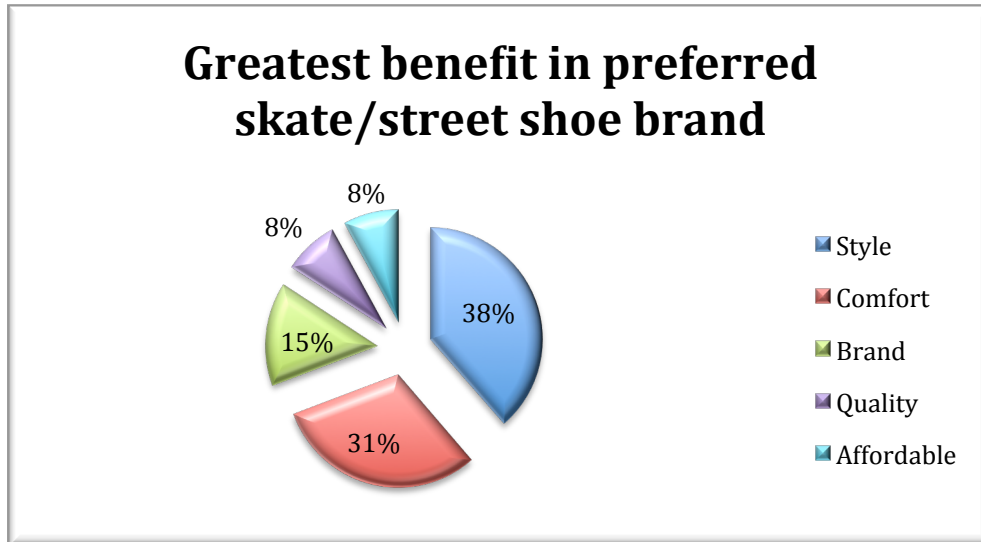
- Most preferred skate/street shoe brand:

We can assume due to the fact that Nike, Vans, Converse and Globe accounted for 76% of the most preferred skate/street shoe brands, that the brand name and image are of some importance. The fact that DC shows only a small percentage and other specialty skate shoe brands such as Etnies and DVS do not feature in these results at all may suggest however that few of the surveyed participants are regular skateboarders.



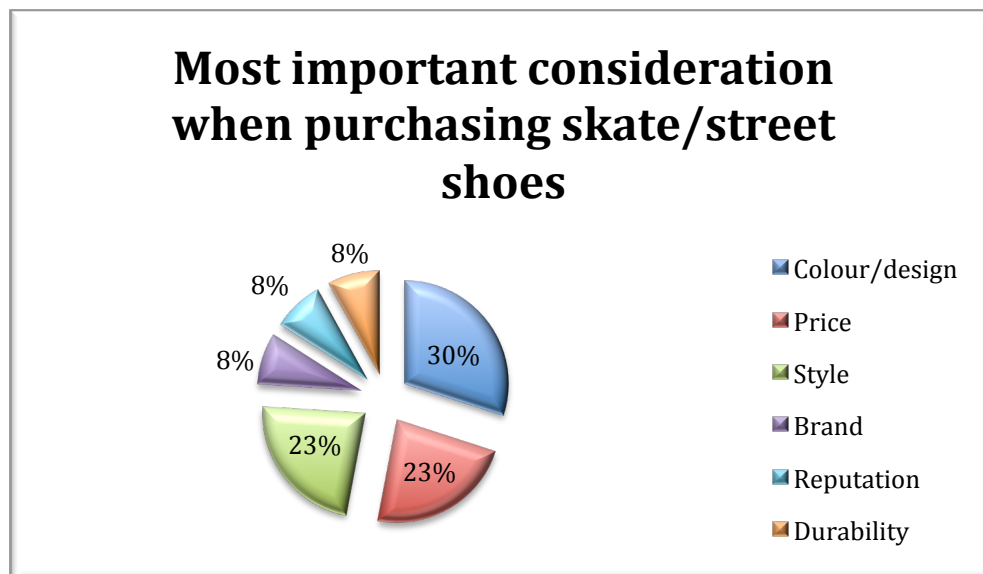
- Greatest benefit in preferred skate/street shoe brand:

Accounting for 67% of consumer responses comfort and style are seen as greater consumer benefits than the particular brand name. Suggesting perhaps that consumers are happy with a number of different brand images, but must essentially have a comfortable shoe of a style that is in fitting with their own personal image and style.



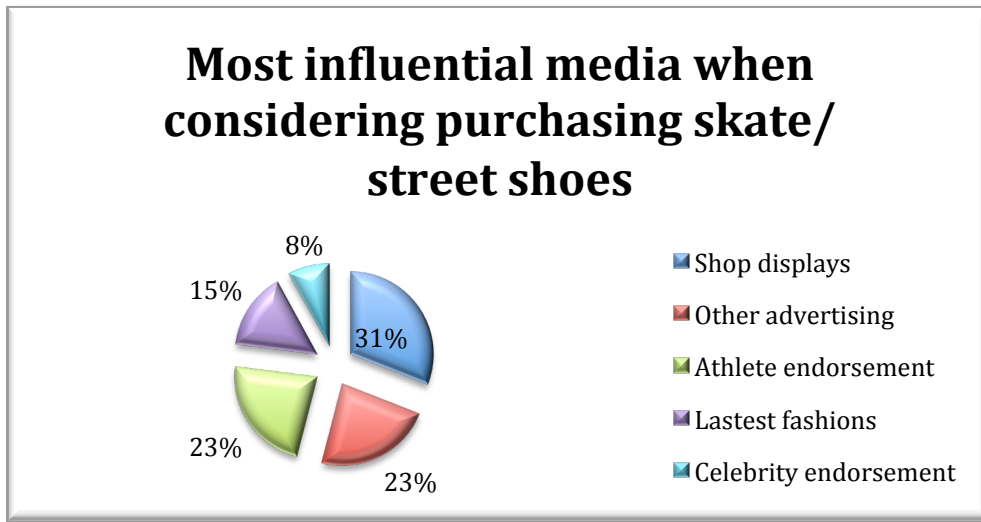
- Most important consideration when purchasing skate/street shoes:

Colour/design, again regardless of the brand name shows to be the most important factor when purchasing skate/street shoes, accounting for 30% of consumer responses. The brand name proves to be of minimal importance in the decision making, coming in behind price and style. This suggests that brand loyalty is low in the lifestyle footwear industry, and that current fashions and shoe styles as well as price will influence purchasing behaviours.



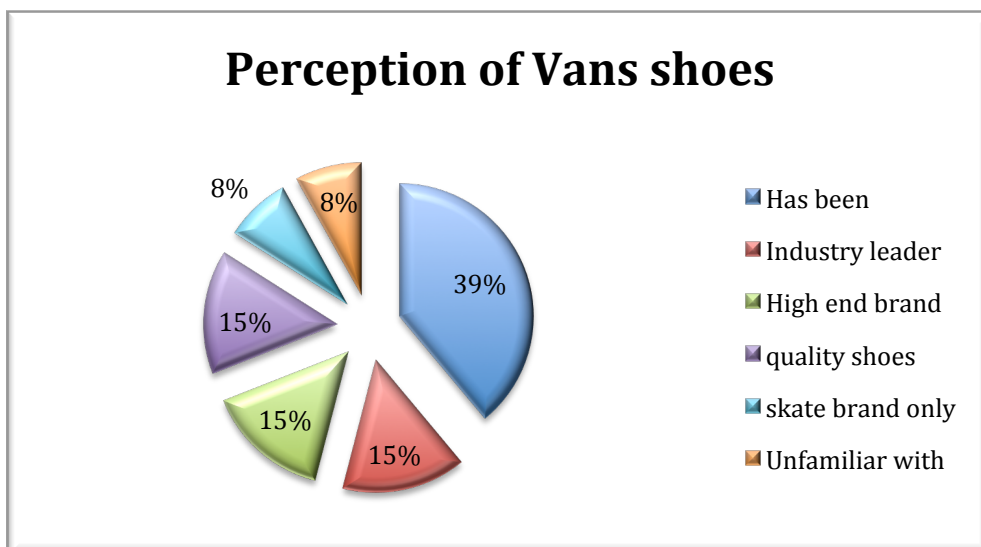
- Most influential media when considering purchasing skate/street shoes:

When looking to purchase shoes, in store point of sale advertising accounted for 30% of the most influential medias in consumer decision making, followed by other advertising and athlete endorsements, both on 23%. This would suggest that consumers rely more on the retail sector in informing them of product information and benefits. This could be due to the fact that action sport and lifestyle brands are not heavily marketed in New Zealand, with little presence outside of the retail stores, and online presence being mainly focused on the US and European markets.



- Perception of Vans shoes:

For Vans perhaps the most worrying data to come from the market survey was the perception of the Vans brand amongst their target audience. The survey shows that 47% of respondents either perceive Vans as a 'has been' brand or haven't heard of it at all. On the other hand 45% see Vans as a quality, high-end brand and an industry leader. This may suggest that a very inconsistent message is being delivered to consumers, and is evidence of the differing perception of Vans as seen in the US.



## 4.2 Target Market Psyche

Internationally today's young lifestyle fashion consumers are heavily influenced by a brand's image and the benefits that are perceived by the consumer when purchasing and wearing that brand. (Aroq, 2007) This is evident in New Zealand's youth consumer market, however findings in my research suggest that other factors are also strongly considered.

New Zealand's young consumers are influenced by the image and style of the top lifestyle brands but do not seem to be loyal to one brand in particular. Instead they factor in cost, comfort, style and the latest fashions in colour and design. Whichever brand best meets these personal needs at the time of purchase will be the brand of choice. A reason for this may be that many brands in the market today offer very similar products at similar prices, with very little point of difference. No brand in the lifestyle fashion market has taken a leading role in influencing consumer behaviour.

Due to the nature of the footwear product, the majority of shoes will be purchased from retail stores where different styles and brands can be compared side by side, and tested for fit and comfort.

Lifestyle shoes and apparel are central to youth consumer fashion and culture, an expression of style and personality. Youths can make assumptions of and connections with other youths who represent a style or fashion attitude complimentary to their own.

Because of the importance of fashion's role in youth culture, consumers in this market segment will spend a considerable portion of their discretionary income, and time on finding the right lifestyle fashion products to meet their own taste and style, avoiding mainstream generic brands and maintaining their wardrobes in order to keep in line with current fashion trends.

## 5.0 Marketing Strategy

Although Vans is a global brand with more reach than any other lifestyle fashion competitor, it is apparent that Vans market positioning is not consistent in all international markets. In order for Vans to be an industry leader in all markets, as it is in the US, a considerable amount of effort is required by licensed international distributors, in creating long-term marketing strategies.

In New Zealand there appears to be no real marketing strategy in place. Vans looks to be ticking along, but does not appear to be making any effort in becoming an industry leader.

With the positioning of Vans in the US, and the Vans culture that has been developed over the past 40 years, a successful marketing model is already in place. This model just needs to be customised to suit the New Zealand market.





## 6.0 Preliminary Recommendations

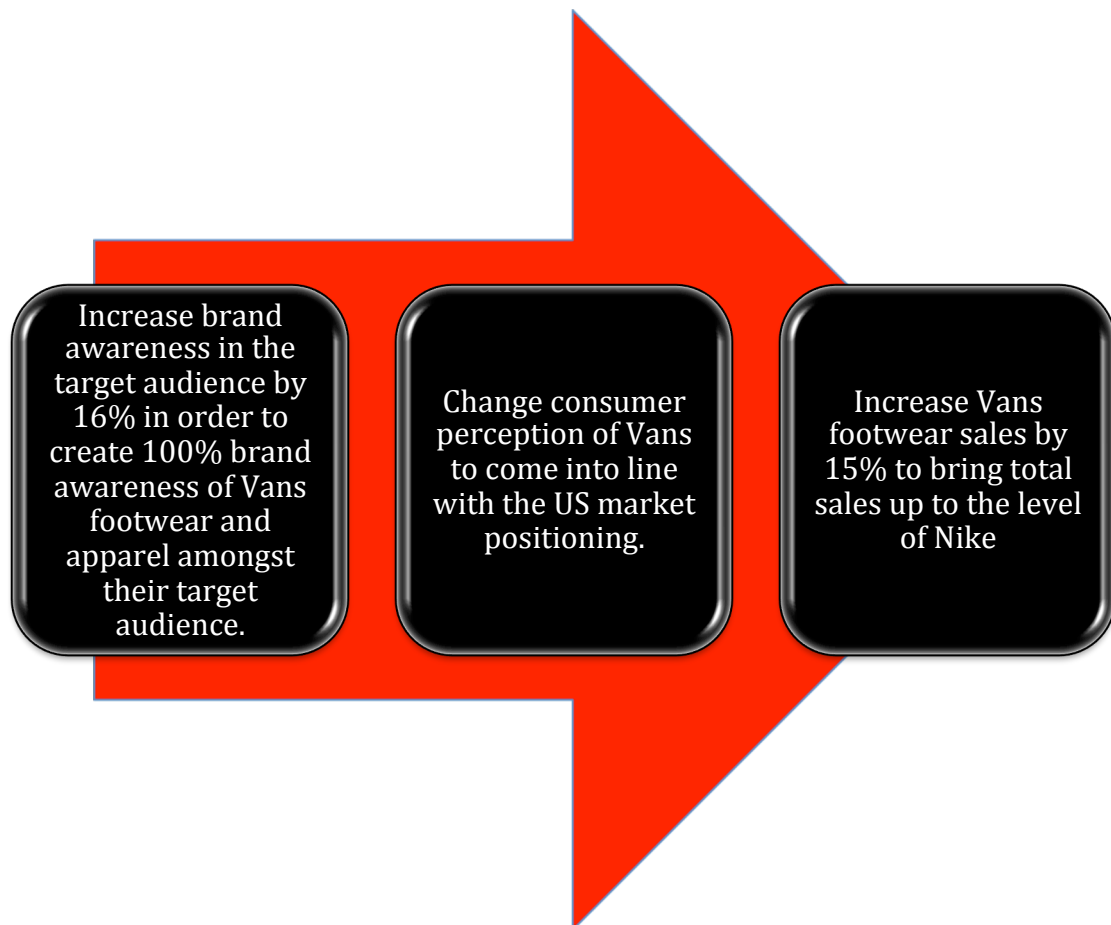
There are several components of Vans New Zealand's current marketing mix that we will look to improve in order to achieve our marketing objectives, therefore increasing Vans brand equity in New Zealand.

### 6.1 Objectives

It is important when planning a marketing strategy to set clear and achievable objectives that can then be measured in order to evaluate the success of the marketing strategy. (Chitty, Barker, & Shimp, 2008)

Vans New Zealand's key long-term objective should be to become the industry leader in action sports and lifestyle fashion. This long-term objective can be developed over time but will require multiple short-term objectives over a 12 month period, in order to move towards achieving the ultimate long-term goal.

Using primary data collected as a starting point, the following short-term objectives can be set



## 6.2 Measurement

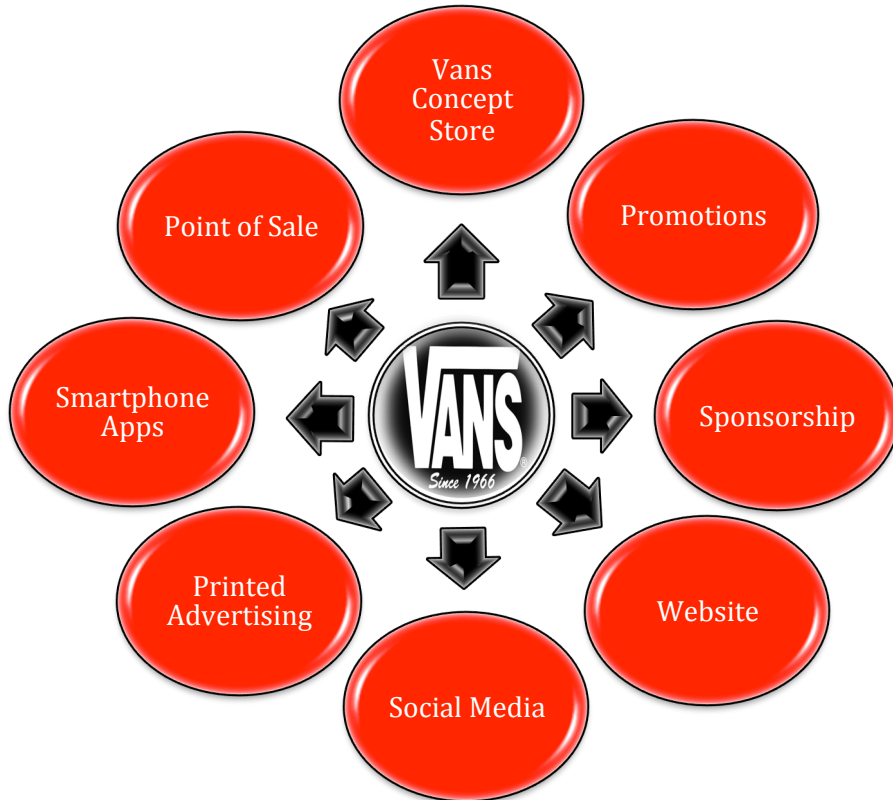
By tracking sales data over the next 12 months and carrying out further analysis of the target audience we can measure the results of the marketing objectives. From there we will be in a position to assess the success of the marketing strategy and adjust aspects of the strategy if necessary, as well as re-setting marketing objectives in order to continue towards achieving the long-term goal.

## 6.3 Media Channels To Be Used

In order to effectively reach Vans target audience we will utilise a range of different media channels.

- Vans concept store. A branded retail store positioned in a key location such as Queen Street, Auckland. If the concept store model is found to be successful, stores could be opened in other cities.
- Sponsorship of athletes, action sports events, skateparks, music events and key TV personality wardrobes.
- Re-vamped website with added functionality. Vans Customs, online store and competitions. Based on the US website but with a New Zealand focus.
- Social media, Facebook, Twitter, LinkedIn. In line with what Vans is doing globally, but again with a New Zealand focus.
- Online/printed action sports and youth lifestyle magazines, such as Adventure Magazine, NZ Snowboarder, Manual Magazine and NZ Skateboarder Annual.
- Smartphone apps. Interactive apps based on similar concepts to the Vans US apps such as store locator, games, news feeds and event updates.
- Point of sale advertising. In store advertising with posters, shoe displays and product information.
- Offer incentives to retailers with promotions encouraging higher sales of Vans products. Could be targeted at sales staff level, store level, or a combination of both.





## 6.4 Positioning Statement

With Vans being a global brand it is important to deliver a marketing message to the New Zealand market, which is consistent with that being delivered to other international markets, creating a consistent brand positioning. This starts with a clear and unique positioning statement.

Vans. The original action sports brand and leader in lifestyle fashion-wear. Long standing supporter of youth culture the world over.

## 7.0 Conclusion

Vans have seen proven success in the largest and most competitive domestic market in the world, as well as at an international level. Success that has not been seen to the same level in the New Zealand market. The question really has to be asked why. The answer is quite simple, marketing.

Vans core marketing principles, a positioning of industry and youth culture leadership, an emotional connection with its consumers, a strong association with the action sports and music industries and finally the customisation of Vans shoes are the keys to Vans success now and into the future.

In order for Vans to be as successful in New Zealand as it is in the US, these core marketing principles must be emulated in the New Zealand market.

With an understanding of the Vans brand and the dynamics of the culture which it has created around the action sports industry in the US, as well as learning about Vans target audience in New Zealand, we have been able to outline the basic framework with which to build a marketing strategy around.

The next step in the planning process is the creative brief. My next paper will work through the creative process of bringing together and presenting the ideas and thinking involved in implementing a successful marketing campaign for the Vans brand in New Zealand.



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## Appendix

### Appendix 1: Calculation of the size of Vans market in New Zealand.

- Total number of New Zealanders aged between 15-24 years, as at the New Zealand census 2006, 526,173 (Maori Health, N.D)
- New Zealand's average population growth per year, calculated from 2006 to 2011, 0.93% (Index Mundi, N.D)
- Number of active action sports participants in New Zealand at year ending March 2008, approximately 350,000. (SPARC, 2009)
- Estimated percentage of young Australians who identify with skateboarding related activities, 30%. (Globe International Ltd, 2004)
- Estimated percentage of action sports merchandise purchased by youth consumers in the US, 81% (Globe International Ltd, 2004)
- Approximate growth per annum in participation levels of action sports in the US, 13%. (Active Marketing Group, 2007)

#### *My thinking:*

First of all we apply the annual population growth rate of 0.93% to the 2006 census population of young New Zealanders in order to bring this figure in line with the action sports participation figure based on 2008. **571,424**

We can now take the 350,000 New Zealand action sports participants and assume that 81% of them are youth consumers. **283,500**

If we subtract that figure from the estimated number of 15-24 year olds in New Zealand in 2008 we are left with the number of this group who do not participate actively in action sports. **287,924**

We can now assume that 30% of these non-participants identify with action sports in some way. **86,377**

We then take the 30% of youth consumers who identify with action sports and add them to the 81% of youth action sports participants. **369,877**

By factoring in a population growth of 0.93% per annum and growth in action sport participation of 13% per annum from 2008, we have the number of consumers in Vans target audience in 2011. **524,449**

We can now take the remaining 19% of the 350,000 action sports participants and assume that they are over the age of 24 years. **66,500**

By factoring in a population growth of 0.93% per annum and growth in action sport participation of 13% per annum from 2008, we have the number of Vans potential consumers who fall outside of their target audience. **94,290**

By adding Vans target audience to their potential older consumers we have the total size of Vans potential market in New Zealand. **618,739**



By taking Vans 2011 target market size and factoring in a population growth of 0.93% per annum and growth in action sport participation of 6.5% per annum to 2015 and to 2020, we will have the estimated number of consumers in Vans target audience in these respective years.

(2015) **680,316**

(2020) **746,040**

We can now take the number of action sports participants who were over the age of 24 years in 2011 and factor in a population growth of 0.93% per annum to 2015 and to 2020.

(2015) **97,798**

(2020) **102,346**

Finally we add the forecasted older action sports participants figures to Vans forecasted target audience figures to calculate the total size of Vans potential market in 2015 and 2020 respectively.

(2015) **778,114**

(2020) **848,386**





Appendix 2: Primary research, customer survey and interviewee details.

13 surveys were completed with 10 being personal interviews conducted at Unitec Mt Albert on the 11<sup>th</sup> of September 2011, and 3 over Facebook coming on the 10<sup>th</sup> and 11<sup>th</sup> of September 2011.

Two respondents were female and ages ranged from 15-24 years

Questionnaire - Skate/Street Shoes Purchasing Influences In New Zealand	
Sex: _____ Age: _____	
How do you identify with the action Sport industry? (skating, snowboarding, surfing, BMX.....)	
Participant	<input type="checkbox"/>
Enthusiast	<input type="checkbox"/>
Follower	<input type="checkbox"/>
Don't Identify	<input type="checkbox"/>
Other	<input type="text"/>
Do you wear skate/street shoes?	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Which is your preferred brand?	
<input type="text"/>	
Why do you prefer that brand?	
<input type="text"/>	
What is the most important thing you consider when buying skate/street shoes?	
Price	<input type="checkbox"/>
Style	<input type="checkbox"/>
Colour/design	<input type="checkbox"/>
Comfort	<input type="checkbox"/>
Reputation	<input type="checkbox"/>
Brand	<input type="checkbox"/>
Other	<input type="text"/>
What influences you the most when buying a particular brand?	
Other Advertising	<input type="checkbox"/>
Shop displays	<input type="checkbox"/>
Athlete endorsement	<input type="checkbox"/>
Celebrity endorsement	<input type="checkbox"/>
Media/event sponsorship	<input type="checkbox"/>
Other	<input type="text"/>
What is your perception of VANS shoes?	
Industry leader	<input type="checkbox"/>
Budget brand	<input type="checkbox"/>
High end brand	<input type="checkbox"/>
Quality	<input type="checkbox"/>
Has been	<input type="checkbox"/>
Don't know this brand	<input type="checkbox"/>

