

Tom Tom: Building And Marketing A New Business Concept

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Retail Strategies

- Although TOMS shoes are sold by dozens of retailers, according to TOMS's very own website it is 50-75% retailer-driven company. After its inception in 2006, TOMS sold 65 million individual pairs of shoes in September 2013. TOMS shoes, an estimated 10% of over 250 million pairs are returned.
- Income sales to young adults by 2015 will increase 10%.
- Increasing repeat purchases by 75% will increase revenue.

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Types of Distribution

- Exclusive distribution
- Intensive distribution
- Selective distribution

Employee Empowerment

- "Agents of Change"
- "Shoe Drops"
- Firefly Music Festival



Dealing with Factors of Service Retailing

- Reliability- Each pair of donated shoes is made-to-order
- Inexpensibility- "One-for-one" campaign
- Integrability- Use children's knowledge and confidence
- Variability- implements a cloud-based global supply chain platform

How to be a competitor of TOMS?

- Offer a lot of shoes
- Offer a lot of shoes for a lot of money and a lot of money
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Pricing



Mission and Objectives

The TOMS Shoes company is driven by a single mission: To make life more comfortable. Towards that end, TOMS not only ensures that every pair of its slip-ons are soft, breathable, and lightweight for an optimal fit—the company has also charged itself with the responsibility of providing for the comfort of children in impoverished regions worldwide. For every pair of TOMS shoes purchased online or at retail, the company will provide a pair to a child in need.

Strengths

- TOMS founded the one for one mission, which makes consumers interested in the product and encourages them to buy the product
- The price of TOMS shoes is also very affordable compare to its competitors such as Vans, Convers, Birkenstock, and Rocket Dog
- TOMS already has an established presence in social media platforms such as Twitter, Facebook, YouTube, LinkedIn, Flickr and micro blogs

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Weaknesses

- TOMS shoes has limited advertising, which leaves people unaware of the brand and the products it holds
- TOMS shoes has a very limited line
- The brand is still new in the fashion industry, which makes people doubt the quality and comfort ability of the product
- TOMS shoes has a very small target market

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Opportunities

- Creating a large company with their extensive interactive features on their website
- Rise in green market/social causes
- Non-traditional stance in media
- Always room for more new styles, colors, and prints

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Threats

- More established competition
- Many companies are now implementing the same business concept and/or replicating product
- Consumer perception that TOMS aren't stylish

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Value Chain

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- Definition of Value Chain: A high-level model of how businesses receive raw materials as input, add value to the raw materials through various processes, and sell finished products to customers.
- They are made from canvas or cotton fabric and are now manufactured in many styles including a cordones, botas, wedges, stitchouts, and wrap boots. The sole is constructed of rubber.
- TOMS has factories in Ethiopia, China, and Argentina.
- TOMS continues to expand their product line by releasing new seasonal lines, as well as teaming up with different brands such as Disney, Ralph Lauren, The Row, and many more.

Retail Strategies

- Although TOMS does not publicly disclose their sales, according to Hoover's they are currently a \$6.70 million dollar company. After its inception in 2006, TOMS sold its one millionth pair of shoes in September 2010. Therefore, an estimated profit of over \$45 million can be assumed.
- Increase sales to young adults by 25% within one year
- Increase repeat purchases by 15% within one year

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Channels of Distribution

Retail Stores:



NORDSTROM



Retail Websites:

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