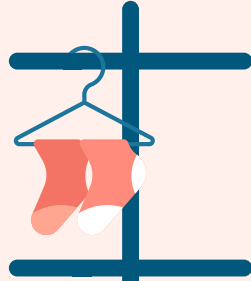
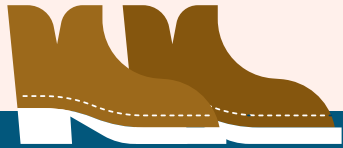


# Brands & Brand Management

By: Annabelle Sharp, Bea Barnhill, Jordan Chesner, Kayla Griffin, & Norah Wayne



# Article

## A Key to Birkenstock's Billion Dollar Success? Its Frumpiest Shoe; Burnt out on splashy Nikes and Adidas, a surprising number of sneaker collectors have come to embrace the shoe company's frumpy Boston clog

Gallagher, Jacob

[ProQuest document link](#)

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### FULL TEXT

This week, Birkenstock will clomp its way onto Wall Street, with an initial public offering seeking a valuation of up to \$9.2 billion for the 249-year-old German shoe brand. And as it has evolved from a frumpy, orthopedic sandal maker to a more-than-billion-dollar business, Birkenstock has received a boost from a surprising source: jaded sneakerheads who have become smitten with its plump, closed-toed Boston clogs.

"I like to keep something like a Boston in my rotation every week instead of just all sneakers all the time," said Drew Good, 25, who runs a clothing brand and does content creation in Miami.

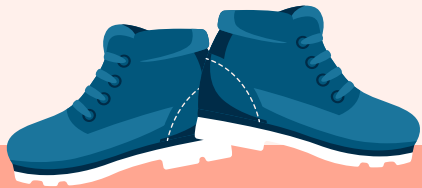
Like a bed bug outbreak, there is an infectious sneaker fatigue coursing through the streetwear world. The onslaught of new Nike releases and gotta-have-it Adidas have spurred many collectors to cry enough.

"The market, especially with Dunks or Jordans, is just oversaturated completely," said Good. "People are looking for a different silhouette on foot—different feel, different comfortability."

Good has embraced the stubborn Boston , with its cork footbed, which has scarcely been altered since its debut in 1976. She now owns three pairs of Birkenstock's backless cup-fronted clogs, getting the most miles out of a mocha-brown pair.

It has been a heady few years for the gray-bearded shoemaker. In 2021, Birkenstock was acquired by L Catterton ,

# What is a Brand?



# What is a Brand?



- A brand is made up of many brand elements including tangible and intangible assets. These elements allow brands to distinguish themselves from others
- Birkenstock has been able to acquire that through its 249 years of business creating a unique brand identity
- Birkenstock is known for its cork footbed that overtime forms to the users foot providing them with great orthopedic support
  - With their unique design that has had little to no altering and great results they are viewed as a trusted brand with a group of loyal customers
- The brand also puts an emphasis on sustainability, ensuring that all the materials used in the shoes are environmentally friendly
  - This is performed through the shoes durability, natural cork, and water based adhesives
- Through their brand elements Birkenstock has shown that they are much more than their products



**crocs™**

**BIRKENSTOCK®**

**UGG®**

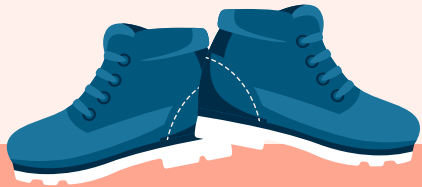
# What is a Brand?



- Product driven brands start with a product and then attracts consumers who may be in need of that product which is what Birkenstock has done in the past
- A consumer driven brands find out what consumers want or are missing and attempt to supply that
- The orthopedic shoe brand that was once more product driven is attempting to shift to be more consumer centric
- This can be seen through their many collaborations with high end brands like Dior and Valentino, the brand has been able to reach a new market with these collaborations, along with its rising popularity on social media with “sneakerheads”
- With the change in management in 2012 the company was able to make their move into a consumer based brand, which has proven to be successful for them



# Why do Brands Matter?



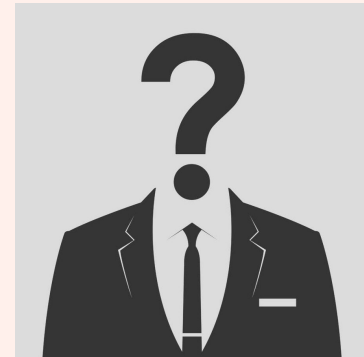
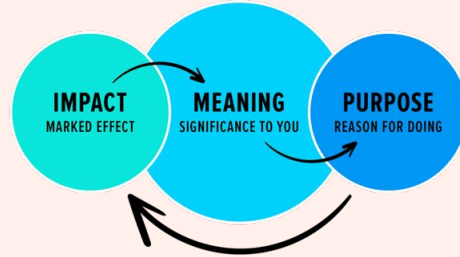
# Why do Brands Matter?

## Brands

- Identify source or maker of a product
- Take on special meaning by consumers
- Provide simplification for product decisions
- Allow consumers to lower search cost of products (internally & externally)
- Establish intellectual property protection under a firm
  - “In 2021, Birkenstock was acquired by L Catterton, the private equity firm backed by French luxury giant LVMH Moët Hennessy Louis Vuitton... In the fiscal year 2022, its revenue totaled 1.31 billion, a roughly 70% increase from two years prior” (Gallagher, 2023)

## Consumers

- Make assumptions about what they do not know about the brand
- Have expectations of consistent product performance
- See brands as symbolic devices (ex: for projection of self image)
- Product consumption satisfaction = \$\$\$ from consumers



# Why do Brands Matter?

## Types of Goods

- **Search Goods (ex: grocery produce):** consumers evaluate product attributes like sturdiness, size, color, style, design, weight, & ingredient composition by visual inspection.
- **Experience Goods (ex: automobile tires):** consumers cannot assess product attributes like durability, quality, safety, and ease of handling or use so easily by inspection, actual product trial experience is necessary.
- **Credence Goods (ex: insurance coverage):** consumers rarely learn the product attributes



### Drew Good:

Age 25  
Runs a clothing brand & does content creation



### Elizabeth Venter:

Age 29  
Vintage resale business owner in NYC



### Drew Joiner: Age 26

Content creator who makes YouTube videos about mens fashion

(Gallagher, 2023)

## Birkenstock: Search Good

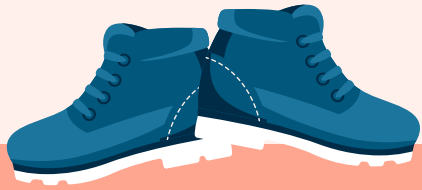


- Sneakerheads have recently been drawn to the “Boston” clogs. (Gallagher, 2023)
- Previously these shoes have been associated with hikers & health food store owners (Gallagher, 2023)
- Birkenstock closed toed shoes makes up 20% of their total revenue (Gallagher, 2023)

Boston  
clogs  
owners



# Can Anything be Branded?



# Can Anything be Branded?

In class we have discussed what a brand really is. A brand is a name, term, sign, symbol, or design. Brands typically would raise some kind of awareness or reputation in the marketplace. Brands do everything in their power to make consumers think a particular brand is the best. They are selling their brands to people by influencing their choices and gaining customer loyalty. A brand is not simply a product. A brand is a mix of distribution, price, or features. Important aspects includes quality, functional benefits, emotional benefits, social benefits, symbolic benefits, and physical attributes. So based off of this information, can anything be branded? In my opinion, yes, anything can be branded if it contains some of the aspects listed. I believe that if it has a name and is promoted, it is a brand. Branding is very broad in the sense that it is not limited to just products. Products, places, individuals, ideas, and many more can be branded. With that being said, it is easy to assume and believe that anything can be a brand.

“Strong brands build experiences beyond the product, that stand for something and mean more than just the mere construction of a garment.” - Mary Zalla, global president, consumer brands at brand consultancy Landor & Fitch



# Can Anything be Branded?

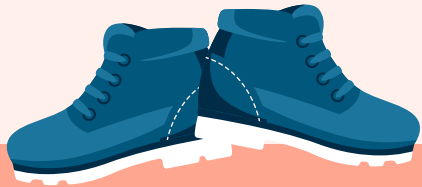
In our article that we chose, it is explained how Birkenstocks evolved through changes in consumer preferences and trends in the fashion industry. There are many different aspects that relate to branding.

Birkenstocks is a classic example of brand image evolution. In doing this, they were branding themselves by promoting and advertising their products in new ways to gain new consumers. They achieved this by collabing with brands such as Dior and Valentino.

Collabs like these positively impacts the company because these brands are very respected luxury brands. Social media also plays a large role in branding. This can include tiktok, instagram, or even products worn in movies or shows.



# Branding Challenges & Opportunities



# Brand Challenges & Opportunities



## Pandemic Effects

- People began to switch out their Nike tennis shoes for Birkenstocks open toed sandals since they were in the confinement of their own home.
- Birkenstock “Bostons” turned into people's everyday shoe
- **Birkenstocks took the challenge of the pandemic and rebranded their shoe as something that could also be perfect for work from home** employees to slip on the slides while moving from their desk to kitchen.

“Boston” Birkenstocks



## Collaborations

- Birkenstocks has done many collaborations with other brands/influencers to promote their brand to different market segments.
- **Birkenstock has taken the opportunity and collaborated with Rick Owens, Bape, Stussy, TooGood, Manolo, and more.**
- These collabs have extended the market and customer outreach to raise profits.

# Brand Challenges & Opportunities



## Online/Social Media Opportunities

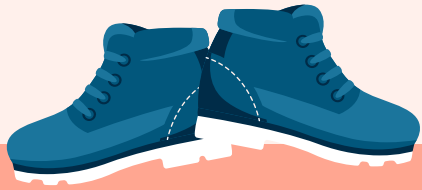
- **Birkenstocks strap sandals were featured in the movie “Barbie” which was one of 2023s biggest films.**
- Birkenstock being shown on Barbie redirected the market focus onto a younger audience.
- The new brand opportunities given to Birkenstocks social media has improved greatly from the past drawing in more consumers.



## Consumer Feedback

- **43% of the brand's consumers are either millennials or Gen Z.**
- “After 1.5 years: They’re overrated” The Modest man article states.
- **After Birkenstock reached out to their consumers they were challenged with negative feedback** and took it to change some of their products to target a newer audience.

# Strategic Brand Management Process



# Strategic Brand Management



## Steps

1. Identify and developing brand plans
2. Designing and implementing brand marketing programs
3. Measuring and interpreting brand performance
4. Growing and sustaining brand equity



## Break it down

- What a brand represents
  - How it's positioned
    - Maximizing competitive advantages
    - Create loyalty
    - Understanding financial impact
- Brand names, symbols, characters
- Marketing activities
  - Co-branding, endorsements, sponsorships
- Brand audit- assessing the health of a company
  - Perspectives from firm and consumers
- Understand all types of consumers





# Strategic Brand Management



## How Birkenstocks follow the steps

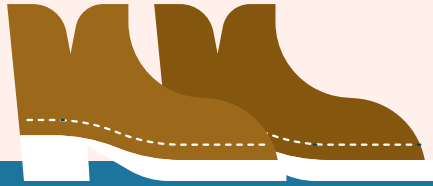
- Comfort shoes since 1976
- In 2022 revenue increases 70% from two years before
- Finding their way into online resale marketplace
- The corkshoe design has not changed
- The style of shoe is very well know
- “Everyday comfort that’s always in style”
- Pandemic creating the comfort wardrobe



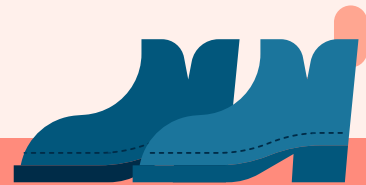
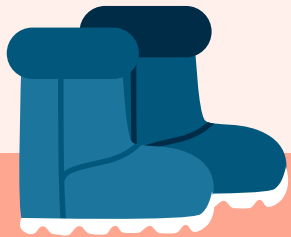
- Started as a shoe for gymnasts
- Many people have worked together with them to create limited edition sandals



**Discussion Question:**  
**As students in FTM, how has  
your perception of brand  
management changed?**



Thanks!



# Alternative resources

Gallagher, J. (2023). A Key to Birkenstock's Billion Dollar Success? Its Frumpiest Shoe; Burnt out on splashy Nikes and Adidas, a surprising number of sneaker collectors have come to embrace the shoe company's frumpy Boston clog *Wall Street Journal (Online)*; *New York, N.Y.* eLibrary, ProQuest Central.  
<https://proxying.lib.ncsu.edu/index.php/login?url=https://www.proquest.com/newspape%20rs/key-birkenstocks-billion-dollar-success-frumpiest/docview/2874802152/se2?accountid=12725>

Romero, G. (2023, October 3). *Birkenstocks review after 1.5 years: They're overrated*. The Modest Man. <https://www.themodestman.com/birkenstock-review/>

Binlot, A. (2019, July 26). *A look inside birkenstock*. Forbes.  
<https://www.forbes.com/sites/abinlot/2019/07/26/a-look-inside-birkenstock/?sh=6a172f564ab8>

