

# Interest Building in Crocs' New Styles, In-Store Stock Low

Companies: AMZN, COST, CROX, DECK, DKS, ETR: ADS, KSS, M, NKE, PSS, SKX

May 26, 2011

## Research Question:

**Can Crocs become a year-round footwear brand?**

## Summary of Findings

- [Crocs Inc.](#) (CROX) already is viewed as a year-round brand by shoe industry specialists and customers, who said the [Classic](#) shoe is good for household and casual purposes no matter the season.
- Sources questioned whether Crocs can entice consumers to purchase the new styles for year-round use.
- New styles that most closely resembled the Classic had stronger sales, best reviews and the most potential. The edgier, more unique looks were described as cheap looking and a detriment to Crocs' image.
- Crocs' display space and stock were minimal compared with competitors'. Customers and store associates complained about the lack of styles and color options in stores. However, two suppliers said Crocs' previous inventory issues had been resolved, and replenishing orders was easier and faster.
- Imitation Crocs are on the rise in China. Crocs will release its new styles in August in Asia, where April sales were steady year to year. One source said the brand may face difficulties in Europe, where fit is an important issue. Another source recommended Crocs emphasize its name as a status symbol to thwart knockoffs.
- Sources reported [deep discounts online for the fashion-forward You collection](#) as well as other pricing discrepancies for Crocs between stores and online.
- Crocs children's shoes continue to outsell adult shoes. Still, one kids' store owner will not order styles other than the Classic because Crocs are low-margin products.

## Silo Summaries

### 1) SUPPLIERS

These five sources do not view Crocs as a year-round brand overall but said **demand for the Classic Crocs remains steady throughout the year except in the spring and summer when sales increase precipitously.** Sources questioned the brand's ability to reach a broader market through product expansion. **The newer boots and high-heeled shoes have not caught on with customers.** Two sources said company operations have improved as past inventory problems have been resolved and ordering is now easier. **In Asia, April sales were steady year to year, and several new products and new styles will arrive in August.** Imitation Crocs are very popular in China. An accessories supplier said the Jibbitz trend peaked two years ago and that demand has fallen sharply since then.

### 2) INDUSTRY SPECIALISTS

These four sources said Crocs will struggle to expand successfully beyond its core Classic shoe, though **one fashion stylist viewed the new line as a hit and has begun recommending Crocs to her female clients.** The new styles are a departure from the company's origins, and some look cheap and reduce the company's integrity in the marketplace. The stylist said Crocs needs to promote its new look through celebrity endorsements. A footwear recruitment source said the industry is beginning to hire designers and developers.

### 3) STORE VISITS

Five of eight sources said Crocs can be a year-round brand, including stores in Chicago where weather can be an issue. **The new styles are beginning to sell well in four of the stores.** Both L.A. sources cited a men's canvas slipper as a strong seller among the new looks. **Stores, including those whose Crocs sales have been strong, reported low, limited or late-arriving inventory of all styles.** Crocs is having to compete for space and attention in stores.

### 4) CUSTOMERS

Six sources reported seeing fewer Crocs in stores and have bought more Crocs online as a result. Five of the six sources are interested in the new styles; two customers specifically came to the stores for these recent Crocs offerings. Four sources believe Crocs can be a year-round shoe as the Classics can be worn any season for casual, around-the-house purposes.

	Crocs a Year-Round Brand	Product Expansion Will Succeed	Inventory No Longer an Issue
Suppliers	↓	↓	↑
Industry Specialists	↑	→	N/A
Store Visits	→	→	↓
Customers	↑	↑	↓

## Thesis and Approach

Crocs has been introducing more shoes and categories to reach beyond the Classic Crocs look, which took the market by storm years ago. This report aims to uncover consumers' current appetite for Crocs' new products and line extensions and to assess inventory, orders and international trends. Blueshift employed its pattern mining approach to interview sources in five independent silos:

- 1) Suppliers (5)
- 2) Industry specialists (4)
- 3) Store visits (8)
- 4) Customers (6)
- 5) Secondary sources (6)

Blueshift interviewed 23 primary sources and included six of the most relevant secondary sources focused on the fashionable styles of Crocs, a first-person account of Crocs' [toning shoes](#), and Crocs' new advertising campaign.

## Silos

### 1) SUPPLIERS

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#### ➤ Manager, authorized online athletic sportswear distributor

Demand for Crocs is steady throughout the year, but sales double and triple in the spring and summer. Winter styles and Crocs with high heels or wild colors are not as popular as Classic Crocs, which sell equally well online and at retail. After a few years of rocky operations, corporate now quickly handles inquiries, orders and problems. Inventory is steady although certain colors such as black are sometimes in short supply. Online sales to women are strongest while children's Crocs sell best in retail stores. The source was unaware of new products and said certain styles are sold exclusively by Crocs and are not available to distributors. Crocs has a public relations problem stemming from 2009 [reports](#) about a potential bankruptcy. Some retail customers are surprised the brand is still alive, and this source's competitors stopped selling Crocs altogether, which benefits the source's sales but limits Crocs' brand exposure.

- "We sell Crocs year-round, but April to October is our busiest time. Our sales typically double and triple in the spring and summer. Current sales are steady [year to year]."
- "We don't have any inventory problems. I do the ordering, and I order on a regular schedule. Occasionally in the past we had some inventory problems, but it is better now than it was before. When I first came on, it would take a month for them to respond to orders and then two to three months to deliver. Now it takes about two to three weeks. We get these order sheets, so we can see what is in stock and what is on back order."
- "We don't see any shortages on shoe styles, but there are shortages of certain colors, like the black material. It's more of a color thing than a style thing."
- "We only sell Crocs. Mostly college-age customers shop our Web site. They don't make Crocs with college logos anymore, but we sell whatever else they offer. Our account is one of the largest with Crocs in the region. As far as I know, Crocs doesn't use wholesale agents because everyone has to buy directly from them for distribution."

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Manager  
Online Sportswear Distributor

- “About a half a dozen other places used to offer Crocs at retail, but in 2009 everyone thought the company was going to go bankrupt and most, if not all, of our competitors got out. It never died for us; in fact, it got better for us because we are the only supplier.”
- “I’m not sure what happened that there was news they would go bankrupt. I think there was a corporate clash between the East Coast office and the Colorado office, and they were not working together. So they shut both offices down [for distribution] and opened and now operate a facility in California.”
- “I have not looked at the actual sales numbers, but I imagine our best seller is the classic, standard design, the one they had in the beginning, and it’s as strong as it was because that’s the one everyone knows about.”
- “We still sell well in the stores, but even there some customers come in and even they are surprised because they thought they went bankrupt. I think it’s because they used to spend a lot of big money on TV and radio advertising, a lot of money on magazine ads. You never see TV ads anymore.”
- “We receive new products, but there are a number of styles we don’t have access to. We do not have access to everything they make because it’s not available. They keep certain models to themselves.”
- “All of our shoes are similar, and the Classic design is most popular. We don’t carry the wild animal print designs, and we stay away from the bright lime color or hot pinks. The 4- to 6-inch heel does not sell that well.”
- “Orders are smoother; if they mess up an order, they handle it quickly. Orders slowed in 2008, and I think others were scared to sell Crocs because they didn’t want to get stuck with a bunch of the shoes and then have the company go bankrupt. None have gotten back in. During the same period, we expanded the amount of orders and our workspace, which is four times larger. So even if others want to get in it would be hard for them.”
- “We don’t see any glaring differences between online sales and in-store sales. In stores, we get a lot more kids’ shoes and sell fewer kids’ shoes online. I think it’s tough to fit kids by shopping online.”

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Online Sportswear Distributor

## ➤ Principal for an ergonomic design firm and a former Crocs supplier/distributor

Crocs’ message of being a year-round footwear brand has not reached customers. The brand has slipped, and the source was unsure Crocs could effectively extend its product line. He prefers the original concept. The raw material is key to company success, but Crocs lost sight of its roots and the founder’s vision. Demand for the Crocs concept of lightweight, durable and washable shoes remains strong. Matching the sales level of [Nike Inc.](#) (NKE) and [Adidas AG](#)’s (ETR:ADS) will be achievable only if the leadership team can build on the original concept and commit to Crocs for the long haul. This source was unfamiliar with Crocs’ current [management](#) and cannot predict Crocs’ growth potential.

- “I think they are already a year-round footwear company because they already make footwear for spring, summer, fall and winter seasons and they have for about four years. Whether it is common knowledge is another question.”
- “They want to get the year-round persona in the consumers’ mind, but it’s not there yet. I don’t know if I’d place them in the [Skechers \[USA Inc./SKX\]](#) category, which started with skates and then became a young, trendy sportswear shoe company.”
- “They started as a leisure and fun company that made a specific material, and then they used that material to make footwear. If they want to evolve, I think they could get to be a Nike or an Adidas, but it will not happen overnight and it would only happen with great leadership. The original founders are no longer involved. This is not to say the current team can’t or won’t provide the necessary leadership. But if the people in there now do what the original team did—make a lot of money over a five-year period and then get out—then I am not convinced it can happen.”
- “It seems they want to create a new image, and maybe they can. I think they do a reasonable job now, but they need to grow more modestly. The material they are using is certainly suited to year-round wear, and people want and like the durable, lightweight comfort shoe.”
- “I think they want to become a brand that means good footwear and not just a brand that means good Croslite footwear. But it remains to be seen whether they can achieve that kind of brand status.”

- “I still wear Crocs, and I still believe in the original product. Consumers want a very simplistic, easily washable, lightweight and waterproof shoe. It was a great product as a concept, and I’m sorry that they got away from that.”
- “There are no signs they are now on the top rung. A lot of other key brands are in the lead. Crocs has fallen from being one of the top 10 producers to being one of the remaining 500. A lot of it comes down to management. If they want to evolve their persona and reshape the company and the brand, they will need a strong team.”
- “I am always leery of a company that four to five years down the road dismisses its roots. But it can be done. But it all depends on who is there in the leadership role. They have a team in place with some new members [including a [new senior creative director](#)], but I would want to know more about them and their long-term goals before I made an assessment of the possibility.”
- “The original inventor was [Scott Seamans](#). They should have retained Scott and his vision, but it kind of got railroaded. They wanted me to come to Colorado as a VP, but I decided I did not like Colorado and I saw that they were already steering away from their roots using the core material and product diversity.”
- “This is not to say the current team is not doing a good job. The company is stable financially, now more so than before.”
- “The excess inventory thing is in the past, but I do not think [overproduction without demand] is what happened. I think the top five guys were so good at building companies and they did it so fast that they lost control. Ron [Snyder, Crocs’ founder] had a strong background in building infrastructure, but he continued to dismiss the roots of the thing and eroded the original vision.”
- “I cannot speak to orders or distribution, and I would prefer not to comment about the operations in Europe and Asia.”
- “I don’t believe they have a patent on [Croslite](#), and I am not aware of any patents on the raw materials. They have an international trademark on the name Croslite and some of their designs have patents. But they did not develop the raw material used in their shoe.”
- “The [Jibbitz](#) thing was perfect timing. They bought the company for \$10 million. I’m not sure what’s happening with the [shoe accessories] now.”

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*Principal, Ergonomic Design Firm  
Former Crocs Supplier/Distributor*

## ➤ Marketing manager, supply chain distributor for a Southeast Asian country

Crocs hired her company to handle all authorized wholesale and retail distribution and operations. The Crocs brand, first offered in 2006, grew quickly the first two years, but growth intentionally has been curbed. Crocs sales in April were flat year to year. Sales are constant throughout the year but center around biannual, new model releases. The “year-round” concept does not apply to the winter styles and boots given this country’s climate. The Classic style and earth tones sell best. The source reported no pricing difference between wholesale and retail; consumers in this region typically do not shop online. Product releases for August include a “Body & Sole” model, designed to exercise and strengthen thighs and legs, along with the new children’s [Chameleon shoe](#).

- “The Crocs brand has really been growing in our country since 2006. We continue to grow but at a slower pace. We wholesale to department stores, and we also open new branches of [standalone stores]. We now have 31 branches. Last year alone we opened 28 new stores, adding to two others, and so far this year we have opened one more branch. We anticipate a slower increase for this year compared to last year. I am not sure how many stores we will open in 2011.”
- “We started out distributing really fast in the first two years, but now we are growing slower and slower. Our first year was explosive. I don’t know if I’d say it was too fast, but we anticipate slower [company] growth this year.”
- “We do the wholesale distribution to department stores, and we also consign the branches, renting a space that’s like a boutique inside a mall.”
- “Demand is the same this year versus last year. Crocs really only

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*Marketing Manager  
Supply Chain Distributor in SE Asia*

comes out with new styles two times a year, and so demand is the same. We don't know whether there are any special models planned for distribution here. That is up to the manufacturer, and we just handle the placement. The classic, original Croc is still the best seller here."

- "We do not have winter here; we have no need for the year-round styles. ... Sales are constant around the year but center around new releases."
- "If you look at our list of styles, we have the clogs, the wedge, the sandal, the slipper and a variety of styles for children. We do not yet have the new Chameleon model, but it is planned for release in our area at wholesale. We do not see much different in sales for retail versus wholesale, which we do in the department stores. We have no Internet sales because our shoppers want to look around in the mall; they want to feel and see the product and try it on."
- "One new model planned for distribution here is the Body & Sole Collection of Crocs, which are supposed to help you tone your legs and thighs. I don't know what the exact model will look like, but we are still planning to launch in August. We will start advertising just in time for the launch on TV, radio, in newspapers and magazines."

## ➤ Export manager, sporting goods factory manufacturer, mainland China

Imitation Crocs are very popular. Many manufacturers in China are filling orders with designs that are just different enough to not infringe on Crocs' patents and trademarks. This source's Web site reports selling Crocs and Jibbitz but makes no mention of being knockoffs, and his e-mail and Skype contact use the term Crocs. His sales are good. He knew of no true Crocs suppliers or manufacturers in his area, a large industrial zone.

- "Our Crocs orders are very good. We sell some winter styles, and they sell better in the big cities."
- "We make a signature style of Crocs. We do not get them from the original maker. We do our own design that is different from the original, and we only do [original manufacturing]. Ours are different because normally the Crocs has a round hole on the upper part and ours sometimes have triangles or squares or stars on top. The sole shape is a little different because we cannot make it exactly the same."
- "We do not work directly with the original supplier of Crocs. Normally, we make the imitation. I do not know of anyone who supplies or distributes the original Crocs, but there are many, many factories and manufacturers in our region that make the imitation Crocs. They are very popular."

## ➤ Sales associate, supplier of Crocs decorative shoe accessories

Demand for Jibbitz-style charm accessories is almost nil, having peaked two year ago. Crocs charm sales are down 50% to 70% in the United States, with no sign of an upturn. Crocs charms hold little appeal despite the healthy market for children's resin clogs.

- "From our vantage point, the Crocs charm and Jibbitz craze hit its peak a few years ago. We don't hear much about their shoes, and the decorations are not selling. Things run in cycles. The Crocs jewelry was trendy, but it's been flat for the past two of years."
- "We have hundreds of designs, but no one is buying them. Our designs are our own and made from resin and hand painted, and they are like the branded Jibbitz charms."
- "Demand has dropped 50% to 70% in the last year or two. It was pretty hot in 2008 or 2009, but not now."
- "I can't imagine Jibbitz being any different than here. I don't know anything about Asia or Europe sales. Our market is in the U.S."

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Sales Associate  
Crocs Decorative Accessories Supplier

## 2) INDUSTRY SPECIALISTS

These four sources said Crocs will struggle to expand successfully beyond its core Classic shoe, though one fashion stylist viewed the new line as a hit and has begun recommending Crocs to her female clients. The new styles are a departure from the company's origins, and some look cheap and reduce the company's integrity in the marketplace. The stylist said Crocs needs to promote its new look through celebrity endorsements. A footwear recruitment source said the industry is beginning to hire designers and developers.



➤ **Founder of a children's footwear brand, more than 20 years in the children's footwear industry**

Crocs could become a year-round brand in warmer climates and if it expands intelligently. It needs to stay away from products, like high-heeled Crocs, that do not make sense to its core. Crocs managed to do what few fads have done: become a staple. People still ask for them, which is why stores still carry Crocs even if the margins are lower. The top-selling style remains the [Cayman](#). None of the other “new” styles, except for the [Mary Jane](#), have been popular. The shoe-buying business is different in Europe where stores emphasize fit, which is irrelevant for Crocs. Although this source is not a Crocs fan, he admits the shoe was a good idea and believes Crocs will be around for a long time.

- “Crocs has transitioned from a fad to a staple, if you will. There are a whole lot of people, including myself, who counted Crocs down and out.”
- “It did that because of timing. The industry has done a woefully adequate job of promoting the need to get shoes professionally fit. Crocs are easy. They just slip on. And they tend to go with everything. You see people wearing them with shorts. You see people wearing them with khakis. Crocs have become acceptable, unfortunately but true.”
- “It was the hottest thing [after going public] for maybe a year, and then when people moved on. Instead of selling 100 a day, [retailers] were selling 14 a day. But they’re still selling 14 a day. People may not want the bright neon colors anymore, but people are still coming in and asking for navy, black or red.”
- “I think it can become a year-round brand. However, I think Crocs [management] is going after the wrong categories [with product expansion]. No one is looking for high-heeled Crocs. They need to think about, other than kids, who is going to use the shoe? Chefs? Gardeners? Maybe make clogs, like [Dansko \[Inc.\]](#)? Just not high-heeled shoes or men’s wing tips. I don’t really know of any other shoes that people wear other than the Cayman. Maybe the Mary Jane style for kids; that’s it.”
- “We have a Crocs kiosk at the mall. When I saw the high-heel shoes, I said, ‘Are they out of their mind?’ The Cayman is really the only style people buy. It’s 97% of Crocs’ business. ... I know people who have tried the other styles, but it didn’t work.”
- “Crocs’ high-heeled stuff is like putting lipstick on a pig. It just doesn’t belong. You have to be who you are.”
- “I believe Crocs has staying power. They are just going to hang around. Crocs had their peak, but at the end of the day it was a good idea. I think they will stay around if they make intelligent product extensions of their core competency, which is a slip-on shoe that can be worn in the garden, the pool. I would stick to that.”
- “Take [Hunter Boots \[Ltd.\]](#). They’re basically rubber boots that English farmers used to wear in the garden. Hunter became a wildly popular fad. So the CEO says that they’re going to become a lifestyle brand with high-heel shoes, and will license the name to sunglasses, cologne. Five years later, people realize that it’s just a really good rain boot. And new management changes direction, going back to its roots as a rain boot.”
- “I travel to Europe twice a year. I think I’ve seen Crocs in maybe one department store in the UK. But I don’t see them worn a lot. I’ve not found one independent store that has them. Over there, independents are concerned with fit and for Crocs shoes, fit is irrelevant. I think Crocs tried to get in, but it didn’t click. They’re not good-looking. ... It’s difficult to find an inexpensive shoe over there.”
- “Crocs has damaged a retailer’s ability to make money. They have taught the parent, and this is no fault of Crocs, that you don’t have to spend \$40 on a leather sandal when you can just put them in Crocs for \$28.”
- “When [Crocs] got so popular, a retailer called me and said, ‘I’m selling a ton of Crocs. That’s the good news. But the \$40 to \$50 product is just sitting on the shelves.’ You’re not going to make enough money to pay the rent on \$28 shoes.”
- “Shoe prices, over the last 10 years, particularly children’s shoes, have been deflationary. I was at [Collective Brands Inc.’s/PSS] [Stride Rite](#) since 1992 and kept every catalog. The catalog from spring 1992 compared to spring 2011—the average price of shoes has gone up 7%. Has rent gone up? Yes. Are there more places to buy

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*Founder, Children's Footwear Brand*

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shoes? Hello! Have you heard of [Amazon.com Inc.'s/AMZN] [Zappos](#) or [Endless](#)? You have fewer customers coming in, and your overhead has gone up and you're making less money over the year."

- "Retailers who bring in tons and tons of Crocs can't compete with [Dick's \[Sporting Goods Inc./DKS\]](#) or [Costco \[Wholesale Corp./COST\]](#) that sell the same stuff. Crocs will be to the detriment of the independent retailer. These stores have to sell Crocs. I know one who doesn't and I asked why. He said he can't make a living selling \$26 shoes."
- "[Deckers Outdoor Corp.'s/DECK] [UGG](#) did something that was interesting. If you're a retailer, UGG is telling you that 40% of your order has to be other styles, like the short boot. They're forcing retailers to order other styles. What UGGs is doing is not common. When you start dictating to retailers what they order, you'd better hope that your core won't go out of style."

## ➤ Creative director of a brand rehab and trend agency, with expertise in footwear

The original Crocs continue to resonate despite the snobbery of the fashion industry, but the new designs and new brand names are confusing. Crocs is losing its integrity as a unique, U.S. shoe brand by chasing new business. Some new designs look cheap and are indistinguishable. Launching the [You brand](#) was expensive and unnecessary. If Crocs wants to succeed in Europe and Asia, it will need to promote the Crocs brand and turn it into more of a status symbol because of the growing number of consumers who prefer brand names over knockoffs.

- "Crocs can become a year-round brand. Ugly is a very good thing. It can go so far that it comes back as chic and trendy. Crocs was good ugly for a long time. Oversaturation, which they admit they did ... was too much."
- "I don't understand the new design direction. I thought it was really strange that they took the clog and casual and tried to make it into shoes like heels and wedges. Why are they doing it when something is so pure and so right on? They should improve on what they have. That's when they started to lose integrity. It's like UGGs trying to do open-toe. [Crocs] began to look like cheap Asian bath shoes. That was the wrong direction. It doesn't work."
- "They don't have their brand management straight. You see the same aesthetic design, some look cloggy, some look like [Børn \[Handcrafted Footwear\]](#), some [Ecco \[Sko A/S\]](#). Some look a little bit Italian. When you look at some of the combinations, there's no sense. I wish they wouldn't chase business."
- "No one is diving into Crocs' You brand. When you look at the You collection, there aren't any strong anchors. ... It looks like a knockoff brand. I don't think it makes it easy for consumers to follow."
- "It's much more confusing in Europe than Asia. Especially in markets like Korea and Japan, they're looking for distinction and they want more brand presence so it can be considered something elitist. The brand is so strong that Americans can't forget it. If they make the brand stronger overseas, they stand to make a better margin."
- "Crocs have huge potential now in China because they own the status of Crocs. If you bring in the You, it's a new brand name and nobody knows its connection to Crocs. I wouldn't have introduced a new brand name because of the cost to introduce a new brand to consumers."
- "There is a huge, huge opportunity for this kind of thing in Europe. It's a game of image so they need to be very specific on what their image is. It's important for Crocs to define what they want to be. When you push them on it, they waffle. In Europe, if you don't have that, there's no way to distinguish yourself."
- "In Asia, it's a brand game. It would have been smarter to stick with the original brand."
- "As for the Crocs stores, merchandising is funky and the way they separate products is even weirder. I think it's a difficult and dangerous thing to mix it up too much. I think the cart in the malls was a better thing. It made more sense."

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*Creative Director  
Brand Rehab & Trend Agency*

What they have done so far says a lot about their ability and where the market is going. It's predictably the next thing for them to do. I really applaud what they're trying to do. I just don't think it's on yet. But it takes three to five years for distribution to get it right.

*Creative Director  
Brand Rehab & Trend Agency*

- “The original Crocs were the best thing despite what others said or the snobbery of the footwear industry. They were brilliant. They allowed feet to be spread out and comfortable.”
- “In Crocs’ case, what they did was ingenious. An anti-tech statement when others were trying to be sophisticated. When they said they were going into shoes and boots, the industry had tremendous skepticism. What they have done so far says a lot about their ability and where the market is going. It’s predictably the next thing for them to do. I really applaud what they’re trying to do. I just don’t think it’s on yet. But it takes three to five years for distribution to get it right.”
- “What I’ve learned about the footwear market is the communication between the actual company and ultimate consumer is a very wide ocean apart. Shoe companies must have very integrated distribution and organization and a very supportive retail environment. Crocs has had such a huge success. They’re not going to have to struggle to get to the consumer. That’s their best asset.”
- “When they started the You perspective, clearly it’s because they wanted to grow up.”

## ➤ Professional stylist/fashion blogger

This source had never recommended Crocs to clients until she saw the new women’s spring line a few months ago. However, coming up with new styles may not turn Crocs into a year-round brand. The company needs to focus on advertising and marketing because many people are unfamiliar that Crocs has expanded beyond the original shoe. Also, not every new style, such as the cheap-looking [rain boots](#), is a hit for this fashion follower. This source is not recommending any Crocs to her male clients.

- “The original Crocs were comfortable but not something I would ever wear.”
- “I’m pretty familiar with their new line. They sent me samples. It’s definitely a large change from what they put out before. They’re trying to be a lot more fashion-forward with wedges and shoes with peek-a-boo toes instead of the regular chunky shoes that you see dental assistants wear.”
- “The new styles are in stock at the local store when I stopped by.”
- “I have absolutely recommended them. I gave some to my sister, a teacher, who walks around all day. She sent a lot of people to the Crocs outlet to buy some. It’s kind of catching on. She said that she walks around all day in them and her feet don’t hurt.”
- “They are a spring and summer brand. But if they kept the wedge style and did a boot, I think it would be something people would wear year-round. I’m not sure about the rain boots. I didn’t really care for the rain boots. They just looked cheap. Regardless if they were comfortable or not, I could go to Wal-Mart and buy the same thing. Why would I want to spend that much on something I can buy from Wal-Mart?”
- “I wouldn’t recommend any of the new Crocs to my male clients. For children, it’s cute. It’s functional. Their feet are still growing. ... But men? I’m not impressed with the new line and what I saw. It’s the women’s that I was wowed by.”
- “I definitely think they’re on the right track. I’m not saying they have to go out and mimic other shoe brands. They need to focus on advertising. Not a lot of people know about the spring collection, and it’s almost summer now. They need to go to L.A. and have some celebrity be seen in them; then everyone would wear it. It’s hot here most of the year, but if you start seeing them in *US Weekly*, like UGG boots, then people here would wear them.”
- “I think they can change their image. I actually like the direction they’re going to be more fashion-friendly and stylish. They’re going to have to do something because people just see Crocs for comfort. That’s it. There’s no style or fashion sense to anything that makes someone say, ‘I have to buy this.’”

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*Professional Stylist/Fashion Blogger*

## ➤ CEO of a footwear recruitment site

Crocs is having to stay ahead of the competition, including cheaper knockoff products, so it is expanding its product line beyond the classic Crocs shoes for kids and adults. After a few rough years, footwear companies are starting to hire again but only for critical positions like product designers and developers. Also, the hiring is occurring more overseas than in the United States.

- “Crocs is trying to reinvent themselves so they can flourish. When [knockoffs] flood the market with greatly reduced prices, they’ve got to stay ahead. It’s like everyone is knocking off UGGs. There’s a reason for that.”



- “A lot of companies, believe it or not, are hiring in design and product development categories. They’re refilling positions they cut too close to the bone when profit margins were down. There is still some downsizing in the industry. It’s not over yet. ... But if you don’t have the product, you don’t have anything.”
- “They are going after the athletic casual. ... They were riding the trend [in 2010]. Boots were hot for people in their 20s.”
- “Children’s footwear hasn’t suffered as much because kids are always growing and need new shoes. Men’s shoes were hurt the worst because they ... just put another sole on their shoes before they get another one. Women go out and buy a new pair. But they’re not going to buy 10 pairs of shoes when they don’t have a job.”
- “[Children’s footwear] weathers the storm better. ... There are far less chance in major shifts.”
- “In high fashion, if you change designers, you could have a dud year. In the shoe business, designers move around a lot. If you see this company did very well, you want to find who designed that line.”
- “I’m growing in overseas business. I’m placing more people overseas. I just placed someone for an English company to help their business here. It’s going both ways across the pond.”

### 3) STORE VISITS

Five of eight sources said Crocs can be a year-round brand, including stores in Chicago where weather can be an issue. The new styles are beginning to sell well in four of the stores. Both L.A. sources cited a men’s canvas slipper as a strong seller among the new looks. Stores, including those whose Crocs sales have been strong, reported low, limited or late-arriving inventory of all styles. Crocs is having to compete for space and attention in stores.

#### ➤ Sales manager at a footwear store in Los Angeles

Crocs’ new [Santa Cruz](#) and the [Hover Slip-on](#) shoes for men are selling well, and prices compare well to competitors’. Inventory has been low, and summer products have yet to arrive in the store. Current items lack color options and are on a crowded display. This source expects a shipment of flip-flops and other models sometime this month.

- “Crocs is trying to address the fact that the Classic model is not all that popular because it’s very clunky, so they’ve come out with some new styles. From what we’ve received so far, they are doing pretty well. We just haven’t received that many different styles yet.”
- “I think they can become a year-round brand because we have sold quite a few of the men’s new canvas slip-ons. They are extremely comfortable, and price-wise they compare favorably to the [Sanuk Slip-ons](#), which sell for \$60 compared to Crocs at \$47.
- “We’ve had a pretty low inventory of Crocs for the last couple of months. We don’t even have any of the Crocs flip-flops in, and usually by now we do. I’d say that’s changed in the last year pretty dramatically, so obviously we aren’t selling as many Crocs as we were. We have pretty much one style for women and only about five pairs of that, so I’m not certain what’s going on with the ladies’ styles.”
- “I wouldn’t say there’s a shortage because I know they are making new shoes. But we are seeing backlog because we don’t have anything new in except the two styles for the guys, but I know we are expecting a new shipment of Crocs this month that is supposed to have summer styles. We sell other brands so we don’t want to saturate the store with one brand, but I think we could use some other styles for women and colors too. Right now it’s all black except for the men’s two slip-ons.”
- “There might be too many styles to choose from, so it could be that they are trying to be very selective about what they send us. But the casual slip-ons for guys are doing well, which tells me that there is a market for Crocs beyond the Classic models.”

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*Sales Manager, Footwear Store  
Los Angeles, CA*

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*Sales Manager, Footwear Store  
Los Angeles, CA*

- “I think they do pretty well online. They have a following in certain industries like kitchens and hospitals because they are absolutely the most comfortable shoe. It’s all about comfort, and when people buy them that’s all they are talking about.”

**Reporter Observations:** The store sells a wide selection of shoes, high-end flip-flops, and Crocs. The Crocs display was down to about three styles for men, a rack of the [Classic](#) and [Bistro](#) models for women and men, all black, and about four pairs of rain boots for women. Inventory was very low on a Saturday at 3 p.m. Although prominently centered, the Crocs were all on one display rack and surrounded by other racks and brands.

## ➤ Sales associate, Sports Authority shoe department in Chicago

Crocs sales are heavier in the warmer months, but this source sells two to three pairs of Crocs per week year-round. A Crocs rep recently visited this store, so stock was suffice for kids’ and men’s Crocs but low for women’s. The new women’s [Skimmer](#) is selling well. Children’s styles should do well this summer.

- “Crocs already are year-round shoes. They are pretty popular. We don’t have any of the winter styles in now, but they did well. We had several styles; some had fleece but they have been marked down and clearanced out since they were out of season. Customers are always buying Crocs throughout the year.”
- “Crocs are still very popular. I sell two to three pairs of Crocs every week. In the summer, I sell even more.”
- “For the ladies, we are getting in more of the sandals and flip-flops. We are not really getting the Classic Crocs styles so far, but we are expecting more ladies’ stock soon. We also don’t have a lot of the colors like we used to a year or so ago. We have colors in the kids’ we just got on the floor but the ladies’ are more muted tones, nothing pastel or colorful.”
- “We recently got in a women’s Skimmer in an off-white and taupe color. Those are selling well. They are \$34.99 a pair, and the ladies like them because they are less bulky than the traditional styles. The other new style is the one with the band around the heel. Those are pretty new on the floor, and the customers seem to like them.”
- “The Crocs [rep] was just here a week and a half ago, seeing what we had and what we needed. We have two endcaps solely for Crocs product. The rep filled one endcap with all kids’ Crocs, so that shows that they are selling and are expected to sell well. We had almost no kids’ Crocs until this. The other endcap is all men’s product. We have some of the Classic styles along with a newer version that has Velcro on the back. It makes the shoe more adjustable, and guys are buying them.”
- “Once we get in more ladies’ styles and stock, maybe that will get moved into the Crocs end-cap display. Now, the ladies’ Crocs are on the wall, and we are pretty low on stock but expecting more in any day.”

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Sales Associate, Sports Authority  
Chicago, IL

**Reporter Observations:** Two associates and four customers were in the shoe department at 11 a.m. on a Monday. No Crocs were on sale, and inventory was mostly geared toward children’s styles. The Crocs endcap displays were neat and fully stocked. The average price for a pair of Crocs was \$39.99.

## ➤ Sales associate at an established shoe store in Chicago

Crocs have dropped in popularity, and the store is carrying fewer models year to year. Winter Crocs sales were adequate. The children’s Crocs outsell the adults three to one, which is reflected in inventory levels.

- “I don’t see Crocs thriving as an all-season shoe. Crocs are less popular than they were when they first came out. They dropped off the last couple of years. I don’t see it really picking up again. I think they hit their peak.”
- “We are carrying less Crocs this summer over last summer. And, last summer, we had less than the previous summer.”
- “The [Crocband](#) style is the newest style. We only have a few pair of them in navy in kids’ sizes. We don’t plan to order the new band style in the adult sizing.”

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Sales Associate, Shoe Store  
Chicago, IL

- “We still sell a pair of Crocs every so often. The kids’ Crocs outsell the adults—I estimate at least three to one.”
- “We did carry some of the style lined with fleece last fall/winter and they did just OK. We ended up ‘clearancing’ some of it to move it out.”
- “We tried carrying the more colorful colors, but they did not really sell. So now, we are just carrying a few basic colors—chocolate, black, navy and red. We have a few more colors in the kid Crocs.”
- “For a while there, all the parents were buying Crocs for their kids. Then the kids started wearing them as real shoes, and that is not what we really want here. We are a shoe store. We want to be selling proper footwear.”
- “Crocs are not meant to be worn as everyday shoes, especially when it comes to kids. It is the same thing with the kids wearing flip-flops all the time. It is not good for them to wear them all the time. Both do not give you the right support. I would rather sell a parent a pair a shoes over a pair of Crocs. But, if that is what they want, that is what we sell them.”
- “I heard some doctors were partially blaming childhood obesity on kids wearing Crocs. They fit terribly and kids’ feet move around in them. Kids’ feet need to be stable and supported in their shoes. The Crocs were supposedly hampering kids’ muscle development.”

Reporter Observations: Four associates were on the floor and two were at the register on a Monday at 3:30 p.m. The store had only two racks of Crocs, which were in the back of the store. Selected brands like [Keen Inc.](#), C&J Clark International Ltd.’s [Clarks](#) and Danskos were \$10 off a pair.

## ➤ Owner of a children’s shoe store in Denver and one of the first retailers to carry Crocs

The original Crocs are sold year-round at this Denver store. Crocs typically are an add-on to a more expensive purchase. The store offers only the Cayman because adding more styles would compete with other shoe brands that offer better margins. Also, concerns have surfaced that Crocs are dangerous and potentially [damaging](#) to children’s leg and [foot development](#). Crocs faces increased competition. This owner opted to order sneaker-style shoes made from a Crocs-like material from another shoe maker, even though Crocs offers a similar style.

- “We’ve had a long history with them. When they first went into the children’s market, we were one of the few stores that represented them. That was before they became so widespread that they were on every street corner.”
- “We carry the Cayman style. We have just a very narrow, limited part of the line, and we do that as a convenience for our customers because we’re a full-fitting store. They are typically a second add-on pair [to a customer’s other purchases].”
- “We sell them year-round and during the winter; customers come in looking for the [faux fur style](#). We have not gone to that because it’s a plastic shoe with synthetic fur lining and we don’t think it’s healthy for kids’ feet. That’s important for us. We’re a specialty footwear store and pride ourselves on fit.”
- “I don’t carry the other styles of Crocs. Why should I sell something at \$29.95 that I don’t make as much on as something that is \$49?”
- “I’m constantly restocking the Crocs display. We could pretty much sell out what we have on display, especially this time of the year. People pick them up for the summer.”
- “Has the company got a future in what they’re doing? I think they do, but they’ve got to figure out what’s going to catch the public’s eye. I think what they’re trying to do is diversify, maybe even have products that don’t look like a Croc.”
- “Crocs came out with a boat look. They’re trying to do a lot of different things. I think there is a market out there, but it’s not our model in terms of the family business.”
- “There’s a company called [Native](#). They’re doing shoes kind of like Crocs, but they’re more like a classic [Keds](#) [Collective Brands] or [Chuck Taylors](#) [Nike’s Converse]. They’ve knocked off those patterns and are using a Croslite material. Now you have a real shoe in a Crocs-like material. We’ve ordered some of those and are waiting for them to come in. I think that’s going to be a cute alternative.”
- “We are what is called a ‘fitting’ store. People come to us because they want expertise in measuring both feet and being able to know if a child is wide or narrow and provide room for growth. With Crocs, the Cayman style is not even what we call a shoe. It’s dual sizes, so it comes in an 8/9 or 10/11. The ironic part is we have

**I don’t carry the other styles of Crocs. Why should I sell something at \$29.95 that I don’t make as much on as something that is \$49?**

*Owner, Children’s Shoe Store  
Denver, CO*

customers who come to us who say, 'He has really narrow feet and we need something that works well. And we need a pair of Crocs.' It doesn't matter to them that he can stick both feet in one shoe."

- "We did start carrying a second style from them, the [Electro](#). They did start single-sizing those, so it gives us a little better opportunity to at least say that he'd be better off in a size 8 than a 9. We've already restocked the new model two to three times. It's also dual color, which is new and different."
- "Crocs is a little bit easier to work with and deal with now because they have sales reps in the territory who deliver catalogs and send us availability dates. Early on, product was really scarce. They were just rolling out the kids' line."
- "I'm always amazed how many people are around the Crocs kiosk. I was in the mall recently with my 13-year-old daughter. She saw some of the new styles and said, 'Eww. Those don't look like Crocs.'"
- "There are so many times I'm on the fitting stool and a customer asks, 'Are Crocs good for a kid's feet?' We cautiously say there is an almost orthopedic foot bed, like a [Birkenstock](#)."

## ➤ Crocs store manager in Los Angeles

Sales have climbed precipitously since the store opened six months ago after previously being a mall kiosk in the same location. The new men's line, particularly the [Santa Cruz Hemp loafer](#), is doing well. Sales for the Classic have fallen, possibly because of competition from upgraded models of the same shoe. The new women's line of flats called [the Carlie](#) is among the top sellers, particularly the [leopard print pattern flat](#) and the lace weave [Adrina flat](#).

- "The goal is to make Crocs a part of everyone's wardrobe for all occasions. So, yes, it can become a year-round brand."
- "We have seen sales jump by about 60% since we moved from our kiosk to our store six months ago. We're doing very well with the new men's line of loafers, and the women's Carlie flats are our best-selling adult shoe. But overall, our biggest sales are in the kids' category."
- "We are getting a lot of customers who come in looking for the Classic, and they realize we have all these new styles. Many of them will start to replace a Classic Croc. Of course, with a \$15 price jump on some of the newer models of the Classic, like the [Yukon](#) or the [Bistro](#), we'll try to sell them up. They are going for the newer models in many cases because I think they see the value in the brand and the newer features, like more air holes in the soles, lighter weights and colors."
- "Crocs is poised to make a pretty big impact globally because we are no longer just that funny, soft shoe for cooks. We've got amazing styles for men and women and kids too, so we are able to address a wide range of needs."
- "Kids' shoes are our best-selling shoes right now, which is the case for most of our stores in L.A., and that may have something to do with the Jibbitz charms. We just got the licensing for the new [Pirates of the Caribbean](#) and [Thor](#) films, so those charms are doing very well."
- "I don't know if we're doing very well in department stores like we used to, but the standalone stores are not expecting to compete with them. We are trying to set ourselves apart from other shoe brands."
- "The least popular style in the newer categories is the Hoover Lace Ups. My guess is that the Converse brand has that market sewn up pretty well, but they are selling."

**Reporter Observations:** This small, trendy store was very clean and quite busy on a Thursday at noon. New shoe stock had more men's than women's shoes. The kids' line is the store's central focus but by no means the largest collection. The store is pushing the new Crocs Tone sandals. Many customers expressed surprise at the new styles.

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*Manager, Crocs Store  
Los Angeles, CA*

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*Manager, Crocs Store  
Los Angeles, CA*

## ➤ Shoe department sales associate at Dick's in New Jersey

Crocs show signs of fading as sales have slowed considerably. The new styles do not sell as well as the originals. Kids' styles sell better than adults, who prefer Keen shoes. Many Crocs were on sale. Winter styles did not sell well as people definitely see the brand as a summer shoe.

- "Many of our styles are on sale right now. The big sales time for them is the beginning of spring, and we have a lot left."
- "We stock mostly the Classic styles because they are the best sellers."
- "Nike outdoor flip-flops and the Adidas slides both are better sellers for adults than the Crocs right now. That wasn't the case four years ago."
- "I think the Crocs have a little bit of a stigma attached to them. They are really not attractive in any of the styles, and since they are not a fad anymore, people aren't as interested in them."

Reporter Observations: Crocs were not well-stocked or organized on a Tuesday at 11:30 a.m. One-half of Crocs adult and children's styles were on sale. The selection was picked over and lacking in sizes.

## ➤ Shoe store employee in a New Jersey mall

Crocs are a good seller but are much more popular in the spring and summer months. This source does not expect the brand ever to be popular for the winter months. Customers like the traditional [Beach](#) style best, and do not tend to purchase as many of the newer, trendier styles. Rain boots have sold well. The store does not have any issues with inventory as supplies are replenished quickly. The source reported no inventory issues.

- "Kids' Crocs always sell better than adults. The customers like bright, fun colors for their kids."
- "Price point is a big issue with the Crocs. Customers aren't usually willing to spend an extra \$10 or \$15 for a pair with a licensed character or a new design. The lowest-priced ones will always sell the best."
- "A lot of adults consider them gardening/kick-around shoes. They aren't really interested in the more fashionable styles for those purposes; they are interested in the best-priced pair."
- "We have a hard time selling the brightly colored adult pairs. They usually go on sale first because most adults want the neutrals."
- "The fleece-lined styles did not sell well for the fall and winter seasons. I think people did not expect them to keep their feet dry with all the snow we had this winter."

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*Shoe Store Employee  
New Jersey Mall*

Reporter Observations: The kids' section took up about 65% of the floor space for Crocs on a Tuesday at 10:30 a.m. The store was well-stocked and neat. The adult section was smaller and looked picked over and disorganized. Several adult styles were on sale, including the rain boots and the lined shoes.

## ➤ Crocs store associate in Chicago

Crocs already are a year-round shoe. The winter line, especially boots, did very well. The Crocband line is popular, but customers complained the fleece-lined version was too warm. The store has been very busy since April 1 and is very popular with tourists. The most popular women's shoe is the new [Kadee](#) style. Inventory on several items was low because of high demand.

- "Crocs are a year-round shoe. We have been for a while. We have another full line of shoes for the winter that we don't have in now. Our winter line did very well last year. Our boots did very, very well. They are water-resistant, and some have lining, even fur lining. Plus, we are selling Classic styles throughout the winter, too, especially to tourists. We never stop selling Crocs, no matter what time of year it is. We are always busy here."
- "The Crocband line shoe does very well all year-round. The cotton-lined shoes were very popular last fall and winter. The ones with the fleece

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*Sales Associate, Crocs  
Chicago, IL*



lining did not do as well. Customers complained that they were too hot. They were cleared out at \$19.99 from \$44.99. The summer version Crocband is doing well too.”

- “We were a little slower after Christmas, but ever since April 1 we have been really busy. The weekends are so packed you can hardly walk through the store. The customers are wall to wall, and the register line runs down the entire length of the store.”
- “Foreign tourists come in all the time and spend a lot of money. ... They say Crocs are much more expensive overseas—double the price of what they cost here.”
- “Our top selling shoe for women is the Kadee style. I am selling 30 pairs of these every day. We are nearly out of stock now and extremely low on sizes. They cost \$29.99, and they are new this year. They are absolutely flying out of the store. Some ladies buy several pairs of these at the same time. Black is the most popular color. Customers say they like to take walks in them.”
- “The next most popular shoe is the [Shayna](#). It is also \$29.99, new this summer and more of a Mary Jane style. The other new style that is doing well is the Carlie Mary Jane. It is a little more at \$39.99, but women say it’s very comfortable. We only have a few pairs left of the Carlie. We need restocking.”
- “We rarely have sales at this location. Since we are in such a high tourist and traffic area, our merchandise moves and the stuff that doesn’t gets sent out pretty fast. We do not have any winter items in now either. We shipped whatever we had left to our outlet in North Aurora.”

**Reporter Observations:** Blueshift observed several purchases on a Friday at 11 a.m. Two associates were working at the register, assisting customers on the floor and relocating stock. The store was extremely clean and organized. No shoes were marked down.

## 4) CUSTOMERS

Six sources reported seeing fewer Crocs in stores and have bought more Crocs online as a result. Five of the six sources are interested in the new styles; two customers specifically came to the stores for these recent Crocs offerings. Four sources believe Crocs can be a year-round shoe as the Classics can be worn any season for casual, around-the-house purposes.

### ➤ Middle-aged female in Chicago

This source wears the Cayman and Beach style Crocs year-round and has worn them since they came out. She has four pairs, is looking to buy another, and has not been able to find her favorite style or colors in the stores. She is considering the new Crocband style, which she likely will have to order online. She has bought and received Crocs as gifts and has received inquiries from other women about her Crocs.

- “I own four pairs of Crocs. All my pairs are the Cayman or Beach style. The two styles look the same to me, so I don’t know which I have. I have had them for at least four years. I bought Crocs pretty soon after they came out, and I really like them. They are not the most attractive shoes I own, but they are some of the most functional, any time of year.”
- “I wear my Crocs year-round. I keep a pair by my back door and put them on every time I let the dog out, rain or shine, snow or sleet. My feet may get a little wet sometimes, especially in the snow but I am not outside for long and the shoes dry right away.”
- “In the summer, I wear Crocs to garden, on a boat, at the beach and on the ranch. Sometimes my feet or socks get really dirty, but I don’t care because I am not ruining a pair of shoes. I love that I can rinse dirt and mud right off my shoes and they still look good and are comfortable.”
- “I have been looking at getting another pair or two of Crocs since last fall as a few of my pairs are looking a little haggard. I looked a few times last year but didn’t want to get the ones with fleece, so I thought I’d wait until this spring. I have looked at a few places, but I am not finding what I want. I have already looked at three stores and have not found what I want—not even close. I will probably end up ordering them online. I bought the pairs I have in retail stores but now, I purchase more stuff online to save on the tax. It makes a big difference when you pay 10% sales tax.”

**I have been looking at getting another pair or two of Crocs since last fall. ... I have looked at a few places, but I am not finding what I want. I have already looked at three stores and have not found what I want—not even close. I will probably end up ordering them online.**

*Crocs Customer  
Chicago, IL*

- “I might consider getting one of the new styles. They have one now with a band in the sole. I saw a really cute kids’ version that is pink with a white sole and navy band going through the sole. I hope they make that color combination for women. I will definitely buy it.”
- “I prefer the more fun colors. For women, all I am seeing in the stores now are the boring, bland colors that I am not interested in.”
- “Over the years, I have had several ladies stop and ask me about my Crocs—if they are comfortable, how I like them and complimenting me on the color. They seem to like the lavender and pink ones I wear.”

## ➤ 51-year-old Los Angeles man

This source has a pair of Crocs but said the shoes are a little too round at the toe and uncomfortable without socks. He was unaware of Crocs’ new styles but would consider buying a pair. He has noticed fewer Crocs shoes in stores.

- “I bought myself a Classic pair two years ago, but I wasn’t all that happy with them. I wasn’t all that comfortable in them because they were narrow. I wear them mostly around the garden now with socks. I rarely wear them out in public, I guess because they are so goofy looking.”
- “I would buy the new shoes. I think they look pretty cool.”
- “They could be a year-round brand if they keep making new styles that would hold up year-round, but only in decent weather. In places like Chicago, maybe not so much.”
- “I’m seeing fewer Crocs on people and in stores. I had no idea they had all these new styles out. I would think they would do more advertising, but maybe I’ve just not been paying attention.”
- “They are offering a pretty good selection of new styles that reflect what other companies are doing. I could see them actually competing with a [Vans](#) [V.F. Corp./VFC] slip-on for a quick comfort shoe.”

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*Crocs Customer  
Los Angeles, CA*

## ➤ 39-year-old female in Los Angeles

This source has purchased Crocs for her 3-year-old daughter but not herself. She recently saw an online ad for the new women’s styles and colors, which lured her into the store. She thinks the brand could be a year-round shoe, but she would like to see more of the styles online be available in the stores.

- “I’ve never owned my own pair. I have bought about three pairs for my daughter.”
- “I was very surprised to find so many new styles online. I had no idea they had come out with so many new looks.”
- “I haven’t noticed a lot of people besides kids wearing Crocs lately, but I can see them becoming very popular again because the styles are very colorful and fashionable. I know they used to carry them at [Macy’s \[Inc./M\]](#), but I haven’t seen them there in a while. I’m glad they opened this store because it makes it easy to shop for my daughter now without having to run to a few different stores, hoping they have her size and the colors she wants.”
- “I also like the lace-up shoe, like the tennis shoe they have for men, but they don’t seem to have any in stock for women. I’d probably by a pair for myself if they carried them.”
- “I can see how more people might catch on to these because they have really expanded the options. They are very similar to the Jelly shoes I’ve seen girls wear. I think that a lot of younger women will like the new flats.”

## ➤ 30-year-old female customer in New Jersey

This source and her husband have the Classic Crocs, and her 3-year-old daughter has one of the character shoes. They wear the shoes around the house or on quick errands. Her husband and daughter had the fleece-lined versions in the winter. She will buy another pair for her daughter this winter. She has seen less Crocs inventory in stores. She is not interested in the newer, more fashionable styles.

- “They serve a certain purpose for my husband and me. Style is not very important for running into the basement or gardening, so there is no market in our household for a more fashionable variety.”
- “They are so great for moms to put on their kids. I have run them through the dishwasher so many times, and they come out great!”

*I have noticed a decline in the number of stores that carry them. They are very hard to find for my daughter, and this year I ended up getting them from the outlet for her.*

*Crocs Customer  
New Jersey*

- “I consider them shoes mainly for kids. I don’t think adults really use them for regular shoes, so as long as they are comfortable and washable, they work for us.”
- “My husband and daughter really liked their fleece-lined ones this winter. They seemed to keep their feet warm, but again, my husband didn’t wear them out other than for quick errands.”
- “I have noticed a decline in the number of stores that carry them. They are very hard to find for my daughter, and this year I ended up getting them from the outlet for her.”

## ➤ 39-year-old female in New Jersey

This source buys Crocs for her two young boys every summer for the shoes’ ease and convenience. She has purchased the newer styles for the boys and would pay extra for licensed ones. She would not wear them herself, does not like the look for adults and does not think a large market exists for adult Crocs. She has trouble finding the sizes in the stores and does most of her shopping online.

- “About four years ago when I first bought them for my oldest, they were everywhere. When I looked for them for this summer, I could not find their sizes anywhere. It seems like there has been a huge drop in the number of stores that carry them.”
- “They are the perfect summer shoes for the kids. They can get them on themselves, they are easy to clean from sand at the beach to mud in the back yard; they can just be hosed off.”
- “I would buy other styles for the boys if they offered all of the same conveniences of the originals and if the boys found them as comfortable and easy to put on and take off.”
- “I consider them an absolute necessity for the kids in the summer and don’t anticipate a time when I won’t purchase them for an upcoming summer.”

**I consider them an absolute necessity for the kids in the summer and don't anticipate a time when I won't purchase them for an upcoming summer.**

*Crocs Customer  
New Jersey*

## ➤ Middle-aged female customer in Chicago

This source has purchased three pairs of Classic Crocs for her family but does not feel they can be a year-round brand for her because of the slippery soles. She has fallen twice while wearing Crocs in wet conditions. She plans to buy her daughter a pair of Mary Jane Crocs for this summer. She said Classic Crocs and Deckers’ [Tevás](#) are ugly but functional. She has purchased Crocs online at Zappos and in Macy’s and [Kohl’s Corp.](#) (KSS) stores.

- “Crocs can’t become a year-round shoe for me because they are slippery on slick or wet surfaces. I have actually totally wiped out twice while I was wearing my Crocs. Our back stairs were wet due to rain, and I slipped and fell on two separate occasions. So, unless they have a different sole now, I would be concerned about wearing them in the winter or any kind of wet conditions.”
- “I bought my Crocs about four years ago. I also bought my husband a pair three years ago. Then I bought my daughter a pair two years ago when she was one. All our pairs are the Classic style Croc.”
- “I do not think they are attractive at all. I bought them basically to go to the beach.”
- “My husband wears his for the same purpose. I can’t stand seeing them on his feet. They look ridiculous. I put them under the bed so he won’t be wearing them this summer. They are too big and look silly on him.”
- “Last summer, I bought my daughter Teva sandals and she wore those a lot. But I think they are ugly too, and I don’t think she liked them either. I am going to get her a pair of Mary Jane Crocs. They are really cute and she needs something for the park that is closed-toed. And, at age 3, she likes to look girly, and the Mary Jane’s are much cuter than the Classic version Crocs.”

**I am going to get her a pair of Mary Jane Crocs. They are really cute and she needs something for the park that is closed-toed. And, at age 3, she likes to look girly, and the Mary Jane’s are much cuter than the Classic version Crocs.**

*Crocs Customer  
Chicago, IL*

## Secondary Sources

Six secondary sources discussed Crocs' new styles including a color changing shoe, good feedback on Crocs' toning shoes, the new ad campaign and mascot to highlight the fashionable look of the new shoes, details on 2010 sales in the Philippines, a Facebook marketing campaign, and a physician's input on the health benefits of Crocs.

### ➤ May 5 Boulder County Business Report

Crocs is adding a color changing shoe to its list of new styles.

<http://www.bcbr.com/article.asp?id=57487>

- "Crocs will roll out a new shoe on Friday, May 13, that changes color when it is exposed to sunlight."
- "The Crocs Chameleons will change color from a translucent base color to a brilliant bright color when exposed to sunlight, then back again when the shoes are worn indoors, the Niwot-based shoe, apparel and accessories company said in a statement. The photochromic technology works the shoes' patented Croslite material, the company said. The shoes will retail for \$39.99."
- "'From our recent sneakers introduction to our new translucent collection, the first to incorporate TPU with our proprietary Croslite technology for sleeker designs, we continue to advance the ways in which we utilize our proprietary material,' Dale Bathum, vice president of product for Crocs, said in a statement."
- "Crocs sells more than 250 styles of shoes in 90 countries. At the end of April, the company reported record first-quarter retail sales. The second quarter also is projected to be strong. The company has projected revenue of \$280 million, which would be a 23 percent increase over the second quarter of 2010."

### ➤ May 3 Today Online article

A consumer found that Crocs' new toning shoes provided a noticeable benefit in the tone and shape of her lower legs after only three weeks of consistent wear. She added that they do not look bulky and obvious like other toning shoes.

<http://www.todayonline.com/Health/EDC110503-0000330/A-shoe-in>

- "Up until last month, I was a Crocs virgin and skeptic. While everyone I know who owns a pair swears by its all-day comfort, those chunky clogs would never match my girly wardrobe."
- "Then the people from Crocs sent me a trial pair of sling back flats in stylish silver from their newly launched Crocs Tone collection, designed to tone the wearer's leg muscles by stimulating muscle activity in key upper and lower leg muscles."
- "Initially, I was hardly impressed even though it was comfortable—which fashion-forward woman would bother about comfort if her shoes didn't match her clothes?"
- "However, after a three-week experiment, its toning benefits seemed to have worked on me. While my legs are certainly nowhere near supermodel-standard, I feel that they are now more toned, particularly my calves."
- "My experiment involved wearing the flats almost every day for the past three weeks."
- "Usually, I don't have any problems being on my feet for two hours. However, with the toning flats, my aching legs felt like I've gone for an intensive run the following day."
- "According to a Crocs spokesperson, the toning footwear works because of its 'three-layer design'. While the shoe's outer toning ring helps the wearer maintain stability, its sculpted, spherical outsole 'creates a variety of walking rhythms to spark muscle activity'."
- "Personally, I like that no one can tell I'm wearing toning shoes, unlike other footwear that are specially marketed for their toning benefits."
- "'Your calves aren't as jiggle as before. What have you been doing?' my eagle-eyed, brutally honest 18-year-old cousin observed during a family gathering."
- "When asked how soon wearers can see results, the Crocs spokesperson was vague. 'The toning benefits and results may vary across individuals, so we cannot really make a fair comment there.'"
- "He added that Crocs Tone shoes are designed to be worn only in everyday situations, and not for sports including running and fitness training."

Personally, I like that no one can tell I'm wearing toning shoes, unlike other footwear that are specially marketed for their toning benefits.

*Today Online Article*

- “Although I had no problems maintaining stability while doing light walking in my Crocs Tone flats, things got a little tricky when I had to lift heavy bags of groceries.”
- “I needed extra effort to maintain balance on the sculpted, spherical outsoles while carrying groceries and propping my 13kg toddler on one hip.”
- “Also, do not attempt to do things like standing on one foot. I tried and almost fell. The spherical outsoles are not suitable for such stunts.”
- “People with ankle instability, or who sprain their ankles easily, as well as those with arthritis of the hip and knees should not wear such shoes, said Dr Kevin Lee, medical director of the Centre For Joint And Cartilage Surgery and Singapore Sports Orthopaedic Surgery Centre, subsidiaries of Singapore Medical Group.”
- “Dr Lee said most toning shoes work because of their curved, unstable soles.”
- “‘By walking with these relatively unstable shoes on, the wearer activates different lower limb muscles such as the hamstrings and butt muscles to maintain their balance,’ he explained.”
- “Dr Lee added that there are other old-fashioned ways to tone up and strengthen your leg muscles safely. They include low-impact exercises such as leg presses, hamstring curls, cycling and working out on the cross-trainer.
- “Crocs Tone collection, which comes in the Skylar Flat (\$\$96.25), Skylar Flip (\$\$90.90) and the Skylar Clog (\$\$96.25) design, is available at local authorised Crocs retailers. All prices include GST.”

## ► April 14 New York Times article

Crocs' news line of shoes and accompanying advertising campaign are attempts to add style and fashion to the brand.

<http://www.nytimes.com/2010/04/15/business/media/15adco.html>

- “In a new television commercial for [Crocs](#) footwear, an actress wearing black high-heel shoes enters an apartment building and wearily climbs a flight of stairs. As she opens the door to her unit, two small red animated characters based on the Crocs original clog model, with stubby arms and legs and blinking ventilation holes representing eyes, scamper toward her like puppies.”
- “The characters cling to her ankles and then, as she sits on the couch to read her mail, they remove her shoes, massage her feet, and then slip a [new style of Crocs flats](#) onto her feet. ‘Meet Croslite,’ says a voiceover toward the end of the 30-second spot, ‘the loyal, loving, good-for-you technology, in every pair of Crocs.’”
- “Croselite, the brand’s proprietary material that is soft, odor resistant and conforms to the shape of feet, is also what the new characters are called. The spot closes with the campaign’s tagline: ‘Feel the love.’”
- “The new characters also are featured massaging models’ feet in print, outdoor and online ads, and on the brand’s Web site; seven-inch-tall three-dimensional versions will soon be displayed in stores.”
- “While the characters resemble the original Crocs style, the objective of the ads is to highlight new styles like a men’s loafer and women’s flip-flops that look nothing like the original.”
- “‘First and foremost, what we want to do is establish Crocs as a brand and not that one shoe,’ said Ken Chaplin, vice president for marketing at Crocs, referring to the original model. With newer loafer styles and flats, the company hopes to gain more of a year-round presence.”
- “‘Spring, summer— we own that,’ Mr. Chaplin said. ‘But we also have great shoes for back to school, fall and winter. There’s a lot of opportunity to expand wearing occasions and the seasons we play in.’”
- “Since the company was founded just eight years ago, Crocs, which is based in Niwot, Colo., has sold more than 120 million pairs of shoes, most of them the original model, although with more than 120 styles the originals now account for just under half of the shoes sold, according to the company.”
- “Though sold like other footwear in shoe and sporting goods stores, the brand took an outside-the-box approach— literally: Most models hang vertically from racks, which has allowed the brand to sell in nontraditional channels as well, like kiosks in malls.”
- “The company has not had a [profitable year since 2007](#), when revenue totaled \$847.4 million, and it posted a profit of \$168.2 million. Revenue fell to \$721.6 million in 2008, when it posted a \$185.1 million loss, and to \$645.8 million in [2009, when it posted](#) a \$42.1 million loss.”
- “The Crocs brand spent \$4.3 million on advertising in 2009, one-third the \$12.8 million it spent on advertising in 2008, according to Kantar Media.”
- “As is the case with other comfortable yet odd-looking shoes, like the sandals from Dr. Scholl’s and Birkenstock as well as boots by Ugg, the classic Crocs have also been widely criticized on aesthetic grounds. Detractors often describe them as clownish.”
- “The Web site [IHateCrocs.com](#) sells T-shirts with slogans like ‘For those about to Croc, we refute you’ and ‘Friends don’t let friends wear Crocs,’ while an anti-Crocs group on [Facebook](#) has more than 1.5 million fans.”



- “In a 2005 campaign reminiscent of self-effacing [Volkswagen](#) Beetle ads in the 1960s (one VW print ad read, ‘It’s ugly but it gets you there’), Crocs made light of its quirky appearance by using the tagline ‘Ugly can be beautiful.’”
- “The latest ads, however, do not intend to be in on the joke about the original Crocs appearance, or to dispute it.”
- “‘This campaign doesn’t work to reverse people on the negative side because the numbers tell us we don’t need to,’ said Marshall Ross, chief creative officer of Cramer-Krasselt, which is undertaking its first Crocs campaign since it was named the company’s agency of record in November. ‘We have a lot of fans of that original clog, and if we got even a small percentage of them to add a style to their closets, that would sell a lot of shoes.’”
- “Stressing the shoes’ Croslite material, which also is used in the soles of the newer nonsandal styles, the new campaign aims to counter that polarization by focusing on what makes the shoes comfortable rather than the original’s aesthetics.”

## ► Nov. 16, 2010, *Zambo Times* article

Crocs is growing in the Philippines with a goal of 20% annually, and it added four stores and two outlets in 2010. The local Crocs distributor was anxiously awaiting the new styles, including Filipino specific identifiers, which he expected to continue to drive sales.

<http://www.zambotimes.com/archives/25867-Crocs-distributor-sees-holiday-season-to-help-achieve-sales-goal.html>

- “The last two months of the year are expected to boost sales of Crocs products in the country, which is further eyed to increase following the launch of its new models.”
- “Franco Limjuco, vice president of All Condition Gear Philippines Inc., the local distributor of Crocs, told PNA that the company’s ideal annual growth target was around 20 percent.”
- “He, however, noted that the firm was able to surpass this target in the past when profits expanded by about 50 percent in 2008.”
- “He said the company continued to bank on the introduction of new models and opening of branches and outlet stores to further improve sales.”
- “This year, Crocs opened new stores in East Wood, Tarlac, Bacolod and Cagayan de Oro while outlet stores were opened in Paseo de Sta. Rosa in Laguna and Cash & Carry in Makati.”
- “Limjuco said the company grew by about 10 percent at the end of the third quarter this year and the balance was expected to be filled-in in the last part of the year.”
- “‘We’re growing. November and December comprise the big chunk of our sales and with the introduction of our latest line we expect sales to remain strong,’ he said.”
- “Recently, Crocs and Collezione C2 launched a tie-up project, the My Pilipinas Crocband.”
- “Designed by well-known fashion designer, Rhett Eala, the limited edition clog design has the word ‘My Pilipinas’ at the hell strap.”
- “‘This year, we offer a new design which is uniquely Filipino, as we give more reasons to parade our national pride to the world,’ Limjuco said.”

## ► May 18 Enhanced Online News publication

Crocs is launching a campaign to drive up multichannel results by rewarding fans on Facebook with discounts and special promotions.

<http://eon.businesswire.com/news/eon/20110518005225/en/Crocs-Facebook/ExactTarget/email-marketing>

- “Crocs, a leading international footwear retailer, announced today its latest interactive marketing campaign is converting thousands of the company’s nearly 350,000 Facebook “fans” into email subscribers.”
- “Developed by [Digital Evolution Group](#) and powered by interactive marketing provider [ExactTarget](#), Crocs’ ‘Facebook Collect’ campaign gives Facebook users a chance to sign up for email communications on Croc’s fan page in exchange for a special 20 percent off coupon.”
- “‘The key to our interactive marketing campaigns is delivering highly relevant and timely content to our customers, regardless of whether it’s Facebook, email or Twitter,’ said Andrea Stow, senior global eMarketing manager for Crocs, Inc. ‘Facebook Collect allows us to grow our email subscribers and meet customers where they are, inviting Facebook fans to become email subscribers and vice versa.’”
- “With double-digit sales growth attributed to its 2010 welcome email marketing campaign, ‘Facebook Collect’ adds to the list of Crocs’ interactive marketing efforts. The Colorado-headquartered company’s successful

abandoned shopping cart campaign regularly sees a 40 percent open rate, earning the company an average 60,000 percent return on investment.”

- “‘Facebook and social sites are fast becoming a destination for first-time brand engagement in the way that companies’ Web sites are not,’ said Ramsey Mohsen, social media discipline lead for Digital Evolution Group. ‘Crocs’ results with Facebook Collect underscores the power of delivering great content to loyal customers.’”
- ‘A 2010 ExactTarget study entitled [The Collaborative Future](#) found consumers are more inclined to purchase after subscribing to email messages than they are after becoming a Facebook fan. Part of the [Subscribers, Fans, Followers research series](#), the study of more than 1,500 U.S. consumers found 27 percent of consumers said they are more likely to purchase from a brand after subscribing to email, and 17 percent of are more likely to purchase after liking a brand on Facebook.’”
- “‘The Collaborative Future also shows how businesses work together,’ added Jim Kreller, vice president of channel partners at ExactTarget. ‘I am always thrilled to see firms like DEG and Crocs using ExactTarget products together with Facebook and a whole host of other technologies to be authentic and genuine with their customers.’”
- “The news of Crocs, Inc.’s success follows the launch of ExactTarget’s [The Social Break-Up](#) research brief. *The Social Break-Up* is the latest installment of ExactTarget’s Subscribers, Fans & Followers research series. The research series provides marketers exclusive insight into U.S. consumers’ online preferences and motivations for interacting with brands on email, Facebook and Twitter.’”

Facebook and social sites are fast becoming a destination for first-time brand engagement in the way that companies’ Web sites are not. ... Crocs’ results with Facebook Collect underscores the power of delivering great content to loyal customers.

*Enhanced Online News Publication*

## ► WebMD article

Doctors concluded that Crocs provide many benefits to those with foot pain or have to stand for hours, and are better alternatives than flip-flops.

<http://diabetes.webmd.com/features/crocs-healthy-shoes-just-comfy>

- “Crocs—those clog-like shoes in bright colors—might not match everyone’s idea of fashion, but fans swear by their comfort. And Croc lovers say they bring health benefits to the two extremities that carry us all to the places we go.”
- “Are Crocs really good for our feet? WebMD got some feedback from doctors, consumers, and the shoe’s creators.’
- “Crocs are certified by the U.S. Ergonomics Council and the American Podiatric Medical Association. co-founder Lyndon V. Hanson, III, vice president of Crocs says that what Crocs lack in aesthetic value, they make up in therapeutic benefits. The company created what it calls an Rx line of models specifically with healthy feet in mind: Croc Relief, Croc Cloud, and Croc Silver Cloud.”
- “‘These shoes were designed specifically to eliminate plantar pain and achy feet,’ says Hanson. ‘They also help people with injured feet, [bunions](#), and [diabetes](#). You’ve got a lot of inner support, heel cups and massaging heel nubs, and arch support. They’re ideal for people with foot problems.’”
- “Some doctors are even recommending them to patients with foot problems.”
- “‘These shoes are especially light,’ says Harold Glickman, DPM, former president of the American Podiatric Medical Association (APMA). ‘They have huge room in the toe that affords the front part of the foot lots of room, especially for people with bone deformities like bunions and hammer toe. With the Rx Crocs, they’re lined with antibacterial material that will prevent fungal and bacterial infections.’”
- “For people with diabetes, Crocs offer added value in the protection they provide. Because people with diabetes have reduced circulation in their feet, Glickman says, they’re at higher risk for open sores and wound infection. The spare room and antibacterial properties of Crocs help combat these problems.”
- “‘I do not have stock in the company or work for the company, but I recommend them to patients all the time, and I wear them all the time,’ Glickman tells WebMD. ‘I wear them when I’m operating for three or four hours at a time and I get the sense I’m standing on water—no leg pain, no [back pain](#), and no arch pain.’”
- “When the temperature starts to rise and flip-flops abound, Glickman also recommends trying Crocs instead.”

- “‘Crocs offer more protection for your feet than flip-flops,’ says Glickman. ‘Flip-flops don’t provide a lot of arch support; they’re open-toed so you can stub your toe and hurt yourself. Crocs offer more protection and comfort than that.’”
- “‘Crocs have the official seal of approval from the APMA, meaning the shoes have been found to be beneficial in promoting good foot and ankle care. But not all doctors have signed on to the medical value of the shoes.’”
- “‘They are very light weight and are good for people who have trouble walking,’ says Bob Baravarian, MD, chief of foot and ankle surgery at Santa Monica UCLA Medical Center. ‘They are very stable, they don’t bend and twist side to side much, and they have a good heel cup and arch contour compared to other shoes.’”
- “‘Baravarian says Crocs have more positive attributes than negative, but they’re no substitute for the real deal.’”
- “‘Because the shoe is considered medical, it gets overused by people who need more support than they can get from the shoe,’ Baravarian tells WebMD. ‘It’s not as good as an orthotic or a medical type shoe; it’s made out to be better than it is.’”
- “‘And it’s not made for marathon wear either,’ adds Baravarian.”
- “‘It’s a good shoe for going to the beach, kicking around the house, going to the corner market, but they’re not made to be worn at Disneyland all day long,’ says Baravarian.”
- “‘Some doctors haven’t crossed paths yet with Croc fans.’”
- “‘I’m a professional skeptic, and that applies here as well,’ says Richard Deyo, MD, a professor of medicine and health services at the University of Washington in Seattle. ‘Unless they have some persuasive randomized trials, I’d regard the therapeutic claims as theoretical.’”
- “‘People who wear Crocs are die-hard fans, and stand by—and in—the shoes all day long.’”
- “‘I saw them in a store, and I tried them on, and ended up with a pair that are light pink,’ says Jamie Jessick, a registered nurse at Santa Monica UCLA Medical Center. ‘I like that they’re really light and comfortable.’”
- “‘For Jessick, who is on her feet for hours at a time, a comfortable pair of shoes is a must-have.’”
- “‘They’re so comfortable that it’s like wearing slippers at work,’ says Jessick, who is part of a small minority that actually finds the shoes attractive.”
- “‘I thought they were cute, that’s why I bought them, but turns out they’re also comfortable,’ Jessick tells WebMD, adding that her colleagues are catching on, too. ‘A couple of nurses have tried them on and seem interested in them.’”
- “‘While it seems the jury is still out on these shoes, Crocs have been spotted almost everywhere, from hospitals to hockey rinks, beaches, boats, and even Hollywood.’”

**Bob Baravarian, MD, chief of foot and ankle surgery at Santa Monica UCLA Medical Center... says Crocs have more positive attributes than negative, but they’re no substitute for the real deal.**

*Chief of Foot & Ankle Surgery  
UCLA Medical Center*

## Next Steps

Blueshift’s next report on Crocs will center around the product line expansion and will determine the viability and sustainability of the new styles. We will learn further if the styles most similar to the Classic Crocs will have the most success this summer, and determine the fate of the edgier high heels and boots. We also will track consumer reactions to the new toning shoes. We will include more insight on Crocs’ international efforts, especially once the new styles reach Asia in August. We will assess the back-to-school and winter markets for Crocs as it continues its efforts to become a year-round brand. Finally, we will track the growth of knockoffs and assess any lingering inventory issues with retail stores.

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Additional research by Carolyn Marshall, Tamara Chuang, Heidi Mirdala, Jacqueline Fox and Tina Strasser

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