

Real Marketing 9.2

Converse: An Old Brand Story with a New Beginning

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ABSTRACT

Throughout a long, eventful product life cycle, Converse has adapted and evolved to become a modern day, lifestyle brand to a unique niche market.

How has a company, founded in 1908, been able to make it to the 21st Century? The Converse story shows how a company's product life cycle evolves and how to adapt a product and brand image to survive over 100 years. Marquis Mills Converse founded the Converse Rubber Shoe Company in 1908 in Malden, MA. In 1917 the Converse All Star sneaker became the first performance basketball shoe. In the 1920's, well-known basketball player—Chuck Taylor—became an endorser for the sneaker and even offered ideas for the improvement of the design. Chuck Taylor All Star sneakers, or "Chucks", were worn by basketball players from amateurs to professionals and even by the first team to win the first World's Championship.

During the 1940's, Converse shifted to producing boots for the U.S. Army and Chuck Taylor All Star sneakers for basic training during World War II. Converse remained popular throughout the 1950's with the great social changes and a rebelling generation. The sneaker market exploded in the 1980's and with new competitors such as Nike and Addidas, Converse's market share dropped to 1% leading them to declare bankruptcy in 2001. Nike stepped in and bought Converse on the cheap, assigned them new management, provided some fresh cash and gave Converse the opportunity to come back to life.

Converse took this chance to get to know their small but loyal market share. They discovered that their classic, affordable sneakers became popular with 90's street kids and artists, designers, and musicians who were part of the anti-corporate crowd.

This individualistic group expressed themselves by scribbling on Converse sneakers and using the shoe as a blank canvas. After finding their niche, Converse wanted to know where their fans wanted to take Converse next and handed the brand over to them.

Since then, the company has added different styles of sneakers along with a kids line, work shoes, sandals, boots, and accessories. Converse has given consumers the wheel and they have driven the brand to where it is today. On their own, consumers have defined the brand around 5 ideas: American, sneaker, youthful, rebellious, and blank canvas.

Chief Marketing Officer, Geoff Cotrill, came up with the idea for Rubber Tracks—a recording studio for young artists—that has centered the brand identity on music. Basically, just by signing up through e-mail young musicians can go to the studio and have free access to high-end equipment where they can record their own music. Music is a great way to reach their niche market because just like the Converse brand, music is a form of self-expression, rebellion, and originality. The company has released several lines of sneakers designed by legendary rock artists. They have also recently teamed up with hip-hop artist, Wiz Khalifa, to design his own line that is inspired by his rebellious style.

After being acquired by Nike, Converse's revenues have soared. They have been successful through consumer-generated marketing. Using a stand back approach, Converse listens to what their fans want and gives them the experience they're looking for. Converse has successfully done this by embracing social media in which they engage their customers and let them share their Converse experiences together. These

conversations are shaped by social media campaigns that encourage consumers to interact with each other and the company. They currently have 471,000 followers on Instagram and over 37 million likes on their Facebook page.

This long, eventful product life cycle has lasted for over a century, and Converse has taken advantage of the ups and downs. The company has learned how to adapt with the changing times and has become a fresh, expressive lifestyle brand. The company's product has evolved from rubber basketball sneakers, to battle shoes, to a self-expressive, modern, go-to shoe for their unique niche market. The product has changed along with the brand identity. In its second century of operation, Converse celebrates the creative, rebellious spirit of its fans and will continue to let them write the next chapter. As stated by CMO Geoff Cotrill, "This brand belongs to the people who wear it."

Another rubber shoe company from the early 1900's has also managed to make it to this century—Keds. The rubber, canvas sneakers were also worn by athletes and were popular with girls of the 1980's-1990's but parallel to Converse, lost popularity in the late 90's and had to face an identity crisis. Keds took a similar approach in which they reached out to millennial consumers through creativity and self-expression. The "How Do You Do Campaign" engaged their target market through social media platforms and a mobile campus tour where a white shoebox on wheels traveled the country visiting college campuses. Inside the shoebox, people can interactively learn all about the company and customize their own shoes to order. Keds has also used the music industry in their branding, including a campaign with country-pop artist, Taylor Swift. With a revamped image, Keds remains an iconic brand.

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