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Managing Corporate Resources: A Strategic Analysis of Crocs, Inc.

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ABSTRACT

Purpose: The purpose of this study is to implement a strategic planning process forthe Crocs footwear company and find out in which position the company is in the industry to find out the future strategic moves that might help Crocs achieve its goal of five billion dollars revenue by 2026.

Design/Methodology/Approach: Strategy-formulation analytical framework has been used to analyze the input, matching and decision stages. Competitive Profile Matrix (CPM), External Factor Evaluation Matrix (EFEM) and Internal Factor Evaluation Matrix (IFEM) have been used to find out new strategies. Our approach has been focused on Internal Factor Evaluation Matrix, SPACE Matrix, SWOT, Quantitative Strategic Planning Matrix (QSPM) and Projected Income Statement. The competitive environment has been criticized vis-à-vis opportunities for sustainable growth.

Findings: After the implementation of strategic planning tools our recommendations are to go for market penetration and product extension, it should be done in a way that customization and apparel should be given importance behind brand development and celebrity endorsement.

Research Limitations: Implementation of innovative strategies to counter the increasing competition in the industry may be undertaken as research work. Regiocentric or country-specific studies shall further broaden the vistas given emerging challenges.

Managerial Implications: The findings of the study have important implications for making future strategies. Future researchers may conduct research work on market research regarding consumers' tastes so that they can take maximum advantage of product customization, brand awareness, brand image and other market penetration techniques.

Originality/Value: Future researchers may further study the issues beyond the scope of this study.

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Introduction

Crocs, Inc.'s mission is, "everyone comfortable in their shoes", (Crocs, Inc., 2022) and their values are, "delightfully democratic, people-purposed design, inherent simplicity, imaginative innovation, unapologetic optimism, and confidently comfortable" (Crocs, Inc. 2022). Crocs wants to be everyone's first choice in shoes and markets themselves as simple and comfortable. To their advantage, Crocs' brand is easy to recognize and is unique and has recently become popular again due to celebrity partnerships. Now that the Crocs brand is popular again, the CEO of Crocs has stated his goal of earning five billion dollars in revenue by 2026 (Crocs, Inc., 2022). Their goal is ambitious, but if they remain the owner of the HeyDude brand it will help them achieve their goal. The strategic separation of operations will help keep the highly recognizable Croc shoe separate from their new HeyDude comfort shoes to grow each operation with unique brand loyalty. Brand loyalty strategies have worked for competitors in the shoe industry such as Nike and Adidas. Crocs should also attempt to gain market share through market penetration with sports teams to make apparel or sports gear for increased brand awareness and product line extensions. Thispaper evaluates Crocs' growth strategies through competitive analysis, financial projections, and risk assessment, concluding with recommendations to achieve $5B in revenue by the year 2026.

Strategy Formulation

The strategy formulation process involves creating a mission statement and set of values (2) Setting long-term goals (3) Generating, analyzing and selecting a best-fit strategy (David & David, 2017). This process is referred to as the strategy-formulation analytical framework. There are 3 stages to this process; the input stage, the matching stage and the decision stage (David & David, 2017). Crocs' value of comfort for everyone is relevant to their long-term goal of reaching five billion dollars in revenue by 2026 because they want to be relevant to as many people as possible. The following matrices will help them reach that goal.

Competitive Profile Matrix (CPM)

A competitive profile matrix (CPM) is a tool that can be used to determine the strengths and weaknesses of a company. The results of the analysis are then compared to the strengths and weaknesses of the company's competition (David & David, 2017). The compe-titive profile matrix (CPM) contains a list of the company's and its two biggest competitors' critical success factors. Some examples of criti-cal success factors are market share, adverti-sing, and financial position. Each factor has a weight assigned to it that describes how impor-tant that factor is to the company. In addition, each factor receives a rating that reflects whether it is a major or minor weakness or strength. The total weighted score for each company determines which company is weakest based on the importance of their critical success factors. Adidas and Nike are Crocs' biggest competitors because they are the top two competitors in the comfort shoe industry according to Statista (2021).

Crocs is the weakest company in comparison to Adidas and Nike because Adidas and Nike have a better financial position than Crocs (see Appendix A). Crocs recently purchased the rights to the HeyDude brand of footwear, which added a large debt to Croc's balance sheet for 2021 (Deloitte &Touche LLP, 2021). In addition, Crocs has the worst geographical coverage, only reaching eighty countries. Adidas reaches one hundred sixty countries (Adidas, 2021) and Nike reaches one hundred and seventy countries (Nike, 2022). Crocs' biggest outcome is that they have grown almost 125% in the last five years (NASDAQ, 2022).

External Factor Evaluation Matrix (EFEM)

Factor Evaluation Matrix (EFEM) lists a company's opportunities and threats from the political landscape, the global economy, and competitors' behaviors (David & David, 2017). Similar to the CPM, an EFEM also contains factor weights according to the importance to the business, and factor ratings according to how major or minor of an opportunity or threat that factor is to the company. Crocs' biggest threat is inflation (see Appendix B). Paul (2022) explains that the current record-high inflationary period depends on a few factors: consumer demand, supply chain shortages, and geopolitical events such as the war in Ukraine.

Experts are unsure when prices will go down and by how much, consequently, inflation may still be a threat for at least the next few years. Supply chain disruptions due to the pandemic and the war in Ukraine are also equally as uncertain as how long they will continue for and should continue for at least the next few years.

Croc's biggest opportunities are having celebrity partnerships and more people needing comfort shoes due to the pandemic.

Luke Combs, Jimmy Kimmel, and Diplo are some of the celebrities that Crocs, Inc. has partnered with (Crocs, Inc., 2022). According to Mazzini, "That means that a celebrity who is considered credible can induce consumers to develop positive feelings towards the advertisement and the brand endorsed by the celebrity" (Mazzini, 2014, p. 17). Crocs utilized brands, influencers, and celebrities during the pandemic to become more widely known and reach new consumers. The increase in popularity of Crocs' shoes during the pandemic was due to the increase in the use of technology with employees working from home in comfortable clothing while awaiting further determinations related to the virulence factor of the pandemic virus. At the onset of the pandemic, many businesses were forced to send their employees home to work pending further determinations related to the virulence factor of the virus. Many companies developed a hybrid work-from-home and in office employee model in which employees came into the office alternating between work-from-home and coming into the office. Since the employees did not have to come into the office, they had a lot of freedom in what they wanted to wear. Goetzal et al. stated, "When companies focus on employee health, it has a positive effect on business performance" (Goetzal et al., 2019). Working from home was decided upon by management as a means of protecting the employees from the pandemic virus. As long as companies continue to allow hybrid work-from-home and in office employee models to promote employee health during the continued pandemic, Crocs will continue to grow from comfort apparel demand.

Internal Factor Evaluation Matrix (IFEM)

The purpose of an internal evaluation is to determine how well a company is performing. The internal evaluation matrix (IFEM) allows a company to determine what it needs to do to improve its performance throughout the business (David & David, 2017). An IFEM consists of a list of internal factors such as financial situation, marketing, and management (David & David, 2017). Those factors are then weighted like the CPM and EFEM according to their importance to the company, and if it is a major or minor strength.

Crocs' recent revenue increase and current ratio (See Appendix C) are internal strengths that allowed the company to be in a position to be successful. Jordan et al., (1997, p. 36) stated, "To be financially sound, a system must show the ability to generate enough revenue to cover current expenses plus the repayment of loans i.e., the cash flow to meet obligations and to pay down debt. Only by meeting its current and future capital needs can the system remain a going concern." Major strengths for Crocs include knowledgeable and experienced decision-makers in leadership positions and a product with few components. Crocs' current ratio is the current assets divided by the current liabilities. This ratio is 1.72, which means that Crocs can pay back their current liabilities twice over. Furthermore, Crocs continues to be able to increase its revenue quarter by quarter, despite inflation and increasing costs.

Crocs' major internal weaknesses (See Appendix C) are plant shutdowns due to the pandemic and their decreasing stock price in 2022. These financial statements aid in Croc's strength of financial stability and positive growth, which provides resources to allow for more growth.

Input Stage

According to David & David (2017), it is important to gather information about a business in the input stage of the strategy-formulation analytical framework because that information is used to create the matrices that will be used in the matching stage of the framework. CPM, EFEM, and IFEM (above; Appendices A-C) were used to generate the information for Crocs using publicly available information. The factors that were determined to be major threats, opportunities, weaknesses, and strengths will be used to create new analyses in the matching stage (David & David, 2017). It is important that these factors accurately reflect the current state of the company because any chosen business strategy will rely on the factors within the CPM, EFEM, and IFEM.

Similar to the input stage of the strategy-formulation analytical framework, according to Zhong et al. (2022), the success of a job depends largely on the early planning stages.

Matching Stage

The matching stage is based on the input stage (2.4), which means that SWOT, SPACE and Grand Strategy matrices sort opportunities based on the correlation between external factors and internal capabilities (David & David, 2017). This stage converts information gathered from CPM, EFEM and IFEM into strategies, which shows the company's competitive position, industry maturity and growth rate. In other words, it shows how Crocs can utilize their strengths to counter threats and create opportunities.

The SPACE Matrix for Crocs (See Appendix D) shows that Crocs is not very competitive in an unstable industry (David & David, 2017). The biggest factor that affected the SPACE Matrix was Crocs' risks associated with their stability position. In their annual report, Deloitte &Touche LLP (2021), Crocs indicates that changing consumer taste, footwear is very competitive, and having to rely on high quality endorsers are all risks to the success of their brand.

Another factor that affected Crocs' SPACE Matrix position was their growth. Cam (2020) wrote an article about Crocs' success and growth during the pandemic. "Accordingly, Crocs' stock price has more than quadrupled since March 18. The brand reported a record $362 million in third-quarter revenues and expects to report at least $362 million in third-quarter revenues and expects to report at least 20% growth in sales in its latest quarter ending December" (Cam, 2020, para. 4). If Crocs can grow as much as they did during the pandemic, they will be able to grow again.

A SWOT analysis shows "how a company can use its strengths and weaknesses to formulate strategies" (David & David, 2017). The SWOT Matrix employs internal strengths and weaknesses, and external opportunities and threats to create four quadrants of strategies (David & David, 2017). An SO strategy "exploits internal strengths by using them to obtain an external opportunity" (David & David, 2017). A WO strategy "exploits a weakness by seeking an external opportunity" (David & David, 2017). An ST strategy "exploits internal strengths by using them to avoid a threat" (David & David, 2017). A WT strategy "exploits internal weaknesses by avoiding a threat" (David & David, 2017).

From Crocs' SWOT analysis (See Appendix E), one of their strengths was that they recently experienced growth due to celebrity partnerships and their current ratio is another strength. The SO strategy from their SWOT analysis yielded that Croc. Should buy a sports team sponsorship to grow Croc.

As mentioned before, Crocs also purchased HeyDude which is also another comfort shoe brand. Crocs observed that their HeyDude brand is very profitable and is projected to reach one billion dollars in sales by 2023 Crocs should utilize the success of HeyDude to grow their business which is Crocs' WO strategy.

As mentioned before, most of Croc's manufacturing is outside of the United States. Because of this, COVID-19 has created risk and uncertainty for Crocs. As an ST strategy, Crocs should use their liquidity to build manufacturing plants in the U.S. to avoid the risks that the pandemic brings. Boeckel& McIntyre (1959) wrote about the benefits of foreign manufacturing, including the benefit of cheaper production costs and the general benefit of producing abroad rather than exporting goods (Boeckel & McIntyre, 1959). It may be better for Crocs to produce their goods in a foreign market near home to avoid shipping delays and delays in countries that have lower vaccination rates (See Appendix E WT strategy).

The Grand Strategy Matrix shows a company's competitive position as well as industry growth (David & David, 2017). A company ideally wants to be in quadrant one, rapidly growing with a strong competitive position. If a company is not in quadrant one, it needs to determine its strategies (David & David, 2017). Crocs are a growing industry, but they are not competing well (See Appendix F). As discussed in the CPM, Crocs have the poorest financial position out of all three competitors, Nike, Adidas, and Crocs. This was determined by their growth in the last five years and average stock prices in 2022.

Crocs reports a growth rate of 123% (Crocs, Inc., 2022), and has the second highest average stock price in 2022 (as compared to Nike and Adidas), but also reports a debt-to-assets ratio of 0.99 (Deloitte & Touche LLP., 2021). According to David & David (2017), the debt-to-assets ratio shows how much of a company's assets are owned by its lenders. It is calculated by dividing total debt by total assets. Any ratio over one means that a significant amount of a company's assets is funded by debt.

In addition, Croc's stock prices have dropped by nearly forty dollars since the end of the year 2022. If Crocs stock prices continue to fall, will they continue to be able to pay off their debts? It is hard to tell if Crocs will be able to keep up with larger companies like Nike and Adidas if their stock prices continue to fall.

Decision Stage

The QSPM shows the best alternative strategies (David & David, 2017). The list of alternative strategies generated from the input stage in the QSPM can be analyzed one by one using the results from the matching stage in the QSPM (David & David, 2017). Based on Crocs QSPM, entering the apparel market is the best strategy to achieve its goal of five billion dollars in sales by 2026 (See Appendix G).

All strategies developed during the matching stage of the strategy-formulation analytical framework suggest that some form of market penetration is the way to go for Crocs. David & David (2017, p. 134) described market penetration as, "Seeking increased market share for present products or services in present markets through greater marketing efforts." Crocs does not currently have any apparel under its brand. It would be easy for Crocs to enter the apparel market. Their line of Jibbitz that attach to their shoes are highly customizable. Piller and Muller (2004, p. 592) indicate that "Customers are not buying individuality; they are purchasing a product or service that fits exactly to their needs and desires." If Crocs were to create a T-shirt or a pair of shorts that could be attached to their shoes, they could increase their sales from brand loyalty. This is a similar strategy that Nike employs with their Air Jordan brand of shoes. Shirts have the newest pair of Air Jordan shoes on them and are asking, "Got 'Em?" This strategy works for Nikebecause every release of Air Jordans is highly anticipated. Crocs could employ the same strategy.

Crocs has a competitive advantage because they already own the HeyDude brand and they could use this strategy for both their Crocs brand of shoes and HeyDude.

Strategy Implementation

The next step in the strategy-formulation analytical framework is implementing the strategy you chose in the decision stage. Crocs should use market penetration by entering the apparel market to gain more sales revenue and achieve its goal of five billion dollars by 2026. When implementing strategies, it is important to make sure the company has clear objectives, the appropriate resources are allocated, and the company has a structure with the ability to implement that strategy (David & David, 2017).

Crocs can grow; consumer income has increased as a result of the pandemic and "athleisure" footwear and apparel have also become more popular (MarketLine Industry Profile, 2021). Crocs will generate more revenue year after year. The question is, can Crocs continue to grow to meet the 2026 goal? Money will have to be invested in technology and new manufacturing equipment in order to enter the apparel market. To ensure success, Market Line Industry Profile (2021) stated that women's footwear is the largest segment. If Crocs invests in women's shoes, they will likely be successful. The benefit of Crocs footwear is that most companies are using leather for their shoes, and the price of leather just keeps going up as inflation continues. Crocs are using synthetic material for their shoes so they should continue to increase their revenues with little to no increase in costs. It may not be the five billion they expect though. Mostly due to the unpredictability of the footwear industry.

Risks

According to their 10-K form, Crocs listed that they have significant competition, their supply chain is susceptible to disruptions, they are dependent on third-party contractors outside of the U.S. and there is global inflationary pressure (Deloitte & Touche LLP, 2021). Risk mitigation is important in business because it helps to avoid potential disruptions to the supply chain. Simchi-Levi et al. (2015) described their risk-exposure model, which is the probability any identified risk would occur, which is why it is important to identify risks in their annual reports. The biggest risk they should focus on is the supply chain disruptions. Singh et al. (2021) described their technique of developing a resilient supply chain that reroutes deliveries according to delivery disruptions. Crocs should use this technique to minimize further disruptions since their manufacturing is mostly overseas.

Resource Allocation

In order to enter the apparel market successfully, Crocs will need to weigh its financial resources to some extent between liquidity and funding of related growth initiatives. The company's current ratio of 1.72 (Deloitte & Touche LLP, 2021) indicates that the company can finance the initial design and production through the company's cash, rather than incurring new debt. However, the company has already raised the debt-to-assets ratio to 0.99 (Crocs, Inc., 2022) through the acquisition of HeyDude. It would be wise for the company to invest some of the currently available $360 million R&D budget (Crocs, Inc., 2022) in apparel development, leveraging on the success with self-customizable products such as Jibbitz (Piller& Müller, 2004).

The most successful entry into apparel would probably be a measured step-by-step process. With $50 million from operating cash flow, Crocs can produce and market a line of branded athleisure gear using the same type of celebrity collaborations that led to a miracle of proportions in the footwear category. This should help reach the $5 billion revenue goal without overstretching the company's financial means.

Strategy Evaluation

Recommendations for Long-term Objectives

Recommendations for Long-term Objectives: A few good questions to ask when evaluating a strategy are, "Have the firm's assets increased? Has there been an increase in profitability? Have sales increased? Have productivity levels increased? Have profit margin, return on investment and earnings-per-share ratios increased?" (David & David, 2017, p. 282). A good marketing technique that Nike and Adidas use is to partner with a sports team. Crocs don't have the assets to take on more debt, but they could try this strategy on a smaller sports team, maybe a college team before they invest more money into that strategy.

Strategy Implementation Risks

A risk of having an apparel line is that apparel may cannibalize their shoe sales is what has grown their business. Another risk is that workers may have trouble learning new lines. It is important to invest in training for production employees because of other issues such as injury and death, and exposure that could come about from them. Findings in reviews or audits are public information at risk companies could lose customers or market share if something bad happened which would decrease brand value.

Recommendations for Strategy Review

Crocs needs to focus on increasing brand awareness and the sale of a new apparel line. With changing tastes, Crocs needs to devote a team that focuses on market research on consumer tastes, so that they can capitalize on product customization. Crocs has the advantage of being a casual footwear brand with the trend of more work-from-home situations, but what is their future?

As identified during the matching stage of the strategy-formulation analytical framework, market penetration is Crocs' future. College sports team partnerships, increased customization, and developing more women's footwear are all examples of market penetration techniques that will increase brand awareness and help Crocs reach its goal of five billion dollars in sales by 2022.

Financial and Operational Goals

Projected Financial Statement and Assumptions

Crocs is going to try to meet its goal of $5 billion in sales by 2026, so sales are going to have to increase steadily by twenty percent year over year. This will most likely lead to an increase in the cost of goods sold and inventory, so as to become more innovative and technologically advanced with their lines. Crocs will also have to focus on meeting their long-term debt obligations from their acquisition of HeyDude.

Crocs also has an aspiration to have their consolidated operating margins to be 26% in 2023. (Crocs, Inc., 2022). This will require an increase in revenues, but also an increase in capital expenditures to support growth in their supply chain. All of these goals are going to require Crocs to be more debt-heavy, to borrow more money on top of the debt they already took on when they acquired HeyDude. Crocs' debt-to-assets ratio is already high, and it is going to become much higher with more borrowing.

Recommendation for Annual Goals

Crocs has to continue to increase their sales no matter what they have to continue contacting influencers, celebrities, and franchises to help get the name of Crocs out there if they are going to expand into the apparel industry "Successful celebrities can relate to consumers' ideal self-image... Consumers tend to identify with celebrities who represent their ideal self-image. Self-identification with their ideal celebrity role model is a consistent predictor of consumer behavioral imitation and, therefore, understanding the celebrity consumer personality match-up is an important step towards achieving more effective endorsements" (Moraes et al., 2019, p. 1182). The company should continue to use celebrity partnerships to help create brand loyalty.

Conclusion

Crocs, Inc. can grow, as they have in the last five years (Crocs, Inc., 2022). Crocs has good leadership that got them out of financial trouble during the recession in 2008 (Cam, 2020). If Crocs grew from that, they could grow again. The strategy that I developed in this paper is market penetration. This strategy was mainly due to the concerns that Crocs wanted to not fall behind their competition and the footwear industry is competitive and volatile so they must act like their competition which is to develop an apparel line and to develop brand awareness and loyalty through customization. If consumers enjoy Crocs' products now and in the future, they will continue to purchase Crocs' products. Crocs does not need to change too much of what they do but they need to find a way to increase sales without going into more debt so they can reach the goal of being a five-billion-dollar company by 2026.

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Appendix A: Crocs, Inc. Competitive Profile Matrix

	Crocs, Inc.			Adidas			Nike		
Critical Success Factors	Weight	Rating	Weighted Score	Weight	Rating	Weighted Score	Weight Score	Rating	Weighted
1. Price Competitiveness	0.1	4	0.4	0.08	3	0.24	0.06	2	0.12
2. Financial Position	0.2	2	0.4	0.22	3	0.66	0.23	4	0.92
3. Average Stock Price 2022	0.2	3s	0.6	0.18	2	0.36	0.21	4	0.84
4. Growth	0.14	4	0.56	0.13	3	0.39	0.12	2	0.24
5. Geographical Coverage	0.12	2	0.24	0.13	3	0.39	0.14	4	0.56
6. Quality	0.09	4	0.36	0.06	2	0.12	0.07	3	0.21
7. Social Responsibility	0.15 1	2 21	0.3 2.86	0.2 1	4 20	0.8 2.96	0.17 1	3 22	0.51 3.4

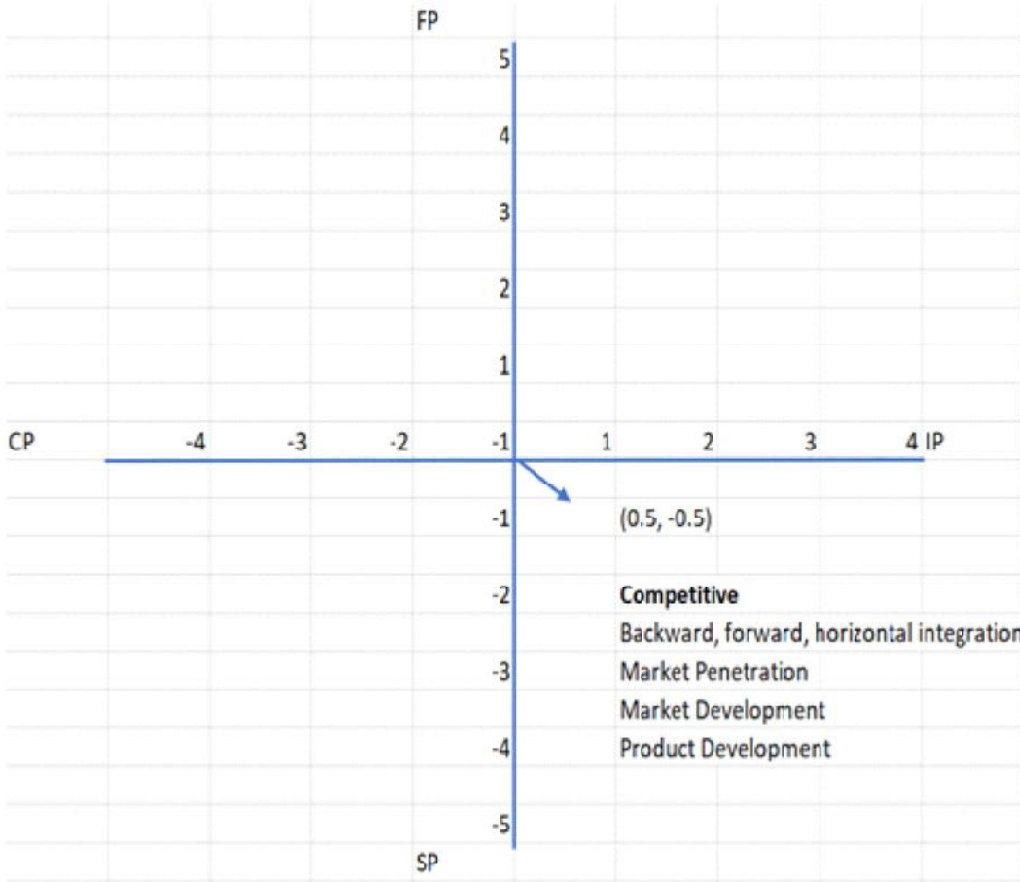
Appendix B: External Factor Evaluation Matrix of Crocs, Inc.

	Opportunities	**Weight**	**Rating**	**Weighted Score**
1	Third quarter earnings are expected to grow 46-53%	0.05	4	0.2
2	Demand for comfort shoes increases from work, from home situations	0.09	4	0.36
3	Celebrity partnerships have created almost $10 million in sales	0.09	4	0.36
4	Attractive price point compared to competitors of non-athletic footwear	0.06	4	0.24
5	Filed 21 infringement cases in 2021 against competitor products	0.02	3	0.06
6	Surge in virtual sales from the pandemic	0.06	4	0.24
7	Continuously developing new styles of shoes	0.04	3	0.12
8	Style is patented and bio-based	0.05	3	0.15
	Threats			0
1	Supply chain disruptions from the pandemic	0.1	1	0.1
2	Concern over waning interest in style	0.09	1	0.09
3	Croc shareholders are down by 45% this year	0.07	2	0.14
4	U.S. Inflation causing households to spend $445 more per month	0.1	1	0.1
5	Controversial style	0.03	2	0.06
6	Resources to make sustainable footwear are more expensive	0.07	1	0.07
7	No move into the clothing or apparel market	0.04	2	0.08
8	Apparel and footwear sales subject to fluctuating tastes	0.04	2	0.08
		1	41	2.45

Appendix C: Internal Factor Evaluation Matrix for Crocs, Inc.

	Strengths	**Weight**	**Ranking**	**Weighted Score**
1	Highly skilled board of directors	0.04	3	0.12
2	Donated shoes to healthcare workers for wide brand name recognition	0.06	4	0.24
3	Management revitalized the brand, preventing collapse	0.08	4	0.32
4	Current Ratio is at 1.9	0.1	4	0.4
5	Increased revenues by 14.3% in Q2	0.1	3	0.3
6	Simple manufacturing design helped them through the pandemic	0.07	3	0.21
7	Products such as Jibbitz and sandals have been key to growth	0.07	4	0.28
Weaknesses				0
1	$2 billion of debt on the balance sheet because of the acquisition of HeyDude in 2021	0.1	2	0.2
2	Employees complain about frequent management changes	0.02	2	0.04
3	70% of Crocs' manufacturing is in Vietnam are prone to COVID shutdowns	0.1	1	0.1
4	Stock price fell by almost $100 since this time last year	0.09	1	0.09
5	Inability to forecast consumer demand	0.05	1	0.05
6	Cost of sales increased from 2020 due to supply chain disruptions	0.06	1	0.06
7	Must rely on high-quality endorsers of their product for sales	0.06	1	0.06
		1	34	2.47

Appendix D: SPACE Matrix for Crocs, Inc.

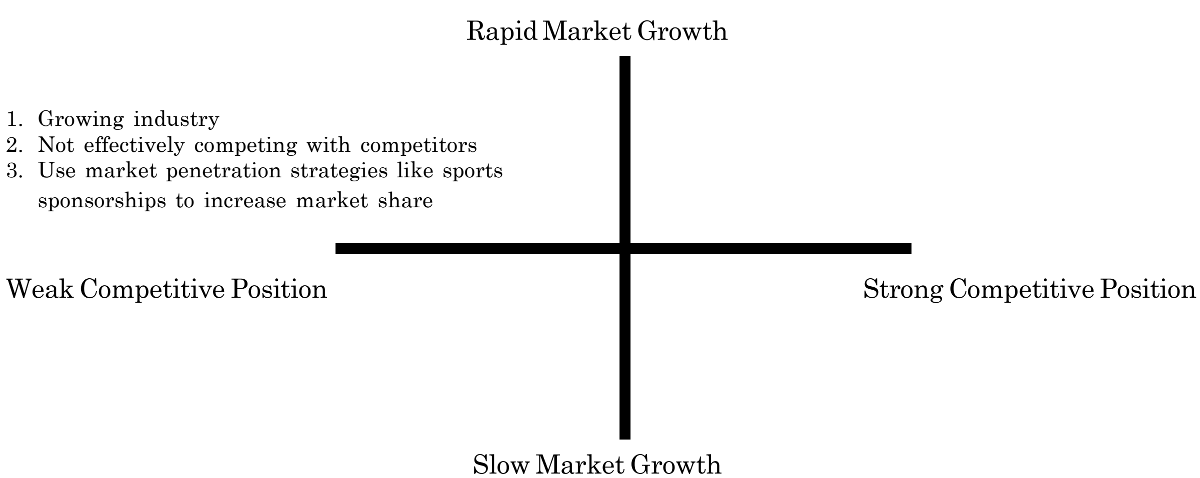


Internal Strategic Position		External Strategic Position	
Financial Position		*Stability Position*	
Liquidity	3	Price range of Competition	-2
Cash Flow	1	Risk involved in business	-5
Earnings per Share	5		
	3		-3.5
Competitive Position		*Industry Position*	
Product Quality	-1	Growth Potential	3
Market Share	-4	Financial Stability	2
Product Life Cycle	-1		
	-2		2.5

Appendix E: Crocs, Inc, SWOT Matrix

	Strengths	**Weakness**
	Current Ratio is at 1.9	$2 billion of debt on the balance sheet because of the acquisition of HeyDude in 2021
	Increased revenues by 14.3% in Q2	70% of Crocs' manufacturing is in Vietnam are prone to COVID shutdowns
	Management revitalized the brand, preventing collapse.	Stock price has fallen by almost $100 since this time last year.
Opportunities	**SO Strategies**	**WO Strategies**
Demand for comfort shoes increases from work, from home situations	Expand partnerships beyond celebrities => buy sports sponsorships	Leverage HeyDude's growth to expand Crocs but maintain their mono-brand operations
Celebrity partnerships have created almost $10 million in sales.		
Attractive price point compared to competitors of non-athletic footwear		
Threats	**ST Strategies**	**WT Strategies**
Supply chain disruptions from the pandemic	create more U.S. manufacturing facilities to create more jobs and avoid global inflation and supply chain issues	analyze other areas for operations, to not be 100% tied to countries in COVID and inflationary turmoil
U.S. Inflation causing households to spend $445 more per month		
Concern over waning interest in style		

Appendix F: Crocs, Inc. Grand Strategy Matrix



Appendix G: Crocs, Inc. Quantitative Strategic Planning Matrix (QSPM)

Strategic Alternatives

	Weight	**Sports Sponsorships**		**Enter Apparel Market**	
Key Factors					
Opportunities		AS	TAS	AS	TAS
Earning is up in Q3 2022	0.1	4	0.4	4	0.4
Increase in Demand for Comfort Shoes	0.1	–	–	–	–
Celebrity Partnerships	0.2	-	-	4	0.8
Increase in virtual sales	0.08	4	0.32	4	0.32
Threats					
Supply chain disruptions	0.14	–	–	2	0.28
Waning interest in style	0.08	4	0.32	4	0.32
Inflation	0.2	3	0.6	1	0.2
Competitors have entered the clothing					
and apparel market	0.1	4	0.4	4	0.4
Total	1				
Strengths					
Highly skilled management	0.1	2	0.2	2	0.2
Current ratio	0.2	4	0.8	4	0.8
Recent sales revenue	0.1	4	0.4	4	0.4
Expansion of Jibbitz product line	0.08	–	–	–	–
Weaknesses					
Debt on the balance sheet	0.2	1	0.2	1	0.2
70% of manufacturing in other countries	0.2	–	–	2	0.4
Falling Stock Prices	0.12	1	0.12	1	0.12
Cost of sales increase from inflation	1		**3.76**		**4.84**