





**How successfully does TOMS Shoes apply its mission statement when forming its marketing mix?**

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## Introduction

TOMS Shoes is a for-profit shoe company based in Santa Monica, California. The company designs and sells lightweight footwear and is philanthropically driven, stating that for every shoe sold, they will donate a pair of shoes to a child in need. Founder Blake Mycoskie originally started the company in 2006 after witnessing several Argentinean girls collecting shoes for a shoe drive. Mycoskie decided to modify the current model of charity, creating a for-profit company which would spend its finances on donating shoes rather than advertising. Mycoskie believed that this method of charity would be more sustainable, leading to more awareness and more shoes donated (On the Record, 2010). Four years later, TOMS still stands by their humble origins, claiming the mission statement: “For every pair you purchase, TOMS will give a pair to a child in need. One for one” (Our Movement, 2011).

Mission statements such as this one should be the root of the company’s marketing mix. In this commentary, I pose the question “How successfully does TOMS Shoes apply its mission statement when forming its marketing mix?” Thus, I will assess the successfulness of TOMS Shoes in developing an adequate mix of product, place, promotion, and price. In order to effectively achieve their mission statement, all of the company’s organizational objectives and marketing mix must be derived from this statement. In the case of TOMS Shoes, this means that all aspects of the business should contribute to its philanthropic mission.



## Commentary


Mission statements are essential to any company because they are meant to guide the business activity and ensure that every aspect of the business aligns with a single mission. This is extremely important because it assists in the decision making process, creates a uniform, organized business, and ensures a clear image (Cardani). A business can be assessed on how successfully it aligns itself with its goals by comparing the mission statement to its marketing mix. For TOMS Shoes, this mission statement is: “For every pair you purchase, TOMS will give a pair to a child in need. One for one” (Our Movement, 2011). If TOMS Shoes is truly operating under its philanthropic goals, then its marketing mix should reflect this statement.

### Organizational Objectives

Before a company can truly align its marketing mix behind its mission statement, the other aspects of its organizational objectives must also be in line with its mission (Cardani). The following assesses how successfully TOMS’ objectives flow from its mission statement:

*Aims/goals:* The goal of TOMS Shoes is to donate shoes to children in need around the world, specifically in Argentina, Ethiopia, and more (Our Movement, 2011). According to document 3, TOMS had given away over one million pairs of shoes by September 2010 (Our Movement, 2011). Clearly this goal directly follows the mission statement of TOMS, and based on the numbers, it seems that TOMS is successfully living out this goal.

*Social Responsibility:* Another important objective of any business is its social responsibility. TOMS capitalizes on this area, using their social and ethical objectives as a marketing technique (Binkley, 2010). This fits their mission statement, since the entire mission is socially and ethically driven.




*Target Audience:* According to document 2, the primary target audience is college students ages 19-24, both male and female, who are creative trend setters and socially aware or are interested in becoming social active (Tom's Shoes, Figure 4, 2010). The secondary target is similar high school students ages 14-18 (Tom's Shoes, Figure 4, 2010). Both of these audiences are important because they are socially aware and willing to spread the message of TOMS Shoes, thus they will help support the mission statement.

Overall, TOMS' organizational objectives seem to align directly with its mission statement. This clear connection between the business objectives and the mission statement should assist TOMS in creating an adequate marketing mix as well, since business activity is already flowing from the initial mission.

### Marketing Mix

The marketing mix, comprised of product, promotion, place, and price, should also align with the mission statement in order to achieve an organized, goal oriented company.


*Product:* As seen in document 2, the TOMS product is based on a simplistic design of comfortable footwear. The product caters to its consumer by providing various designs and colors, even allowing the consumer to design his or her own pair (Tom's Shoes, Figure 2, 2010). Overall, the product seems to reflect the charitable intentions of the company – simplistic, comfortable, and individual. Each of these words align with the philanthropic mission: the simplistic nature reflects the simplicity of giving, as well as the poverty stricken areas where the shoes are donated; comfort reflects the company's desire to provide a more comfortable life for children around the world by providing shoes to otherwise shoeless children; finally, the individuality of each shoe represents the individual need to give. Each of these descriptors



contributes to TOMS' image, which flows from their mission statement. Also, since TOMS have a fairly recognizable style, they can become a symbol of the company's cause. The recognizable symbol is essential to a company like TOMS because it allows the consumer to feel pride in their charitable actions, encouraging them to either buy a second pair or spread the word about TOMS.

*Promotion:* TOMS' promotional strategy relies primarily on word-of-mouth promotion. Recently, however, TOMS has also received positive publicity through magazines, newscasts, press releases, and third party websites and blogs, mainly because its mission of goodwill makes for a quality and uplifting story (Binkley). In both these ways of promotion, TOMS relies heavily on people: Mycoskie said in 2009 that "It's really just about telling the story and getting it out there... When we do that, more and more people will buy the shoes and want to be part of it and want to help" (Lerman, 2009). By relying on this word-of-mouth promotion and positive publicity, the company allows the product and mission to speak for itself and truly shine through. In this way, it can maintain its charitable, small-business reputation and thus, follow its mission statement successfully. Also, by allocating money that would otherwise be used for advertising to donating shoes, TOMS can more successfully carry out its mission statement (On the Record, 2010). Basically, the capital raised from selling shoes is used on donations rather than putting it back into the company through marketing. While this may not seem like a promotional strategy, it is actually extremely successful since it not only follows its mission statement, but also encourages the public and media to get involved.

*Place:* In the beginning, TOMS' sales mostly came from phone orders or through the Internet. As the business grew, TOMS began popping up in small, independent boutiques in urban areas around the US. Currently, they can be found in many of these types of stores. These



places target their typical customer, well-to-do teens and young adults who are interested in charitable causes (Tom's Shoes, Figure 4, 2010). According to Document 1, Mycoskie said in 2009 that they “look at retailers in a non-traditional way and really pick them based on how passionate they are about [the] story. [They] pick stores that our willing to tell [the] story in a very powerful way and get behind it” (Lerman, 2009). Clearly, the way in which TOMS choose the place in which they are sold follows its mission statement. The places are locations which will further its charitable cause as well as appeal to their target audience.

*Price:* The starting price for TOMS is \$44; however, the prices can range anywhere from \$44-\$100 (Tom's Shoes, Figure 2, 2010). These prices ensure that the business can sustain itself even when donating a pair of shoes along with every pair sold. Essentially, the customers are paying for two pairs of shoes with each one they buy. At the same time, the prices are low enough that they are still competitive in the shoe market in order to ensure that they still retain their customer base (Tom's Shoes, Figure 3, 2010). These prices seem to adequately reflect the mission statement, as they ensure that the business has the financial base to essentially donate half their products.



## **Conclusion**

Based on my analysis, TOMS Shoes successfully applies its mission statement to its other organizational objectives and more importantly, its marketing mix. The company's choices for products, promotion, price, and place all reflect its mission statement as well as its aims, target audience, and ethical objectives. The concept of a for-profit charity is extremely innovative and unique, thus making the importance of a clear image all the more important. In order to maintain this clear image, it is essential that the entire business revolve around the singular mission statement. In the short four years that the young business has been operating, they have already established a successful marketing mix that does align directly with its mission statement. This success should assist the company within the shoe market and ensure that the business-charity mix is sustainable in the future.



## Appendices

### **Document 1:**

Lerman, Emily. "TOMS Shoes Founder Blake Mycoskie Plans to Give Away 300,000 Pairs." *PhiLAnthropist Interview*. LAist: Los Angeles News, 15 Apr. 2009. Web. 14 Mar. 2011. <[http://laist.com/2009/04/15/what\\_happens\\_when\\_you\\_travel.php](http://laist.com/2009/04/15/what_happens_when_you_travel.php)>.

### **PhiLAnthropist Interview: TOMS Shoes Founder Blake Mycoskie Plans to Give Away 300,000 Pairs in 2009**

What happens when you travel to Argentina to learn how to play Polo? You start a sustainable and socially conscious shoe company. Of course.

Well, that is exactly what happened to Blake Mycoskie, founder of TOMS shoes. After visiting the country in 2006 and witnessing the mass amounts of children without shoes and its detrimental effects, he returned to the US determined to eradicate this problem. And for the last 3 years, he has been doing just that.

For those unfamiliar with the company, the concept is simple: for each pair of shoes they sell, the Santa Monica-based company will give a pair to a child in need. Shortly after starting the company, Blake and friends returned to Argentina with 10,000 pairs of shoes for the children and ever since then, thanks to the company's success, they have been able to increase the breadth and scope of the project; 140,000 pairs have been given away in Argentina, Ethiopia and parts of the Southern US. He plans to give away an additional 300,000 in 2009 alone.

Tomorrow, TOMS will launch their "One Day without Shoes" campaign, in order to raise awareness about the impact a pair of shoes can have on a child's life.

In today's world, it is all about what you can do to give back and give more, and we hope to see the emergence and success of companies like TOMS, with a focus on increasing awareness and driving social change.

LAist is a big fan of TOMS, so we were pleased to have the chance to talk to Blake about his unique business model, empowering young people, their current projects in Ethiopia and meeting with the Obama administration.

**TOMS core and initial vision and goal was to provide children in need shoes. How has this evolved and grown?**



Well now we've started focusing specifically on Southern Ethiopia where there is a horrible foot disease called Podoconiosis that is completely preventable with shoes. We're really focused on that area. It's almost like an elephantitis of the foot and it's really grotesque. Specifically, now we have a factory in Ethiopia helping create special leather boots for kids so they don't get this disease.

So, as we've grown our giving has become more focused on specifically preventing diseases for kids in certain areas of the world but we're still focused on coming with new great shoes that people will continue to buy so that people will continue to support us season after season so we can continue our giving.

**You touched on a great point in your speech at the Clinton School of Public Service that when “you are doing something good, people want to help you”. Especially now, how crucial or pivotal has that been to the success of TOMS?**

*It's been very critical...it's really just about telling the story and getting it out there. And when we do that, more and more people will buy the shoes and want to be part of it and want to help. That's really been a critical part of the mission; it is not just being like “we're a brand and we're doing it ourselves” but rather getting people to write about it, email about it, share the videos, write on the blog...it's really a very inclusive company so that we can get more people participating.*



**And you guys don't do any advertising, right?**

*No. It's really all just through media, viral videos, blogs and Facebook. We're launching a new website that we've been working on for 6 months. There will be a lot more community pages, ways to interact and get more involved with TOMS. I'm really excited about this because I think it will take the kind of “people being part of the brand” to a whole other level.*

*We're trying to integrate more web 2.0 and let people know what they can do if they want to get more involved; if you want to have a style your sole design party, it will tell you other people in the area who are doing so. We want to integrate our community and our fans so it's not just “I'm buying a pair of shoes” but rather hosting an event, screening, or eventually even helping us design the line, so its really just a community of people, and not like a company.*

**What has been the biggest challenge with this whole project?**

*The biggest challenge was the fact that we had no experience making shoes when we started, so learning production, quality control, inventory and all the other business parts of being a shoe and fashion company. No one on our team really had any experience, but we've been learning that on an ongoing basis, but it has been the biggest challenge so far.*

**So have you brought anyone new on?**

*We brought in a guy from Asics and Nike.*

### **What has been the greatest and most unexpected lesson?**

*When you really give young people a lot of authority and opportunity, they can do amazing things. Because of our giving level and because we're a start up, we haven't really had a lot of money to hire a lot of "super-experienced" people, so we've hired people right out of college, or even out of high school and given them a tremendous amount of responsibility and authority for the lack of experience they have and for the most part I've been really impressed with how many of them have really risen up and become really important assets to TOMS, do their jobs and get things done in a way that people with maybe ten years of experience wouldn't do.*

*Also, with our intern program it's a way to see how many great ideas and efforts come out of that program. It's really about empowering people, and making people believe that they really can make a difference and contribution no matter what their age or experience is, and when given the tools and abilities to do so, amazing things happen.*

### **Can you tell me more about the intern program?**

*There are two parts to it. We have the interns who spend the summer here in LA and we have the Vagabonds. Vagabonds are interns who travel around the country hosting screenings and parties and spread the word about TOMS to high school and colleges around the country. And that's become a big part of my thinking and a big part of the culture; you don't necessarily need the most experienced people, you just need people who are passionate, smart and hardworking.*



### **What's your advice for people, young especially, who want to take the social entrepreneurship route to give back in their communities and want to make this giving a full-time venture?**

*I think two things. For better or for worse, a lot of people have been laid off and a lot of companies aren't hiring, but there are social ventures like TOMS out there and often the best way to get involved is to volunteer some time, and even if you are 40 years old and are not going to do an internship, the truth is, if you have, lets say,*

*graphic design skills, and you've been laid off, maybe donate your skills to a not-for-profit or a social venture like TOMS that you're really passionate about, and often times through that process, especially as an organization is growing, sometimes it can become an opportunity for actual employment.*

*And I think a lot of people have seen that by getting involved in a socially focused venture that they are not only fulfilling a financial needs but their spiritual and mental needs as well. I think that's why people love working at TOMS and I think were going to see a lot of other organizations like TOMS popping up because it's just kind of that right thing to do.*

### **Has TOMS been able to stay profitable and sustainable?**

*Yes, it's TOMS third full year. We're definitely on a path to sustainability. We haven't had to let anyone go. If anything we've had to hire more people in the last two months. We're right on plan and we're going to give away 300,000 shoes in 2009.*



**How do you pick your retailers?**

*We look at retailers in a non-traditional way and we really pick them based on how passionate they are about our story because we don't think there is a certain type of person who likes TOMS...so we feel our demographic is very wide so we should sell to a very wide variety of stores, so we pick stores that our willing to tell our story in a very powerful way and get behind it.*

**I saw the new Vegan TOMS. How focused are you on using the most sustainable materials? What is your commitment to environmental/sustainable practices?**

*The new line of shoes is made from 70% recycled plastic bottles and 30% hemp, so the fabric is more sustainable than even an organic cotton. So we're very much focused in that direction and moving as fast as we can.*

**The pop-up store on Abbott Kinney was so successful you ended up staying longer than planned. Any future plans for more pop-up stores?**

*No plans yet, but were thinking about San Francisco.*

**I heard you recently met with the Obama administration in the White House....**

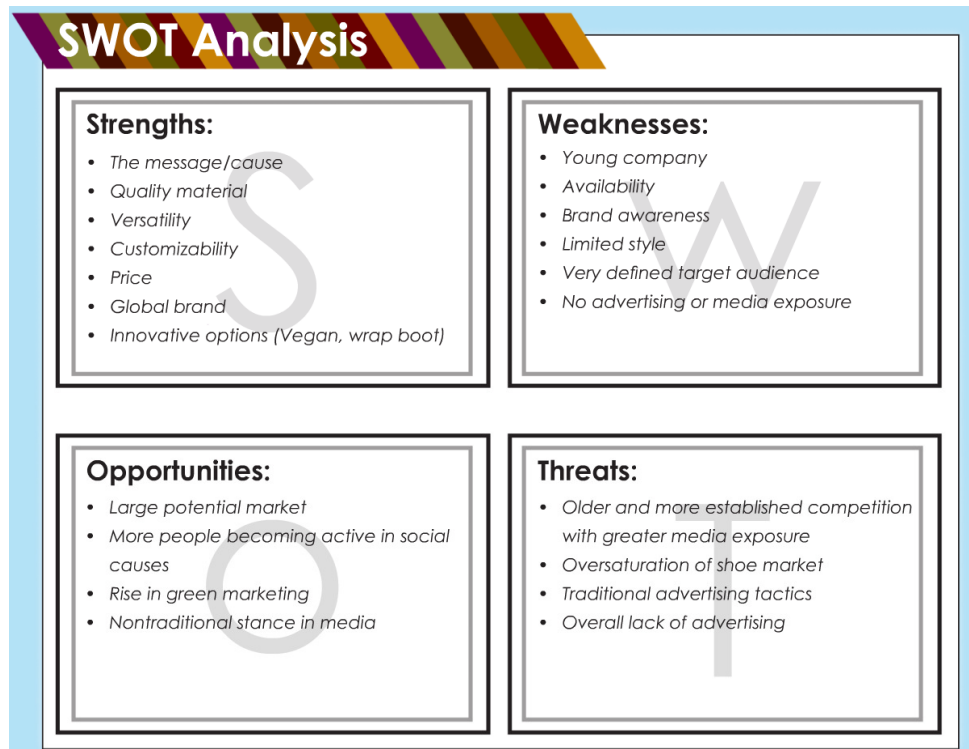
*Yes, I was invited to go the White House and meet with the administration and specifically talk about the Department of New Media. It's cool because it's the first time the White House has ever had a Department of New Media and they invited myself and a few other entrepreneurs involved with technology just to talk about what we're doing and how we can bring more transparency to government.*

**What's next for TOMS?**

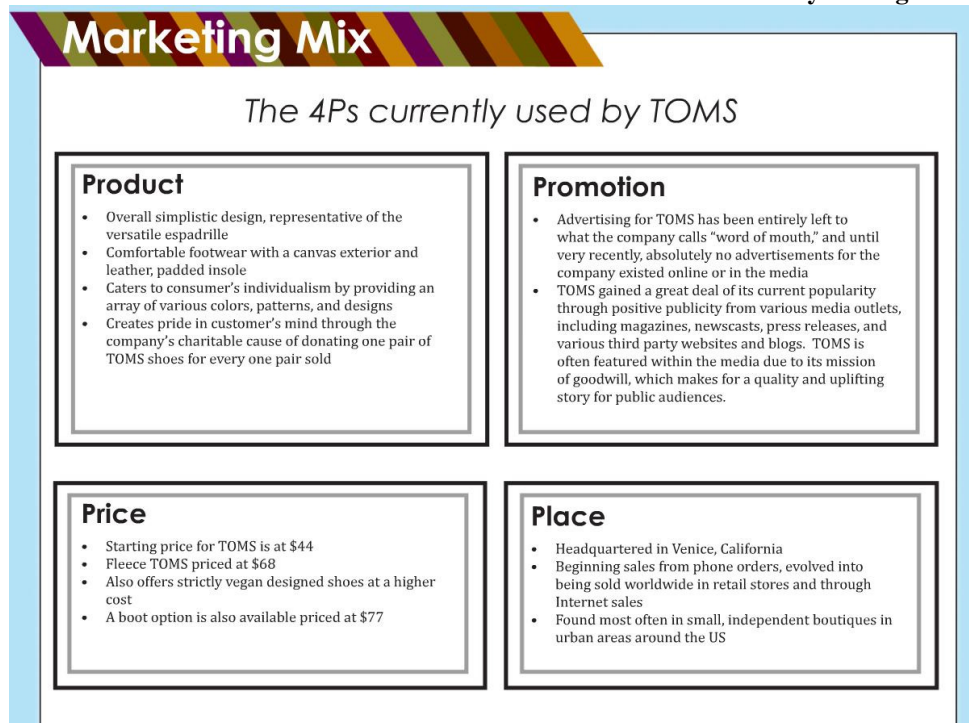
*We're just trying to get our community more involved in our mission, besides just buying a pair of shoes. So there are a lot of ways we're working with the new website and the social media properties so people can host design parties, screening of the documentary film...really just trying to get our community together offline as well as online so we can really create platforms for social change, not with just shoes but with other big ideas out there.*

## Document 2:

"Tom's Shoes Campaign." Issuu.com. The Clementine Group. 25 Mar. 2010. Web. 14 Mar. 2011. <[http://issuu.com/siuc-soj/docs/toms\\_book\\_final](http://issuu.com/siuc-soj/docs/toms_book_final)>.



SWOT Analysis - Figure 1



Marketing Mix - Figure 2

## Competitive Matrix

	TOMS	Converse	Birkenstock	Rocket Dog	UGGS	Vans
Philosophy	Shoes for a better tomorrow. One for one	Shoes inspired by vintage looks and Rock n' Roll roots	Quality products, comfortable, unique, timeless, and respectful to the world	Pop culture meets sub-culture with a twist	Promise of luxury and comfort in everyday life	Vans shoes appeal to the masses, and thus, their name has become legendary
Design	Basic design, basic materials that vary from cloth, burlap, leather flat sole design	Canvas Sneakers, rubber soles, toe guard	Carries weight more efficiently. Gives good posture and less fatigue while walking	Starts with cork bottom sandals, moves to rubber, and jumps to all canvas slip on look	Australian inspired boot made with sheepskin and wool for the inner lining	Slipron sneaker
T.A.	14-30, trendy, media savvy, involved in music scene or arts, involved in social causes	14-25, athletic types	All ages, trendy upper class	Trendsetters and style conscious consumers around the world of any age	Targeted at everyone, including men	Works with surfing, skateboarding, urban, and punk markets
Price	\$40 - \$80	\$60 - \$100+	\$100 - \$200+	\$20 - \$100+	\$100 - \$300	\$50 - \$80+
History	Started in 2006, inspired by an Argentinean shoe style and lack of footwear for kids	Started in 1923 in recognition of basketball star	First hit market in 1968	Started in 1997 in California. Made famous by sandals	Early 1930's, worn by farmers trying to keep feet warm and by surfers coming off the ocean	Began in 1966 in California. Changed sole design in 1976
Style	Various styles, plain to multi-colored, various makes and types of fabrics	Varies in height and color, classic looks	Cork, leather, one or two buckles	Cork bottoms, sandal type slippers for surfer types	Casual and comfortable cold weather footwear	Bold and colorful with a flat sole

Competitive Matrix - Figure 3

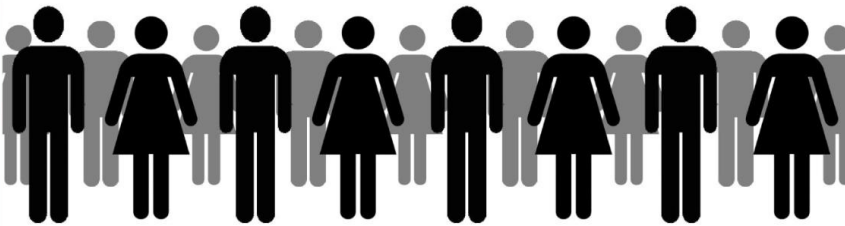
## Target Audience

### Primary T.A.

TCG has defined our primary target audience as being college students, aged 19 to 24 males and females all located within the St. Louis city limits and surrounding metropolitan area. These individuals are creative trend setters that are socially aware or are becoming more socially active. They are also technologically savvy and are up to date with online and other electronic trends. They live an artistic lifestyle full of self expression. Our primary target audience is not afraid to express their individuality through their own unique outlets, whether it be sports, drawing, music, dance, or charity work, they strive to be themselves and not be influenced by modern trends. They are sports enthusiasts, music lovers, concert goers, and movie fanatics. They are the cultural influencers that will push the TOMS message and drive our secondary target audience to the brand.

### Secondary T.A.

TCG has defined our secondary target audience as being high school students, aged 14 to 18, all located within the St. Louis city limits and surrounding metropolitan area. Our secondary target audience is much like our primary audience; drivers of the brand and the TOMS message. They are an important aspect of our campaign because they will be the influencers that carry the message of TOMS for years to come. Once the TOMS brand becomes top of mind they will influence others in their age group. These influencers are the younger brothers and sisters of our primary target audience that will pick up the new trends and pass them along to others.



Target Audience - Figure 4

### **Document 3:**

“Our Movement”. *TOMS Shoes*. < <http://www.toms.com/our-movement/movement-one-for-one>>.

## **One for One**

TOMS Shoes was founded on a simple premise: **With every pair you purchase, TOMS will give a pair of new shoes to a child in need. One for One.** Using the purchasing power of individuals to benefit the greater good is what we're all about. The TOMS mission transforms our customers into benefactors, which **allows us to grow a truly sustainable business rather than depending on fundraising for support.**

### ***Giving Is Catching On...***

The TOMS mission of giving shoes has attracted other brands, resulting in unique and successful collaborations. Ralph Lauren sold co-branded Polo Rugby TOMS, giving a matched pair with every pair sold. Element Skateboards has issued limited edition TOMS + Element shoes as well as a One for One skateboard. With every skateboard purchased, one will be given to a child at the Indigo Skate Camp in Durban, South Africa. It is TOMS' hope that as our One for One movement continues to grow, more and more companies will look to incorporate giving into what they do.

### ***The TOMS Story***

In 2006, American traveler Blake Mycoskie befriended children in Argentina and found they had no shoes to protect their feet. Wanting to help, he created TOMS Shoes, a company that would match every pair of shoes purchased with a pair of new shoes given to a child in need. One for One. Blake returned to Argentina with a group of family, friends and staff later that year with 10,000 pairs of shoes made possible by TOMS customers. As of September 2010, TOMS has given over one million pairs of new shoes to children in need through Giving Partners around the world.


### ***Where We Currently Give***

We currently give in 23 countries:

<b>Argentina</b>	<b>Honduras</b>	<b>South Africa</b>
<b>Armenia</b>	<b>Lesotho</b>	<b>Swaziland</b>
<b>Burundi</b>	<b>Malawi</b>	<b>Uganda</b>
<b>Cambodia</b>	<b>Mali</b>	<b>United States</b>
<b>China</b>	<b>Mongolia</b>	<b>Zambia</b>
<b>El Salvador</b>	<b>Nicaragua</b>	
<b>Ethiopia</b>	<b>Niger</b>	
<b>Guatemala</b>	<b>Peru</b>	
<b>Haiti</b>	<b>Rwanda</b>	

### **Cambodia**

Thanks to customers like you, children all over Cambodia are wearing TOMS! The Steung Meanchy landfill is one of the many places where our shoes are given. Here, kids get TOMS to



protect against cuts, injuries and infections caused by metal, shards of glass, chemical waste and sewage. In Cambodia, children wear their TOMS to meet the school uniform requirement as well as to prevent contracting intestinal parasites that lead to malnutrition.

### **Ethiopia**

In Ethiopia, TOMS gives shoes through several Giving Partners who serve the most vulnerable and impoverished children in the country. In certain regions of Ethiopia, wearing shoes and practicing good hygiene can prevent podoconiosis, a disease that causes swelling of the feet and legs due to prolonged exposure to irritant soil. In Addis Ababa, Ethiopia's capital, our partners work with HIV positive and street children, giving shoes to protect them from glass and metal found on the city streets. Some of our Giving Partners also give children shoes as a part of education initiatives that provide school supplies, nutrition and school uniforms.

### **Malawi**

In Malawi, TOMS gives shoes through several community based organizations (CBOs) serving orphaned and vulnerable children all over the country. Children in primary school walk up to 5 kilometers each day to get to school, making it important for them to have durable footwear. Malawian schools require that all secondary students wear a uniform with black shoes, which is why our black canvas slip-on works well here. The CBOs also offer health programs where children receive shoes and medication to protect them from dangerous parasitic infections.

### **Peru**

The ground can get very hot in parts of Peru, which is why TOMS works with Giving Partners in this country to give shoes to help protect children's feet from burns. Additionally, shoes are required for school attendance in Peru. Our Giving Partners also remind us that a new pair of shoes provides a sense of dignity for the children in their programs, especially when it means they have durable shoe for participating in a fundamental part of Peruvian culture: soccer!

### **South Africa**

TOMS Giving Partners in South Africa work with children in densely populated and severely impoverished areas. One of the locations, known as Missionvale in Port Elizabeth, is home to more than 15,000 children who wear TOMS as protection from cuts, injuries and infections. These children also value their new shoes because they can attend school without being ridiculed or stigmatized.





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