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# Economics Prospectus

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# Product Lineup

## Introduction

Wolverine Worldwide consists of twelve different brands: Bates, Cat Footwear, Chaco, Harley-Davidson Footwear, Hush Puppies, HYTEST, KEDs, Merrell, Saucony, Sperry, Stride Rite, and Wolverine. Each of these brands had started off with their unique style and purpose that still carries on today. While they maintain their own unique purpose, they have also begun to start branching out from just shoes to items such as bags and clothing.

## Find the Brand that Defines You

### Bates

When it comes to shoes for those in uniform, Bates is unbeatable. Their brand creates shoes designed for the Military, Law Enforcement, Firefighters, and the Postal Service. They utilize the latest technologies in their shoes to improve the experience for those that wear them. If you check on their website, there are three categories: ICS, EPS, and Durashocks. ICS allows for the user to change the comfort of the shoe throughout the day. It allows the user to change the amount of cushion, the amount of shock absorbed, and the tilt which provides more stability. To put it simply, the ICS is the combination of all tech that Bates uses. EPS (Endurance Performance System) involves four layers beneath the feet which allow for support, cushion, shock absorption, and traction. Durashocks have a sole which limits the amount of shock that goes to the feet and legs. Bates has begun to sell items that aren't shoes such as backpacks, graphic tees, and Morale Patches. There are 5 unique patches that honor the Military, Law Enforcement, and Firefighters.



"A leading maker of quality boots and shoes for those in uniform, Bates' commitment is heartfelt and hard-earned."

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## Cat Footwear



Cat Footwear not only focuses on working shoes, but casual shoes as well. There is typically a large visual difference between the two as the working shoes tend to be a higher waterproof boot while the casual shoes resemble sneakers. Although, there is a small category of leather boots that are intended for casual wear. Their casual sneaker shoes typically have some sort of platform and their most popular casual sneakers are known as the "Intruder Shoe". However, they do offer less bulky casual sneakers known as "Code

HEX". They offer work shoes that are warm, comfortable, stable, and can take a beating. They offer work shoes with "Steel Toes" that protects against impact and compression. They contain a rubber outsole that has amazing traction and prevents slipping. There is also an EVA insert that can be removed for shock absorption.

"Cat Footwear champions progress to build a better future. Inspired by the equipment that built our cities, our footwear equips people every day to push forward for a better tomorrow."



## Chaco

Chaco footwear was originally just comfortable sandals that you could only wear in the summer, but as their brand has grown, they offer sneakers and boots that are catered to hiking and the outdoors. However, their most popular products are

still the sandals.

However, they now market the shoes as an all year round shoe as they are the front page of their website and the model is seen sporting Christmas socks and their sandals. Chaco does





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acknowledge that that most people still prefer to wear boots due to the fact that they do not want rain water penetrating into their socks. Thus, they have a line of fashion-forward waterproof boots.

“Today, Chaco is emerging from the water to offer a year-round program of shoes and sandals that follow the “healthy feet, healthy body” mantra, inspired by a belief in the powerful connection between outdoor adventure, travel, and community.”

### Harley-Davidson Footwear

Harley-Davidson is a company that has always been well known for their motorcycles, but did you know that they are currently making shoes? Their shoes share the same unique styles as their motorcycles. It embodies the urban edge and rebellious spirit that the motorcycles have. They’re predominantly boots that are made of excellent quality and flexible leather. Boots aren’t your style? That’s ok! They have also begun to sell flip-flops and athletic work shoes.



“With a growing global presence, Harley-Davidson® Footwear markets functional riding and fashion footwear to anyone who seeks quality and values the Harley-Davidson® brand.”

### Hush Puppies

Hush Puppies is a brand that emphasizes style in their shoes. They sell a variety of shoes such as flats, sandals, sneakers, heels, and so much more. A majority of their shoes utilize colored leather. However, unlike some leather shoes, these are extremely comfortable due to their use of Dri-Lex® sock lining for climate control. They are stylish and comfortable which makes them the ideal casual footwear for fashion-lovers. On top of that they sell products such as handbags, shoe care, and slippers.



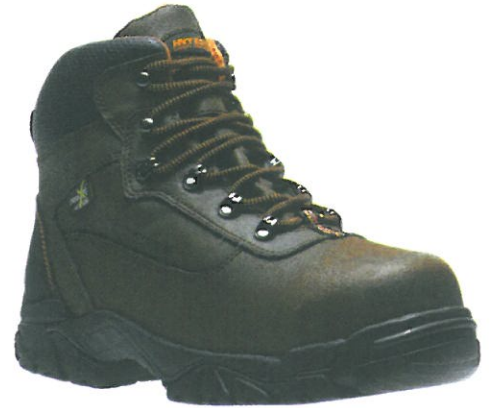
“Hush Puppies is the go-to footwear, accessories and apparel brand that delivers the right mix of timeless style, dependable comfort and quality.”

### HYTEST

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HYTEST creates the the strongest footwear amongst all of the Wolverine Worldwide products. If you are someone who works in dangerous or harsh conditions, this shoe is perfect for you. They utilize tech that allows for their shoes to be puncture resistant, insulated, heat resistant, static dissipating, waterproof, and most of all: comfortable. Not only do they have all these amazing features in their selected shoes, but they also have many different shoes to choose from! There are shoes that have been designed to be more flexible and resemble sneakers, but there are also extremely tough boots that go above the ankles.

“Having been the first to market athletic safety footwear and static dissipating footwear, HYTEST caters to a variety of needs and offers a wide range of sizes and widths that ensure a comfortable fit.”



### KEDs

Keds is a brand that focuses solely on empowering women, and they do so by creating attractive yet functional shoes. They have plenty of styles to choose from such as lace ups, slip ons, wedding, studio, and so much more! Some selected boots use the same insulation technology as the heavy duty boots



from HYTEST. Their shoes have a lot more design on the shoes than the other brands that belong to Wolverine Worldwide. They offer shoes with beautiful complex patterns and they also offer a wonderful simplistic designs, so no matter what your taste in style is, they have it.

“Whether it’s her love of fashion or crushing it in her career, Keds supports what she’s all about and who she aspires to be, championing what it means to be a lady today.”

### Merrell

Merrell is the most diverse brand out of all the Wolverine Worldwide brands. They have many different lines from clothing, shoes, and accessories. Merrell’s brand focuses most on exploring the outdoors and exercising. All their articles of clothing and shoes reflect this focus. They even offer their items based on the category of exercise. Although Merrell has many different lines, their shoes are most likely what they



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are best known for. They have shoes that are as stylish as they are functional. They have a variety of styles from ankle boots to knee length boots to sneakers to slip ons to sandals. Just name the type of shoe you want and they will have it. Another perk of Merrell's shoes is how light they are. As they are designed for exercise, they have also been designed to be extremely light so that they are the perfect shoes for long runs or hikes.



"The trail is the core of our design philosophy and has continued to guide us in the development of innovative products that inspire and enable enjoyment of the outdoors."

### Saucony

Saucony's shoes tend to focus more on runners and casual sneakers. All their sneakers are extremely colorful, but they all have a very similar design with the logo on the side of the shoe. Their shoes are known for support, breathability, and freedom of movement. These qualities create an ideal shoe for running. However, they create more than just shoes. They also create athletic wear that is extremely comfortable and breathable to create the best running experience.



" Today, Saucony is a leading global running lifestyle brand that fuses performance, innovation, and style to produce award-winning footwear and apparel for runners everywhere."

### Sperry

Sperry started off as a company that just made shoes for sailors which is why their most popular products are the boat and duck shoes. A majority of their products are made of leather, and the boat shoe is one of them. The boat shoe is its own unique design and style where it has minimal shoelace and the shoe cuts off below the ankle. Their duck shoes are the most functional shoes. They are built to



handle all weather conditions and still be comfortable and warm. They have also started branching out and now they have slippers, sneakers, and sandals. They also sell accessories such as sunglasses, socks, and shoe care.

"Today, we ignite the human spirit by delivering the promise of sea-based adventure and discovery, providing consumers around the globe with sure-footed confidence and style to pursue their own odysseys."

### Stride Rite

Stride Rite is a brand that is currently celebrating its 100 years of shoe making. Their brand puts family first and makes the cutest shoes for hundreds of adorable infants. They give the same variety to children that are given to adults. They have sneakers, boots, sandals, dress shoes, and so much more! Their website even offers a section that teaches parents how to take their children's shoe size. Their "First Walkers" have extremely soft padding to prevent stress and injury on the child's feet. The "Independent Walkers" are stretchy because the brand acknowledges how fast children go and that parents don't want to purchase a shoe they will only be able to wear for a few months. Stride Rite takes account of everything a baby and parent could desire in a shoe and makes it real.



"At Stride Rite, we are inspired by real life. Beyond designing the cutest kids shoes for everyday and every occasion, we are committed to developing real-world solutions for moms and dads."

### Wolverine

Wolverine is a brand that has been selling shoes for a very long time. This company began with their "1000 Mile Boot" that was infamous for being able to handle 1000 miles. Since then, they have come up



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with a "1000 Mile Sneaker" and a variety of other shoes. They have a variety of work boots that come in a multitude of different styles. On top of that, some shoes have Durashocks and are waterproof. Their focus is on classic leather boots, but they also offer tops, bottoms, jackets, thermals, and more.

"Since 1883, Wolverine is the brand that uniquely binds American ingenuity and craftsmanship. We are born of work...hard work."



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# Key Competitors

## Skechers

Skechers was founded in 1992 by Robert Greenberg, who also founded LA Gear. Greenberg wanted to focus on casual footwear, but later branched out to include athletic and casual styles as well as performance shoes. Skechers is a billion-dollar plus global leader in high performance and lifestyle footwear industry. Skechers' mission statement is "to become the first choice of casual and active footwear by providing an exceptional and exciting customer experience for the entire family, while ensuring the longevity of both the company and the Skechers brand name through controlled, well managed growth". Skechers has two footwear categories: a lifestyle division which offers one of their most famous products Skechers Memory Foam and a performance division which has Skechers GOwalk and Skechers GOrun. For the Skechers' GO products, their slogan is "Go like never before". Skechers utilizes celebrity endorsement, and has used various celebrities from singers to sports players. Since Skechers has access to amazing resources, their stock trendline has always had a fairly upward trend. Skechers has sold over 170 million shoes and has their record sales in quarter 3 of 2019. Skechers also provides their shoes to over 170 countries and has 3,300 stores worldwide. Since Skechers has such a large following, they have built a 1.82-million-square-foot distribution center in California. Skechers has such a large international presence that their international sales are more than 50% of their business and boasts their highest growth. Skechers also has a one-million-square-foot automated facility in Belgium. Skechers is growing at such a rapid rate that they are expanding Skechers' corporate headquarters, and is expected to open in 2022. The expansion will double their companies office and showroom space.





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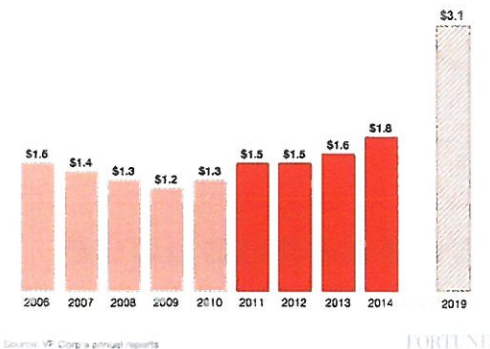
## Timberland (VF Corp.)

Timberland is an American retailer that sells outdoors wear, but focuses on footwear. Timberland was founded in 1952 in Boston, Massachusetts. Every aspect of the Timberland business has been founded upon the outdoor lifestyle. At Timberland, they strive to make the world around us a better place by their dedication to sustainable products and innovation, greening initiatives, and service to the community. Timberland strives so that 100% of their footwear will include at least one component that is from recycled, organic, or renewable materials. As of 2018, they are at 69% of their footwear that includes at least one component from ROR. Another big footwear goal that Timberland has is to be 100% Polyvinyl chloride (PVC) free and they are almost there at 97%. Timberland also strives to reduce the use of Volatile Organic Compounds (VOC) in their footwear down to 42 grams/pair. Many of Timberland's targets for 2020 include many things that hope to benefit the world and to make a greener earth. Timberland's parent company VF corporation's purpose is to power the movements of sustainable and active lifestyles for the betterment of the people and the planet. Before VF in 2011, things weren't looking so hot for the company and they were struggling to find their own identity, but when VF came in VF gave Timberland a set tools they never had before, and told them to focus on what they did best and aim for a more targeted set of customers. Before, Timberland had tried to do too much and tried to appeal to every single demographic, but they now focused on boots that people could wear everyday that didn't make it seem they were climbing a mountain.



### Timberland revenues

The outdoor brand, acquired by VF Corp in 2011, plans to hit \$3.1 billion in sales by the end of 2019



Once VF gave Timberland a whole new look, they began to thrive, and their 2019 revenue looks to be about \$3.1 billion dollars.

## Nike

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Nike was founded on January 25, 1964 by Bill Bowerman and Phil Knight. Nike is considered to be the world's largest supplier of athletic shoes and apparel. Nike's mission is to do everything possible to



expand human potential. Nike achieves their mission by creating new groundbreaking sports innovations and make their products more sustainable. Nike has many subsidiaries which also contributes to the massive shoe sales. Nike's focus is on sports gear and doing everything possible to enhance their gear to help humans achieve their potential. Many famous athletes

have signed with Nike and many different basketball players have even collaborated with Nike to create their own shoe. Nike provides shoes and equipment to every single sport. Even though Nike caters to the sports world, they have even provide the people with casual shoes. Because of Nike's many celebrity endorsements, Nike has always been doing well. In 2018 their revenue was 36 million and had over 70,000 employees. Nike has more than 700 stores all around the world and are set up in over 45 countries outside of the United States.

### 10-Year Comparison of Wolverine Worldwide (WWW) Stock to Competitors





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# Industry Analysis and Forecasting

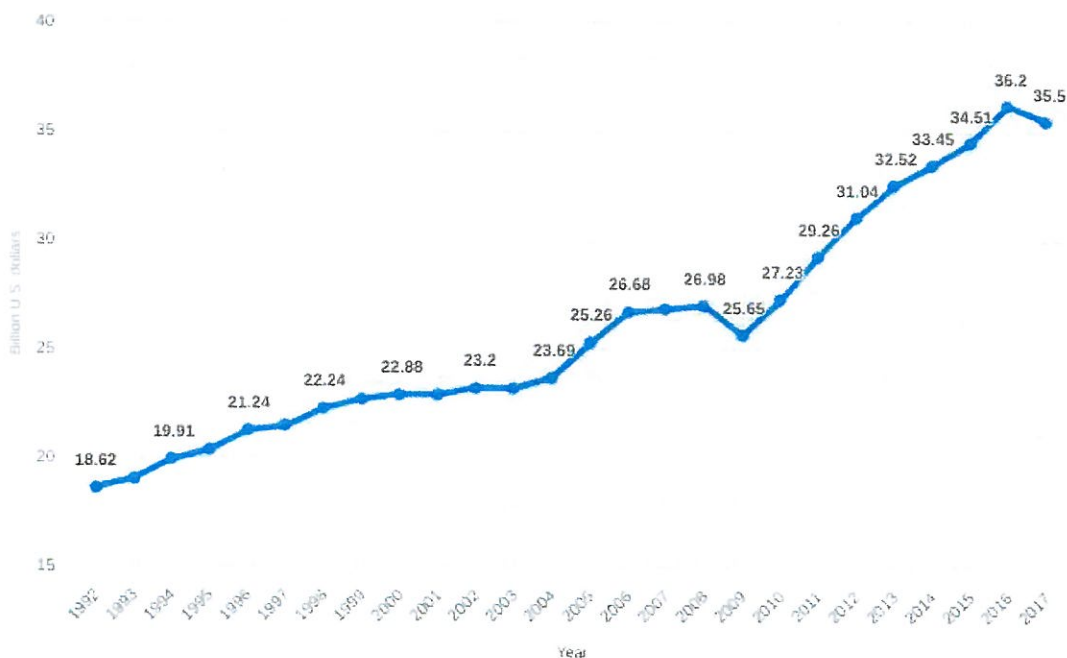
## Introduction

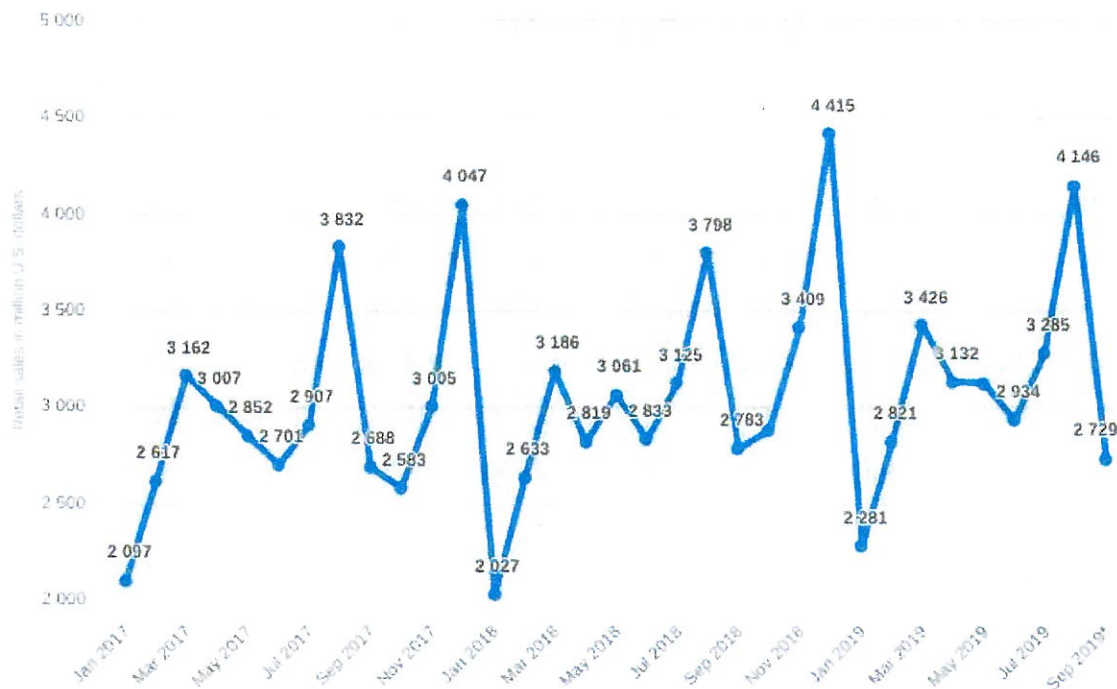
The footwear industry is a very mature, but still very competitive, market. Although some of the larger companies have been around for many decades (like Wolverine Worldwide, which was founded in 1883), the volatility of consumer trends ensures that there is always room in the industry for new competitors (Crocs, for instance, was only established in 2002). Rapidly changing consumer tastes and an abundance of competition means that footwear companies must constantly create new, innovative products and focus on marketing their brand name in order to retain consumer interest.

## Industry Trends

### Performance and Growth

Although individual companies may see fluctuations from year to year, the footwear industry has historically experienced relatively stable growth overall, both nationally and globally. Below is a graph documenting the volume of shoe store sales in the United States from 1992 to 2017, in billions of dollars. Excepting a few years, including those of the 2007-2009 Great Recession, the chart shows that the footwear industry has consistently grown in volume for the last couple decades.





Included above is another graph tracking the monthly retail sales of U.S. shoe stores between 2017 and 2019, in millions of dollars. On this smaller scale, the seasonal and annual trends of the footwear industry become more apparent: shoe sales tend to be at their lowest at the beginning of each year, and peak in August and December of each year. However, the overall trend is an increase in yearly sales.

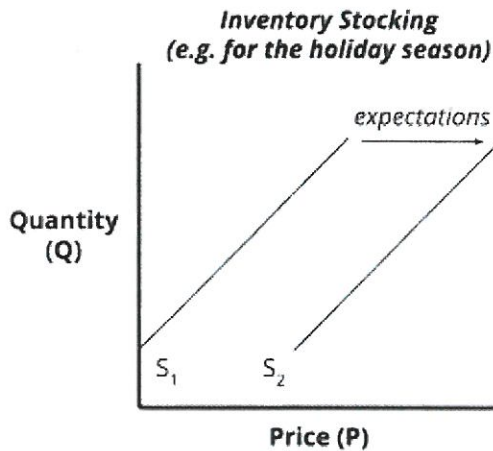
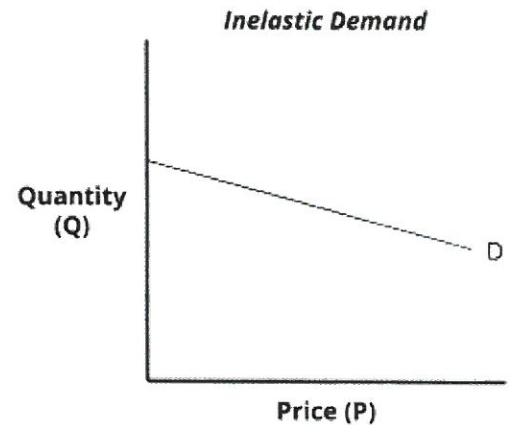
According to some estimates, the global footwear industry was valued at approximately 246 billion U.S. dollars in 2017 and is expected to reach a value of 320 billion U.S. dollars by 2023. This suggests an average annual growth rate of 4.5%, which is quite high. In the United States, footwear industry revenue averages \$277 per person! Overall, the footwear industry appears to be a safe and stable place to invest.

## Trends and Shifts

The performance of the footwear industry is highly dependent on consumer trends. Some consumer trends, like the tendency to buy shoes in November and December during the holiday season, are cyclical; others, such as new consumer tastes and fads, are unpredictable.

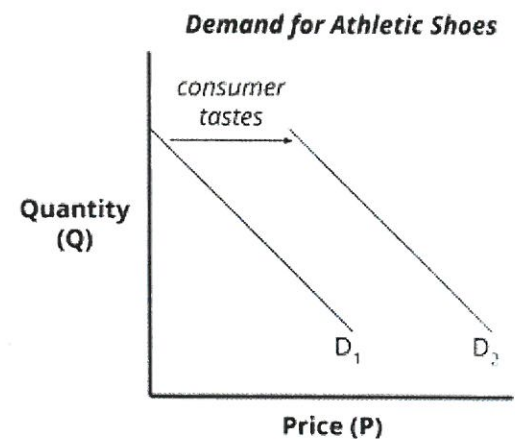
Because demand in the footwear industry is so heavily influenced by consumer demographics and fashion trends, continually launching new products is a major competitive strategy for shoe companies. In general, athletic shoe companies often focus on improving comfort and performance, whereas

non-athletic footwear companies instead tend to prioritize fashion-forwardness. Product differentiation and brand recognition are more important than price competition in the footwear industry: only 30% of consumers consider shoe price to be an important factor when making purchases, suggesting that shoes are, counterintuitively, a relatively inelastic good.



Timing is also an important factor in determining whether or not a shoe company will be successful in the short term. It is imperative that retail shoe stores stock the right number of products in their inventories at any time to match with expectations of consumer behavior. Having either too much or too little of a product in a store's inventory at any time can cause a company to incur significant losses or forfeit potential profits.

One significant trend that has begun to emerge is the increase of consumer interest in athletic shoes. Athletic footwear currently takes up about 30% of the global footwear market, and as consumers (particularly those in the United States) become more health-conscious, that percentage is only expected to grow. Unlike the footwear industry as a whole, the athletic footwear market is more of an oligopoly; athletic shoe companies are the largest individual shoe companies by far (e.g. Nike, Adidas).



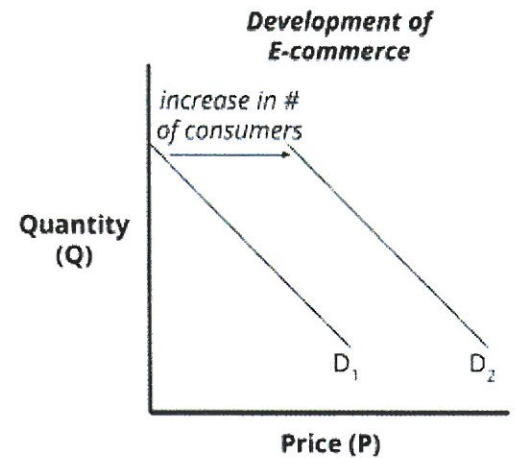
## Future Directions

### E-Commerce

With the rapid development of technology and the Internet, online commerce is becoming ever more prevalent among consumers. Although the growth of online shopping does not mean that traditional retail stores are in danger of disappearing, footwear companies must still adapt their business models to



accommodate a changing market. Because of the increased convenience of e-commerce (as compared to shopping at traditional retail stores), consumers who shop online tend to spend less money per purchase, but make purchases more frequently. This new trend in consumer behavior suggests that price competition may become more important for footwear companies in the future. The development of e-commerce has also enabled more consumers to enter the market. In particular, teenagers, who are generally more familiar with the Internet than older adults, are more likely and willing to shop for items if they can do so online.



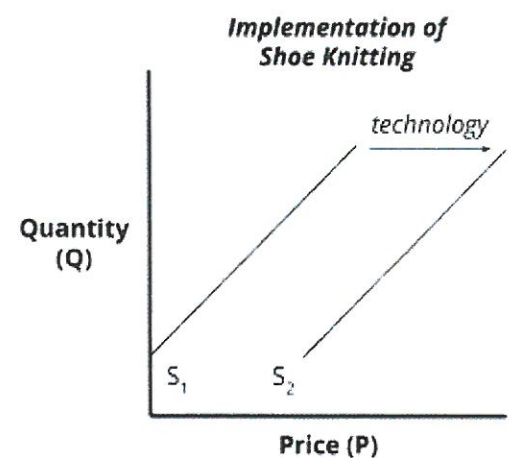
## Important Factors

In the future, companies in the footwear industry will have to respond to rapidly evolving consumer tastes by adjusting the focus of their product development to match consumer priorities. Here are some of the main factors forecasted to become major considerations for footwear companies in the future.

## New Innovations

In order to remain competitive, footwear companies tend to release new products relatively often. Many companies, especially athletic shoe manufacturers, heavily prioritize the comfort level of their shoes. However, in the future, innovations in areas not associated with comfort could become more desirable to consumers. For example, product innovations that make shoes more lightweight or more easily washable could make certain products more appealing to consumers.

One notable breakthrough that was recently made in the shoe manufacturing process was the development of shoe knitting. Invented by Nike in 2012, this new technology is less wasteful than traditional methods of shoe manufacturing and requires less labor to implement. Shoe knitting could potentially lower the costs of production of certain types of shoes and make them more affordable for consumers.



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## Sustainability

As in many other industries, sustainability is becoming a larger consideration for companies in the footwear industry. Developing shoes that are more environmentally conscious or emphasizing sustainability in marketing campaigns (e.g. changing to low-waste packaging) could be way for shoe companies to attract a larger number of consumers in the future. In particular, non-athletic shoe companies have traditionally depended on the sales of leather shoes to remain competitive; this could be unsustainable in the future, if leather becomes a scarcer or less desirable material with which to produce shoes.



## Loyalty Programs

Similar to many retailers, some shoe companies have loyalty programs to attract more customers. The primary purpose of these loyalty programs is generally to reinforce the company's brand name, not to make money directly.

## Customization

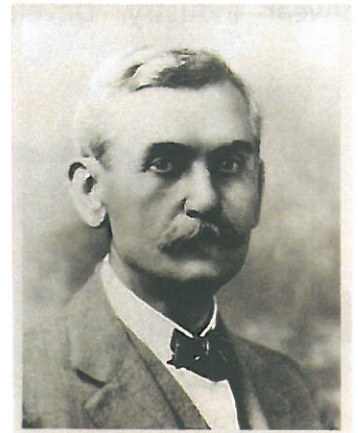
The availability of different products and freedom of choice in the footwear industry (which will increase as e-commerce continues to develop) may attract future consumers to the option of customization. Some companies, like Coach and Vans, have already begun experimenting with customization in their business models, and other footwear companies can be expected to follow in their footsteps in the future.



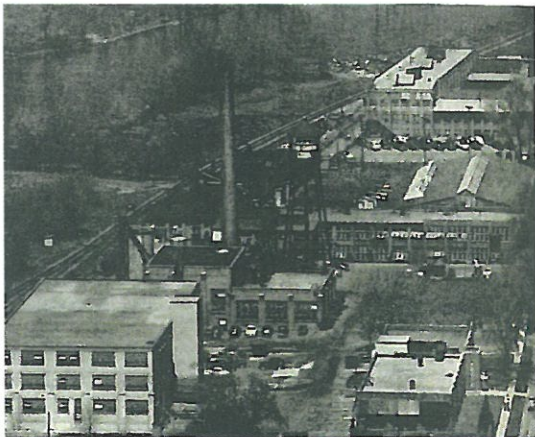


# History of the Company

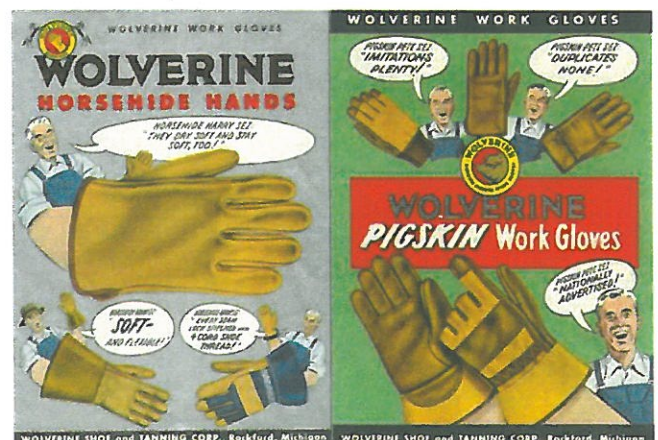
Wolverine Worldwide was founded by G.A. Krause and Fredrick Hirth in 1883 when they invested in a small leather shop in Grand Rapids, Michigan at a capital investment around \$2,900. In 1901, Krause and Hirth decided to move north to Rockford to built a plant. In order to power this plant, they decided to purchase the Rouge River Electric Light and Power Company, which brought them power from 5:30 am to 11:30 pm every day. With the help of Krause's sons, Krause was able to make this business a family business. In 1903, Krause and his sons built a shoe factory in Rockford, which produced about three-hundred pairs of shoes each day. Krause had a belief that great things were possible, and he had a bright vision of what was to come next for his business.



The Wolverine tannery, a place where animal hide is tanned, was built in 1908 by the Krauses. With this tannery, the Krauses start using durable horsehide to supply their shoe factories. Since these shoes became durable, they became known as the "1,000 Mile Shoes". Eventually, in 1921, the business became successful and renamed themselves as the "Wolverine Shoe and Tanning Corporation". Beginning in 1928, Wolverine Shoe and Tanning Corporation began selling shares to its employees. This had become one of the nation's first plans for profit sharing.



When the Great Depression came, the sales were low, but with the owner's hopeful attitude, they decided to store the shoes for brighter times. As World War II came in, the Wolverine Shoe and Tanning Corporation decided to help out the U.S. Navy by producing pigskin gloves. Using the idea of pigskin gloves, the company later decided to create pigskin suede, which are shoes where the flesh side of the leather is rubbed to





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become soft. With pigskin gloves and suede, the Wolverine Shoe and Tanning Corporation would eventually create various brands.

In 1958, The Wolverine Shoe and Tanning Corporation created a brand called the “Hush Puppies”. The name came from a treat that Southerners would give to their barking dogs to make them quiet. Throughout the next decade, Hush Puppies’ sales would flourish. Since being successful, the Wolverine Shoe and Tanning Corporation would change their name to Wolverine Worldwide Incorporated. In 1965, Wolverine Worldwide’s stock had flourished so much, that it was traded for the first time on the New York Stock Exchange. Eventually by 1989, the total value of wholesale sales of international licensees surpasses the wholesale business in the U.S.

The 90’s was a time period where Wolverine Worldwide began thinking about its future. With this in mind, they came up with a new slogan for Hush Puppies: “We Invented Casual”. In addition, a new brand was introduced: Cat Footwear. Cat Footwear shoes were known as “Walking Machines” and quickly became a favorite amongst pop culture. In 1995, Hush Puppies had become the Fashion Accessory of the year by the Council of Fashion Designers of America. In 1997, they purchased the Merrell brand, which led to the

development of performance outdoor footwear. Later in 1998, Wolverine Worldwide acquired a global license from the Harley-Davidson Motor Company, making it one of their top performing brands.

In the 2000s, Wolverine Worldwide purchased more brands, such as Sebago and Chaco. They had also acquired Performance Lifestyle Group of Collective Brands, such as Sperry Top-Sider, Saucony, and Stride Rite. Today, there are two operating segments: the Wolverine Michigan Group and the Wolverine Boston

Group. The Wolverine Michigan Group consists of Bates, Cat Footwear, Chaco, Harley-Davidson Footwear, Hush Puppies, HyTest, Merrell, and Wolverine. Meanwhile, the Wolverine Boston Group consists of Keds, Saucony, Sperry Top-Sider, and Stride Rite.



## Articles

### Article 1: Wolverine World Wide Might Actually Be a Safe Bet in Retail



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Caroline Banton (Carolinebantton)

Oct 24, 2019 at 9:05 AM

In [consumer markets](#), brands are taking on a much more significant role. Therefore, a company that boasts the names Keds, Merrell, Saucony, and Stride Rite has a lead coming out of the starting gate, particularly when entering American brand-coveting Asian markets. Big names, capital, and inroads to China make **Wolverine World Wide** ([NYSE:WWW](#)) an odds-on favorite for the retail Triple Crown.

Here's what's going on with [Wolverine](#) financially and how the company plans to tackle the next few years: confidently.

#### Share buybacks to prove the market wrong

Nothing emanates confidence like a share buyback, and Wolverine has announced two buybacks since the beginning of this year. On Sept. 11, Wolverine World Wide announced a buyback of \$400 million in shares over four years, which was in addition to the same level of buyback announced in February. Clearly, the company feels slighted by a market that is undervaluing its worth, and who can blame it?

At the same time that the buyback was announced, Mike Stornant, Wolverine's senior vice president and chief financial officer, boldly pronounced that the company had "significant capacity to allocate capital" and increase shareholder value. But just how significant is that capital?

### Article 2: Report finds Wolverine Worldwide still uses PFAS in some products



The DEQ PFAS Investigation Map near Rockford, MI

FROM GOOGLE MAP PROVIDED BY WOLVERINE WORLDWIDE

Researchers from the University of Michigan, Notre Dame University and Indiana University released a report that found West Michigan shoe-maker Wolverine Worldwide is still using pollutants known as PFAS in its products.

Wolverine has been getting a lot of press the past couple years, because it is a large source of [PFAS contamination throughout northern Kent County](#).

A [report published this week](#) shows that the company is still using different types of PFAS in some of its products.

Jeff Gearhart, the Research Director at the Ecology Center in Ann Arbor, says the company still uses high amounts of PFAS in some products.

"Four of the six shoe products we tested do contain PFAS. All the shoe products were manufactured in China," Gearhart said.



### Article 3: Blue soil dug up at former Wolverine Worldwide dumpsite

## Blue soil dug up at former Wolverine Worldwide dumpsite

Wolverine Worldwide is cleaning up the former tannery dumpsite, under the supervision of the EPA and Michigan officials.

Author: 13 ON YOUR SIDE Staff

Published: 2:29 PM EST November 22, 2019

Updated: 4:00 PM EST November 22, 2019

ROCKFORD, Mich. — [The EPA](#) and the [Michigan Department of Environment, Great Lakes, and Energy](#) are overseeing a clean-up project at the former tannery dumpsite for Wolverine Worldwide. Thursday, they provided an update on that cleanup to the Wolverine Worldwide community advisory group, which included a visual representation of the contaminated soil.

### Article 4: Footwear brand releases limited-edition boot

## Footwear brand releases limited-edition boot

November 8, 2019 | By Rachel Watson |

TAGS [WOLVERINE](#) / [WOLVERINE WORLDWIDE](#)



TEXT SIZE [A](#) [a](#)



Courtesy Wolverine

A footwear brand has released a limited-edition boot in recognition of Veterans Day.

Wolverine, a brand of the Rockford-based footwear and apparel maker Wolverine Worldwide, rolled out its 1000 Mile x Sword & Plough boot, according to the brand this week.

#### The boot

The 1000 Mile x Sword & Plough boot is handcrafted in the U.S. and pays homage to the traditional military boot style and the soldiers and veterans who have served in them.

Based on Wolverine's original 1000 Mile boot pattern from 1914, it features Horween Natural Marine coyote leather and incorporates repurposed military tent fabric from Sword & Plough, a veteran-owned social impact fashion brand that donates 10% of its profits to veteran organizations.

Marine boots in World War II were made with the same flesh-side-out Natural Marine leather, which was soft enough that the boots could be worn without socks, and Marines in desert areas could empty their boots of sand, reducing blisters and increasing comfort, according to Wolverine.

The boot uses Goodyear Welt construction, which was invented nearly 150 years ago and is meant to be durable, flexible and resole-able.

ADVERTISEMENT



#### RELATED ARTICLES

[Footwear brand selling limited-edition boot to help veterans](#)

[Footwear brand re-releases 1940s boot](#)

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## Article 5: The maker of Hush Puppies shoes is haunted by a water contamination crisis in its Michigan hometown

Now, it's a \$2.4 billion global corporation and home to brands like Chaco, Sperry, Merrell and Hush Puppies — and a point of contention in its hometown.

The problem stems from an old tannery and waterproof Hush Puppies shoes. In the 1950s, Wolverine Worldwide bought a special [3M](#) Scotchgard coating to waterproof its iconic casual shoe line that contained a chemical compound called PFAS, short for per- or polyfluoralkyl substances.

Today, scientists know [PFAS don't break down in the environment, accumulate in our bodies](#) and have been linked to some [pretty serious health effects](#). But in the 1950s and '60s, PFAS were a manufacturer's dream come true because of a range of benefits from fire resistance to waterproofing.

Wolverine Worldwide's tannery in Rockford was scheduled for demolition in 2009, which caused some residents to worry about chemicals that might be released when the decades-old building was torn down. Ultimately, a group of Rockford residents worked nearly a decade to blow the whistle on contamination left behind from the former tannery.



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# Media Presence

## Introduction

Wolverine Worldwide was established in 1883, and along the way has bought many subsidiaries, making a name for themselves in the footwear industry. Wolverine Worldwide has made themselves prominent in the industry through a variety of social media platforms, TV commercials, and print advertisements.

Wolverine Worldwide does not directly advertise to consumers, but rather their subsidiaries build platforms that reach their intended audiences. In the past, Wolverine Worldwide used print advertisements in newspapers to promote the company to the people. But they have now switched over to inserting flyers and ads in magazines. Nowadays, marketing materials may include quality images of products, while describing the positive qualities of their shoes. Minimalism is a theme that Wolverine Worldwide strives to accomplish in their advertisements. In many of their print and online ads, the photo of the product dominates the space while there is a minimal amount of text.

As there is a rise in the prominence of technology and social media in our society, Wolverine Worldwide has shifted their main mode of advertisement to consumers through platforms like Instagram, Facebook, and Twitter. Although their accounts on those platforms do not retain a lot of followers, their subsidiaries have more followers and posts that attract their consumers. There are also some popular hashtags, like #MyWolverines and #ChacoNation, that have thousands of posts associated with them.

There are also many TV and YouTube ADs that demonstrate the benefits of purchasing the different products under Wolverine Worldwide. Even though the company itself does not have a YouTube Channel, videos of a variety of people, construction workers, hikers, and more are shown wearing their shoes, emphasizing their durability and advertising for the company. Overall there are a vast array of different advertising techniques that Wolverine Worldwide uses to promote their products.





## Advertisements:

### 1982 Print Flyer:

In the past, and today, durability is one of the prominent and exemplary factors of Wolverine Worldwide's shoes. And in this flyer it emphasizes those qualities. The photo to the right demonstrates the demanding work the shoes can be put through, yet still function normally. In the dimly lit photo, it really highlights the main focus of the photo and draws the viewers eyes to the close up images on the bottom of the page.

### NOTHING BEATS HANDMADE QUALITY.

When you take the time to sew a shoe by hand, like we do, you can expect it to last a good, long time.

Especially since the leather we use is oil-tanned to keep the shoes soft, supple and protected from water, even saltwater, for years.

And the tough, Vibram® sole makes every pair of men's or women's slip-ons and oxfords, and men's chukka boots, long-lasting from the ground up.

There are quicker ways of making shoes. But we think



© 1982 Wolverine World Wide, Inc. Rockford, MI 49051

the way our shoes look, last and feel on your feet makes it worth the extra time we take to make them by hand.

### SPECIAL SWISS ARMY KNIFE OFFER.

It's the world famous Wenger original Swiss Army Knife. Great for hiking or camping. The Wolverine® model has precision steel blades, corkscrew, leather punch, and more. Six useful tools in all. It's a great gift idea, too.

To order, send this coupon with \$8.95 (\$16.95 value) plus 50¢ for postage and handling to: Swiss Army Knife Offer, P.O. Box 602, Sullivan, NY 10901

Name

Address

City

State  Zip

(Please Print)

Offer expires July 15, 1992. Please allow 30 days for delivery.

**WOLVERINE**  
Boots & Shoes

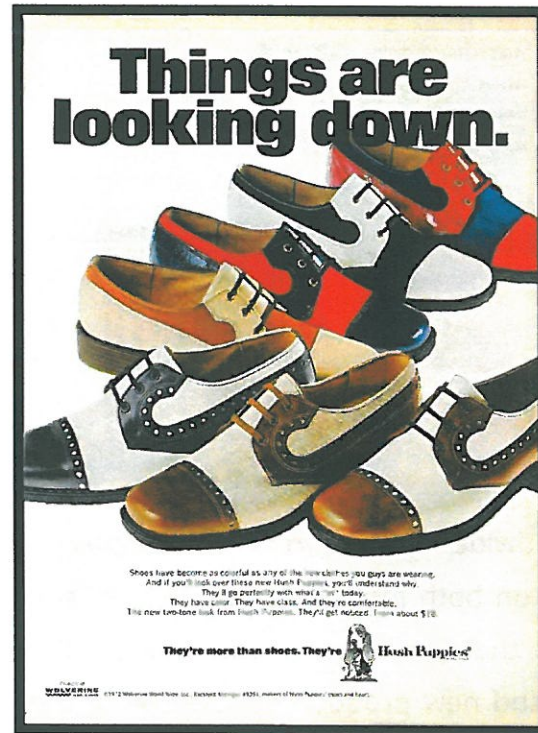


### Magazine:

In more recent times, Wolverine Worldwide has turned to magazine print advertisements. They compare and contrast the different attributes of their subsidiary's shoes, which allows the consumer to gauge which shoe brand is the best fit for them. The phrase "Get to Work" also indicates the characteristic of durability when it comes to wearing these shoes for work.



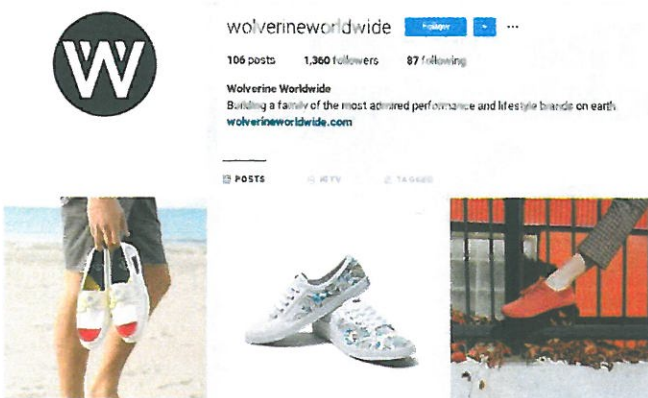
## Electronic Advertisements:



Electronic and physical flyers and posters have started to become more popular, and Wolverine Worldwide has used this to their advantage. For example in the flyer to the top left, Wolverine's shoes are the main subject of the photo and therefore instantly draws the viewer's attention to them. And the company, Wolverine, decided to pinpoint different and special aspects of the shoe to once again emphasize their durability. While on the other hand, in the Hush Puppies advertisement there's text on the bottom that reiterates that they're "more than just shoes." That their shoes provide more than just durability, but also comfort and nice aesthetic. And this style is also seen in electronic banners too. The Chaco banner is simple, yet hones in on their main subject: shoes.

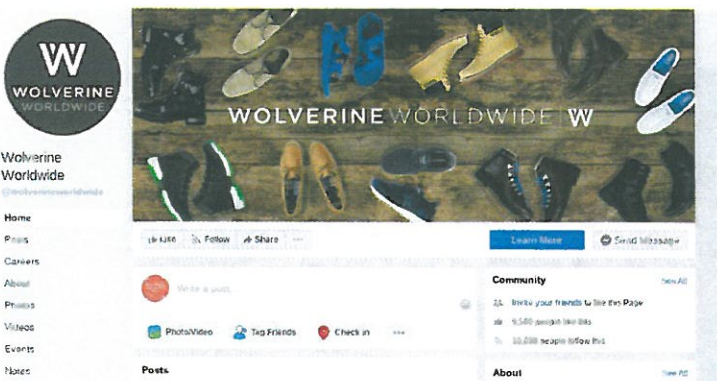


## Social Media:



Wolverine Worldwide has platforms on Instagram, Twitter, and Facebook. Wolverine Worldwide has over 1000 followers on both Instagram and Twitter, and an astounding 10,000+ followers on their Facebook Page. It seems that they mainly advertise on Facebook. All of the recent posts are geared towards ongoing sales and new product releases. All of the sales and events are posted on the Facebook page, while their Twitter and Instagram accounts promote the release of new products from their subsidiaries. On these accounts, product displays and models are nicely photographed to make their pages aesthetically pleasing to the viewer.

There are also many videos on YouTube that promote this company. Although Wolverine Worldwide does not have their own youtube channel, its subsidiaries do. Over thousands of subscribers on channels like Merrell and Saucony, Wolverine Worldwide is able to advertise to the public through a visual medium too. Along with advertisements of just shoes, content creators also post videos reviewing the different shoes. These videos also play a factor into promoting Wolverine Worldwide to the general public.



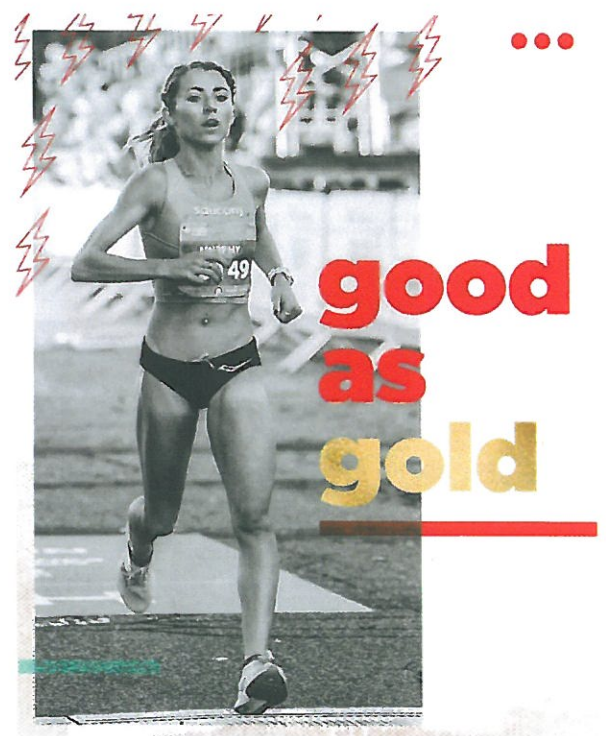


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## Future Methods of Advertising:

Although Wolverine Worldwide has a decent social media presence, they should be able to expand their image and brand to more people. From the survey conducted, around 18.2% of people between the ages of 18 and 70 years old recognized the Wolverine Worldwide logo, while only 4.3% of people under 18 years old recognized the logo. In general, the younger generations are less aware of this brand and what they sell. So for future advertising, Wolverine Worldwide should begin by appealing more to people under 18. Connecting with teenagers and young adults through platforms like Instagram and Snapchat are both good ways to advertise their company. Although Wolverine Worldwide has an Instagram already, maximizing the effectiveness of the content they post will be the next step to ensuring the interest of 18 and under people. And since Snapchat is a rising social media platform, starting an account and posting different advertisements and pictures of shoes will greatly appeal to younger people.

Wolverine Worldwide has also started sponsoring different athletes and celebrities to promote their name more prominently in the shoe industry. Saucony, for example, is a well-known in the running shoe industry and has partnered with athlete Grayson Murphy. Sponsoring comendale athletes will encourage her followers (52.5K followers on Instagram) to invest in Wolverine Worldwide. Wolverine Worldwide has also worked with other influencers in the past like Sheridan Reed (49.7K followers) and Jenn Lake (174K followers). Being the sponsor of other well known people in the future is ideal to promote Wolverine Worldwide to the public. Spreading word of their company through other well-known people or more famous people will encourage their followers to invest in the company and buy their products.

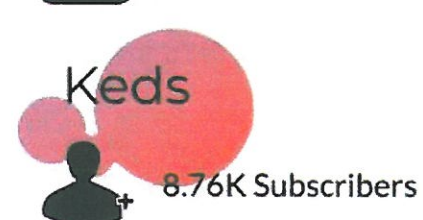


Even though fewer and fewer people are watching TV, a possible solution to overturn this is to start promoting themselves on YouTube. Like many other brands, Wolverine Worldwide should pay to have their ads at the beginning of videos to reach a larger audience. Overall, Wolverine Worldwide should advertise to younger generations and engage themselves in more relevant platforms of social media in the future.



## Social Media

### Wolverine Worldwide





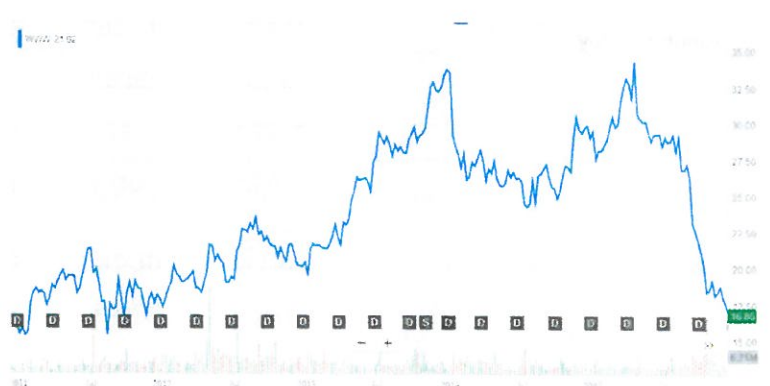
# Market Performance



Since its inception in 1883, Wolverine Worldwide has always drawn success to their side. From military to regular consumers, this company produces and sells a variety of footwear from several brands: from sandals to tough leather boots. The variety of their brands allows them to be a leading competitor in the fast changing market of footwear. The Rockford-based company grew steadily beyond the years after its founding and discovered its niche as the maker of durable shoes through their in-house tanning process. Following the upward trend of the Dow Jones, things picked up largely after the 90s and into the 00s.

## In the Last Decade

In 2011, Wolverine Worldwide unveiled that they were extending its reach overseas by creating an International Group standalone for their company. Not only were they able to cover a larger market with the expansion, Wolverine Worldwide was able to implement "specific regional strategies and ensure the full power of



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the brand portfolio is brought to market,” according to the company. They also received the Company of the Year award, given at an event called the “Plus Awards,” where awards are chosen through thousands of votes from retailers. The success of the company has seen a large increase from after 2012, when Wolverine Worldwide acquired Keds, Saucony, Sperry Top-Sider, and Stride Rite. Quoted as a “game changer,” the acquisition boosted the valuation of Wolverine’s stock and crowned them to be one of the largest non-athletic footwear companies in the world. Wolverine Worldwide was named Company of the Year yet again in the 2012 Plus Awards. Wolverine really hit their stride in 2013, though. Sperry Top-Sider and Merrell reached new heights, netting the company significant gains. Revenue increased into double-digit percentages through international growth. They received five distinctions at that year’s Plus Awards, including yet another Company of the Year award. In 2014, the company revealed their plans to close around 140 retail stores, in order to consolidate many business operations in hopes of increasing revenue. Investors lost confidence at this, and Wolverine Worldwide’s stock plummeted. But through their dedication for quality products landed them yet another Company of the Year Plus Award, raising confidence for the next year. 2015 started strong, but stocks fell as the company was close to announcing its third quarter results. Information had come out that the report containing revenue numbers was unsatisfactory and disappointing. In 2016, stocks continued to slump as Wolverine Worldwide announced the closure of several more stores. In the middle of the third fiscal quarter, however, Wolverine Worldwide announced their three-hundred million dollar share repurchasing program. Soon after, stock prices began to rise once again.

## Recent Years

2018 was a tumultuous time for Wolverine Worldwide, as the company was caught up in a class-action lawsuit against residents in Michigan. Wolverine Worldwide had been dumping dangerous chemicals into residential water supplies for years, and it finally caught up to them. Despite this, Wolverine Worldwide reported strong financial growth during their third quarter report, increasing confidence and stock price. As prices soared to new heights, it wasn’t long before they came crashing down again as the footwear industry as a whole came into conflict with President Trump’s new tariff regulations.



Stocks slumped greatly in 2019, as the Michigan chemical incident rose once again, to prominence. Wolverine Worldwide revealed their plan to

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close and tear apart a popular part of a hiking route, in order to remove contaminated soil and deeply buried leather. Concerns were raised for the health and well-being of surrounding residents, prompting the company to action. Since then, however, stocks have been on a bullish trend upwards. Quarterly reports have shown an increase in revenue, exceeding expectations, and increased confidence in investors once more.

More recently however, the lawsuit for the dangerous dumping practices has come to a conclusion: Wolverine Worldwide has settled on paying almost \$70 million dollars to route municipal waters to more than a thousand homes in Michigan. We've yet to see it's outcome on investor confidence.

Overall, although the stock has seen a significant drop due to certain circumstances, the performance of the stock has been a lot more positive within the recent year; this giving investors confidence in its ability to have a good return and its future.



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# Focus Groups

Here is a summary of the responses we received in our online survey about Wolverine Worldwide, Inc.

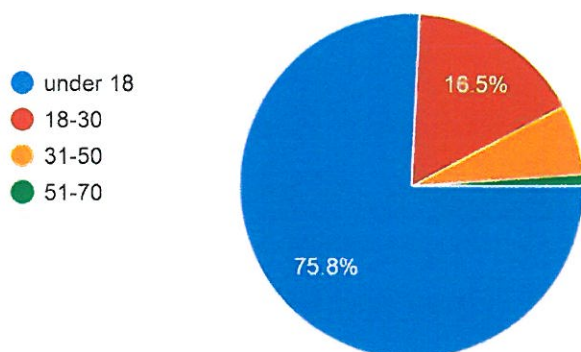
## Demographics

A total of 91 people responded to our survey. All questions were mandatory. The large majority of our respondents (76%) were under 18. A significant number of young adults also participated in the survey (17%). A slight majority (60%) of our respondents were female.

We also asked participants what kind of shoes they wore (checkbox list). Nearly all respondents said they wore sneakers (92%); boots and flats were the next common types of shoes (29%; 23%).

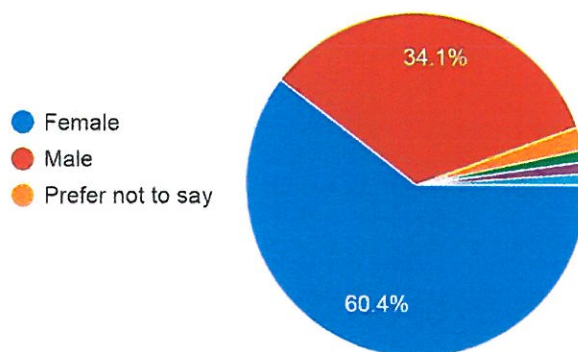
Age Group?

91 responses



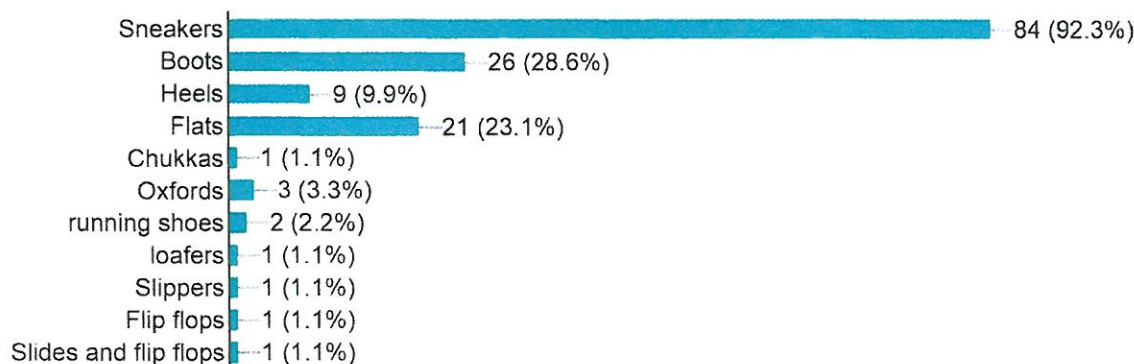
Gender

91 responses



What types of shoes do you wear?

91 responses



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## Brand Recognition

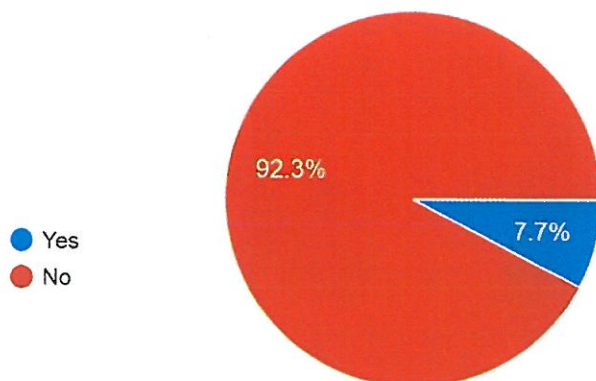
In the next section of our survey, we investigated whether or not people were generally familiar with Wolverine Worldwide, its products, and its subsidiaries.

Very few people recognized the Wolverine Worldwide logo itself (8%). We also asked respondents what products and/or services they believed were provided by Wolverine Worldwide. Many people were able to identify Wolverine Worldwide as a footwear company (probably partially because the previous question on the survey was about shoes). However, many responses to the question showed a lack of association between the company logo and its product. Some examples of these answers include “wolves”, “no clue”, “films”, “pet company”, “outdoor clothing brand”, “insurance”, and “security”. Our results demonstrate that Wolverine Worldwide is ineffective in making itself known as a company, as it remains very unfamiliar among potential consumers represented by the demographics of our survey. Furthermore, there seems to be some disconnect between the logo of the company and its product; the former is unsuccessful in suggesting the latter.



Do you recognize this logo/company?

91 responses



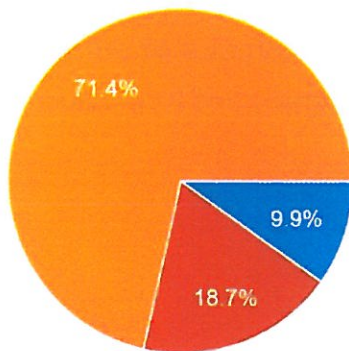
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The next several questions on the survey were structured identically. They were created to determine how familiar the subsidiaries of Wolverine Worldwide were to people. Results are included below (all charts use this same legend):

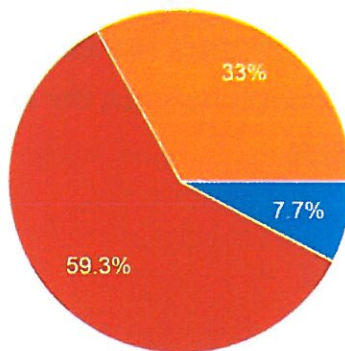
Do you recognize this brand?  
91 responses

- Yes, I have a product this brand
- Yes, I've heard of this brand
- No

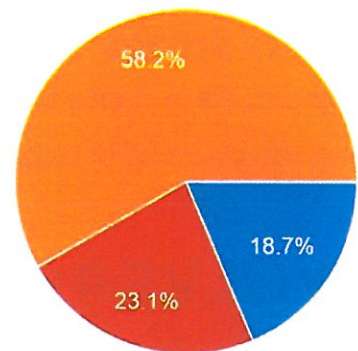
**MERRELL**



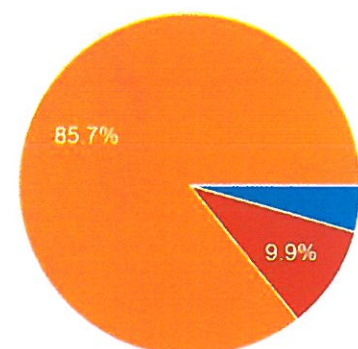
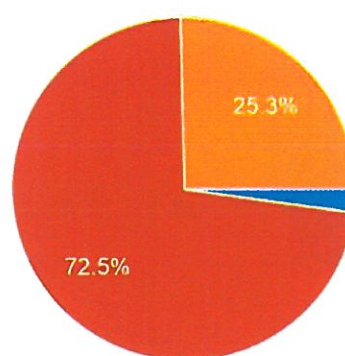
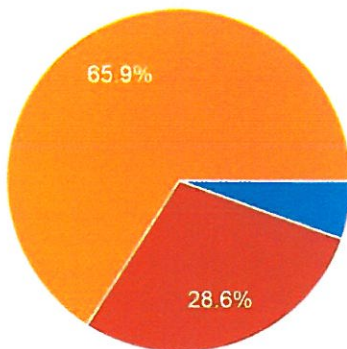
**Keds**



**saucony**



**Hush Puppies**





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As is apparent from the responses, Wolverine Worldwide is having limited success in making its brand names well known. Some of the subsidiaries listed here (e.g. Chaco, Merrell) were not at all recognized by an overwhelming majority of the respondents. Other subsidiaries are doing somewhat better: about two-thirds of people recognized Keds, and nearly a fifth of respondents said they owned a product from Saucony. However, overall, Wolverine Worldwide and its constituent companies are clearly not as appealing or known to the demographics of our survey as they could be.

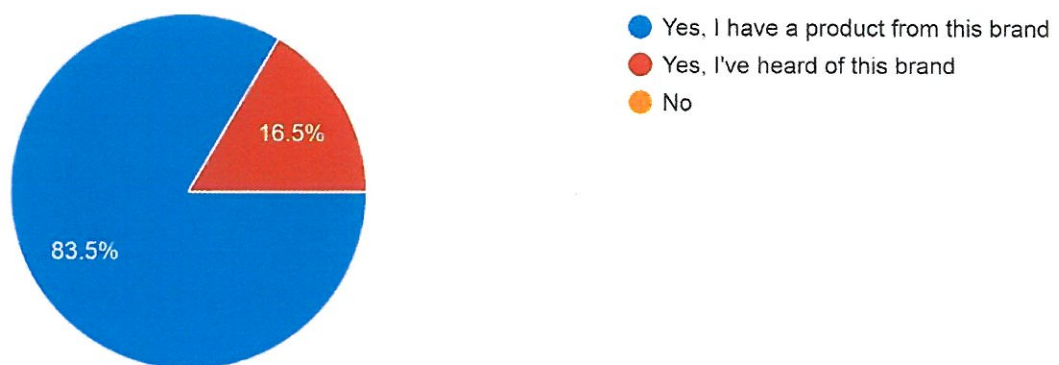
Nearly three-fourths of respondents also recognized Harley-Davidson Motor Company, but it is unlikely that these respondents are aware that Harley-Davidson has an accompanying footwear line created by Wolverine Worldwide. Nevertheless, it is clear that Wolverine Worldwide could potentially market itself more successfully by combining or collaborating with other, larger companies (even in different industries) to gain recognition.

## Competitor: Nike

To complete our analysis, we asked respondents whether they recognized or owned a product from Nike, one of the largest shoe companies globally and a direct competitor to Saucony, Wolverine Worldwide's main subsidiary for athletic shoes. We also asked for respondents' thoughts on the company.

Do you recognize this brand?

91 responses



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Not a single respondent was unfamiliar with Nike, displaying the company's success in advertising to increase its brand recognition. However, despite Nike's familiarity, people feel ambivalent toward the company overall. Some respondents felt overwhelmingly positive about the company, saying that they thought the brand was "great", "good", "familiar", "good but also expensive", and "comfortable and confident". One person said "I wear it often as I'm an athlete". On the other hand, many respondents had mixed or negative views of the company, often related to unethical business practices and high prices. Example answers include: "sweat shops, lebron james, michael jordan, posers", "ambivalent", "it's a very popular brand, i'm ok with it but it is pretty expensive", "they have bad sustainable and moral ethics imo but their products b fire but i don't buy em", and "Nike. Don't do it."

## Conclusion

Overall, Wolverine Worldwide is still fairly unknown. Our most well known brand belongs to KEDS and has a recognition or ownership of around 77%. However, we also have brands such as Chaco with about 85.7% unfamiliarity. Not enough people knew Wolverine Worldwide's brands well enough to have a feel for the company. However, we do know that despite the competitor (Nike) having a lot of brand recognition, they are viewed in a negative light. With good advertising and good branding, our brands could become more well known and popular.