

Team VF Capstone Final Report

Elevating Consumer Experience at Vans Stores

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Executive Summary

This report is the culmination of a detailed project conducted by Team VF, with the aim of elevating the customer experience at Vans retail locations. Through investigative activities, including in-store experience assessments and consumer preference surveys, the project sought to identify strategies to ensure patrons leave Vans stores more satisfied. Preliminary findings from the 22 on-campus surveys highlighted the importance of a diverse product range, personalized service, in-store events, and effective brand collaborations in enhancing customer satisfaction. On top of our surveys, we drew from Gallup findings as well as their frameworks to build our own triangular model of customer engagement that places the Consumer at its core, surrounded by three pivotal factors: Store, Human, and Brand. This framework is instrumental in understanding the multifaceted consumer experience at Vans stores, guiding our investigative activities and solution development. On a last note, we believe that Vans should provide space for skateboarding community events, try to capture niche markets and facilitate organic growth, and restructure performance reviews of retail store managers on a company level.

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Introduction

In the dynamic retail landscape, Vans occupies a unique position with its deep roots in skate culture and streetwear fashion. Despite its strong brand identity, there exists a significant opportunity to enhance the consumer experience in Vans stores, ensuring customers not only return but also advocate for the brand. This project by Team VF endeavors to explore and recommend strategies to achieve this goal.

Background

With a rich heritage in skateboarding and streetwear, Vans has successfully built a loyal customer base. However, evolving consumer preferences and the competitive nature of retail necessitate continuous improvement in the customer experience. The project was initiated against this backdrop, with a focus on understanding and improving every facet of the customer's interaction with Vans.

Literature Review

The literature section of this research paper delves into the dynamics of modern corporate culture, employee engagement, customer satisfaction, and their collective impact on business success. The four articles under review provide a comprehensive understanding of these dynamics and act as the foundation for our capstone project.

In the realm of modern corporate dynamics, the LinkedIn Workplace Learning Report 2023 serves as a pivotal reference, delving into the intricate relationship between employee engagement, satisfaction, and workplace culture, and their collective impact on business success and competitive advantage. The report underlines a clear trajectory where robust learning programs are not merely ancillary benefits but core to business strategy, directly influencing employee retention through heightened engagement. It posits that employee satisfaction is

intrinsically linked to the availability of career progression opportunities, with organizations that prioritize learning and development fostering a conducive environment for employee contentment, which subsequently translates to enhanced productivity and diminished turnover rates. Furthermore, the cultivation of a learning-centric workplace culture is spotlighted as a paramount objective, essential for the attraction and retention of premier talent, driving engagement, and facilitating the continuous skill evolution imperative for sustaining a competitive edge. The synthesis of these elements underscores a people-centric future, where Learning & Development (L&D) is instrumental in navigating in modern-day competitive landscapes, empowering organizations to unlock the latent potential within their workforce, thereby catalyzing organizational success and securing a formidable competitive stance in the ever-evolving marketplace.

Jim Clifton's article, "Is Customer Quitting Next?" examines the link between employee disengagement and customer disengagement. The author states that disengaged employees are a precursor to declining customer satisfaction and loyalty, whereas engaged employees are more likely to create positive customer experiences, leading to increased customer loyalty and, consequently, predictable business success. He also calls for managers to develop the strengths of employees and engage in meaningful conversations about goals and well-being, all aimed at customer satisfaction. In line with LinkedIn Workplace Learning Report 2024, this approach is expected to fix issues in the global workplace and create a positive work culture that benefits both employees and customers. Clifton's finding is vital for our research as it highlights the necessity of nurturing employee engagement to boost the overall customer experience.

"Why B2B Leaders Should Get in Touch With Their Customers' Feelings" This article by Gallup underscores the significance of understanding customers' feelings from the leadership

side of a business leadership. Understanding and addressing customers' feelings can be a competitive advantage and that building a culture that keeps customers happy is essential, which are crucial for sustained business success. The article implies that engaged employees who can connect with customers on an emotional level contribute to a cycle of positive engagement that benefits the business in the long run.

Customer Brand Preference and Decisions: Gallup's 70/30 Principle Ryan Pendell's article on Gallup's 70/30 Principle underscores the impact of emotional factors on customer engagement and loyalty. It advises businesses to concentrate on cultivating emotional connections and experiences to strengthen the customer-brand relationship. This emotional engagement is a predictor of business success, as it leads to repeat business and positive word-of-mouth. This principle aligns with our research's focus on creating an emotionally satisfying in-store experience for Vans customers and eventually lead to boosts in the company's revenue.

Methodology

In-store Assessment

Members of this study went to three different stores in Shanghai to evaluate the physical presentation of Vans stores and assess the quality of in-store experience provided. All members went to the three stores – one flagship store, one concept store, and one middle size store.

Members went to the store separately to record their own unique, unbiased observations and feedback manually. Members were asked to only observe the store environment for at least 2 hours with no engagement. After that, members were asked to interview store managers and store assistants to understand more details of the store. The interviewees were informed about the purpose of the study, and ethical considerations were maintained by ensuring participant

confidentiality, informed consent for all interviews and surveys, and transparent data handling procedures

Survey Participants

The survey invited 220 college students (106 Chinese national students, 114 international students) who were volunteer graduate and undergraduate students from New York University Shanghai, and they attended the survey for the course credit in the university. All participants did the survey question in the same order, but the survey questions were different between people who wear Vans, people who used to wear Vans, and people who do not wear Vans to better identify different customer journeys. All students were informed about the purpose of this study, and ethical considerations were maintained by ensuring participant confidentiality, informed consent for all interviews and surveys, and transparent data handling procedures. All 220 surveys were collected, and no one dropped out of the study.

Survey Procedure

The survey was conducted via Google Forms, and it consists of two phases – the general question phase and the consumer journey phase. For each question in both phases, participants were given clear instructions. Each question would be presented only if the participant had completed the answer and pressed the button of “Next”. In the general question phase, the survey had four multiple choice questions, and participants were asked to pick only one choice in three questions, with one asking about nationality, one asking whether the participant did skateboard, and the other asking whether the participant wore Vans. In one question, participants were asked to give rankings about their perception toward different brand’s association with skateboarding.

After the participants completed the question of whether they wear Vans, they would be automatically grouped into three groups – people who wear Vans, people who used to wear

Vans, and people who do not wear Vans. For people who wear Vans and who used to wear Vans, they were asked to complete two multiple choices about whether or not they pay for their Vans shoes and their perception of Vans' pricing. After that, people who wear Vans were asked to write about Vans' biggest attraction to them, while people who used to wear Vans were asked to write about the reason for being disengaged to the brand. For people who do not wear Vans, they were asked to identify their perception toward Vans' pricing and write down the reason for not wearing the brand. All responses were recorded automatically by the Google Survey.

Data

The survey data collapsed over 220 participants. Participants' responses toward each survey question were recorded and were calculated as percentage ranging from 0 to 100. See the raw survey data at the [appendix](#) by the end.

Analysis

This analysis section aims to distill the key factors influencing consumer decisions regarding Vans footwear based on data gathered from our on-campus survey. The design aspect stands as the primary driver for those who choose Vans, indicating a strong alignment with consumer aesthetic preferences. For individuals who have moved away from the brand, changes in fashion trends appear to be the decisive factor, suggesting a need for Vans to adapt to stay relevant. Non-wearers cite the lack of trend alignment as their main reason, pointing to a potential gap in Vans' market positioning.

When it comes to skateboarding, international students participate more than Chinese nationals, which may reflect cultural preferences or the availability of facilities. In terms of brand adoption, international students show a higher tendency to wear Vans, suggesting a solid market presence. Conversely, a notable proportion of Chinese nationals have not engaged with the

brand, indicating an opportunity for market penetration. These insights are crucial for developing targeted marketing strategies and understanding consumer behavior in different cultural contexts.

The following is our categorical analysis based on participants' qualitative answers to the survey question "Expand on your opinion towards Vans. Why do you like/not like it?"

Design: **22/48**; Comfort: **9/48**; Brand: **5/48**; Value: **6/48**; Neutral: **6/48**

The reasons People Who Used to Wear Vans

Trend: **31/92**; Design: **20/92**; Price: **14/92**; Comfort: **19/92**; Skateboarding: **8/92**

The reasons People Who Do Not Wear Vans

Trend: **40/78**; Design: **11/78**; Comfort: **10/78**; Price: **5/78**; N/A: **12/78**

The brand's current wearers are drawn primarily by its design—a testament to its aesthetic appeal and alignment with personal style. Comfort and value also contribute to their preference, while the brand's identity holds a subtler influence. Former wearers of Vans highlight the fickleness of fashion trends as a pivotal reason for their shift, with comfort and design still weighing in their decision-making process. Meanwhile, those who steer clear of Vans often cite the brand's waning alignment with current trends, suggesting a perception that Vans may not be the trendsetter it once was. Although comfort and design are acknowledged by this group, they are overshadowed by the dominant trend factor.

To dig deeper into the data and look for patterns associated with skateboarding preferences and Vans wearing preferences, we categorized all participant answers into two categories - "Chinese Nationals" and "International Students".

The following is our analysis based on participants' answers to the survey question “Do you skateboard?”

Chinese Nationals: Never **73/106**, Used to **28/106**, Do **6/106**

International Students: Never **68/114**, Used to **36/114**, Do **10/114**

Skateboarding preferences between international students and Chinese nationals reveal distinct patterns. International students demonstrate a higher level of engagement with skateboarding, with more individuals having experienced or currently participating in the sport. This contrasts with Chinese nationals, where skateboarding is less prevalent, potentially due to cultural preferences or differences in access to skateboarding facilities. These observations suggest that skateboarding’s appeal and accessibility vary significantly across cultural lines.

The following is our analysis based on participants' answers to the survey question “Do you wear Vans?”

Chinese Nationals: Never **46/106**, Used to **37/106**, Do **24/106**

International Students: Never **32/114**, Used to **60/114**, Do **22/114**

Regarding Vans wearing preferences, international students show a notable affinity for the brand, with many either currently wearing Vans or having worn them previously. This suggests that Vans has established a strong presence within this group. On the other hand, a substantial number of Chinese nationals have not engaged with Vans, yet there remains a noteworthy segment that has embraced the brand at some point. This indicates untapped potential

within the Chinese market, where strategic initiatives could further expand Vans' reach and adoption. At the same time, a notable amount of participants from both groups claimed they have switched out of the brand, illustrating the company's need to regain past customers.

These data points provide insights into the reasons behind customers' preferences for wearing or not wearing Vans, with emphasis on design, comfort, brand value, and trends. Additionally, they shed light on the differences in skateboarding participation and Vans wearing habits between Chinese nationals and international students, offering a foundation for further targeted analysis and detailed strategic planning.

Result

Although the survey sheds light on the current state of Vans through the perspective of both national and international students, looking into the future for our strategic shaping becomes crucial. How does Vans capture the untapped potential for Chinese nationals specifically, as there is a good segment that has not owned and therefore experienced Vans yet and also a segment who long ago had an experience with the brand. Both these groups show a clear demographic of individuals who are open to fresh shaping of their brand perception.

We therefore performed a regression analysis on the question: "Rank the following brands with their association for skateboarding". Although this question seems simple on the surface, the ranking aspect creates an intensity of preference between brands. Specifically we had Nike SB, Supreme, Adidas, Vans, Converse, and Other as brand choices. We took these ranking choices from each survey taker and their Vans wearing behavior, performing an ordinal regression – the independent variables are each brand's association with skateboarding (Nike SB, Vans, etc...), specifically each independent variable represents how favorably a respondent feels about each brands, presumably scored on a scale where higher numbers indicate a greater

preference; the dependent variable on the other hand represents how often individuals wears Vans, it is treated as an ordered categorical variable, which means it can take on values that represent different ordered values such as “Never wears Vans”, “Sometimes wears Vans”, “Often wears Vans” etc.

So simply explained we are trying to use the association of skateboarding for the various brands and trying to see how they affect the likelihood/frequency of wearing Vans. A positive coefficient would indicate that a greater preference for that brand in terms of skateboarding is associated with a higher likelihood of wearing Vans more frequently. Meanwhile, a negative coefficient means that a higher preference for that brand in terms of skateboarding is associated with a lower frequency of wearing Vans. In summary, each independent variable (brand preference) potentially influences the likelihood of wearing Vans, with the direction and magnitude of this influence indicated by the coefficient's sign and size. Positive values suggest a promoting effect on wearing Vans, while negative values suggest a deterring effect. Now that we've defined our variable relationship we can provide our regression results for analysis.

We have three surveys to analyze: our complete survey (completed by 220 people) which considers the opinion of the Chinese National and International student populations, our other two surveys split this population considering the regression with only Chinese and only International populations. Through the comparison of these three regressions we can better understand the foreign view of Vans and the Chinese view in the most unbiased way possible . We will try to see if our hypothesis of Vans positioning themselves as a lifestyle brand in China is the correct strategy to capture the local market?

Here's a breakdown of the coefficient values for each brand across the different demographic regressions:

Coefficients for Entire Population ([fig 1.](#))

- X.Nike.SB: -0.02948 (negative association with Vans wearing)
- X.Supreme: -0.03552 (negative association with Vans wearing)
- X.Adidas: -0.06972 (negative association with Vans wearing)
- X.Vans: -0.12160 (negative association with Vans wearing)
- X.Converse: +0.13752 (positive association with Vans wearing)
- X.Other: +0.22021 (strongest positive association with Vans wearing)

Coefficients for Chinese Nationals only ([fig 2.](#))

- X.Nike.SB: -0.005581 (negligible negative association)
- X.Supreme: +0.107723 (positive association with Vans wearing)
- X.Adidas: +0.257962 (strongest positive association with Vans wearing)
- X.Vans: -0.091846 (negative association with Vans wearing)
- X.Converse: +0.200794 (positive association with Vans wearing)
- X.Other: +0.339262 (strongest positive association with Vans wearing)

Coefficients for International Students only ([fig 3.](#))

- X.Nike.SB: -0.21019 (negative association with Vans wearing)
- X.Supreme: -0.09017 (negative association with Vans wearing)
- X.Adidas: -0.06030 (negative association with Vans wearing)
- X.Vans: +0.16601 (positive association with Vans wearing)
- X.Converse: +0.02438 (negligible positive association)
- X.Other: +0.14588 (positive association with Vans wearing)

Conclusion**Brand Preferences Across Demographics**

Chinese Nationals ([fig 2.](#)) show a generally more positive association with non-Vans brands like Adidas and Converse, and even "Other" brands being perceived as skating brands, while Vans being perceived skating declines people wearing Vans. This reveals our idea of the lifestyle shift for Chinese nationals, when nationals are seeing other brands as skating they have no interest in wearing Vans.

International Students ([fig 3.](#)) display mixed feelings, brands like Nike SB and Supreme being less perceived as skating causing people causing people to wear more Vans combined with Vans being more perceived as skating also causing more Vans to be worn revealed a niche, skate focused approach for Vans' success internationally which aligns with our hypothesis about this demographic.

Lastly if we refer to the general regression ([fig 1.](#)), we can try to search for consistencies and also make conclusions for the general Gen Z population. Vans sits at a negative coefficient just like the Chinese National regression revealing the consistency that Vans are being worn less when perceived as a skate brand. This perhaps displays the general shift away from the brand even for the skating purpose, the international view of Vans as skating is declining as the negativity of the coefficient is pulled even lower down when combined.

Positioning as a Lifestyle Brand

The data suggests that Chinese Nationals might respond well to Vans positioning itself more broadly as a lifestyle brand, not just focusing on skateboarding or specific sports, given other brands already satisfying the skating niche. International students showing a positive coefficient for Vans might indicate that while they appreciate the brand, the perception isn't strongly tied to it being a lifestyle emblem, perhaps viewing it more as a functional (skate focused) choice.

Market Strategy Implications

For Chinese Nationals, diversifying the brand appeal, perhaps by incorporating fashion-forward elements or aligning with popular culture beyond skateboarding, could help to capture a larger market share. For International Students, reinforcing Vans' unique style and quality, while subtly integrating niche elements, could enhance brand loyalty and perception.

Strategic Recommendations

Vans, a brand synonymous with skateboarding culture and youth lifestyle, has always had a dedicated customer base. To maintain its competitive edge and ensure customer satisfaction, Vans must implement strategic initiatives that focus on community engagement, personalized service, and memorable in-store experiences. What we are proposing right here is a triangular strategic initiative, which is built around the idea of elevating in-store experience, with Store, Brand, and Human on each of its tip.

To leverage the Store aspect of our analytical triangle, we suggest reimagining Vans stores as community hubs where skateboarding and street culture can be celebrated. This involves hosting skate events, art exhibitions, and product launches that resonate with the local skate and streetwear communities. By hosting activities, such as skateboarding demonstrations and music performances, and transforming its stores into cultural hubs, retail locations can not only attract foot traffic and generate buzz but also foster a sense of belonging and shared passion by creating this vibrant and inclusive atmosphere that resonates with its target audience. The focus here is for Vans to strengthen its connection with its target audience and establish itself as an authentic and integral part of the skateboarding and street culture scenes.

A great example of this approach is the proposed "Vans Shanghai Citywalkers" initiative. The event would take participants on a curated journey between two iconic Vans stores in

Shanghai, starting at the People's Square location. Attendees would receive a special wristband and map before embarking on a city walk wearing their favorite Vans sneakers. Along the way, participants would explore the city together, engaging with the brand and each other in a meaningful way. The walk ends at the main Vans store on Nanjing Road. Attendees can enjoy exclusive in-store experiences, including a Vans-themed photo booth, live music, interactive displays showcasing Vans culture, and the chance to purchase limited-edition event merchandise. By offering these immersive and memorable experiences, Vans can strengthen its connection with customers and establish itself as more than just a retail brand, but a facilitator of community and self-expression.

In addition to community engagement, personalized service is crucial in enhancing the customer experience at Vans stores. The company should invest in comprehensive training programs that empower its staff to become knowledgeable and passionate brand ambassadors. By equipping employees with the tools and knowledge to offer tailored styling advice, product information, and authentic brand stories, Vans can ensure that each customer's visit is unique and memorable.

Furthermore, it is important to encourage store associates to respond empathetically to customers' emotional attachment and nostalgia towards the brand. For instance, if a customer shares their fond memories of their first pair of Vans, an associate can reciprocate by sharing their own personal experiences and connection to the brand. This level of personal engagement helps to build trust, loyalty, and a sense of shared identity between customers and the brand.

To optimize the human aspect of our analytical triangle, we suggest restructuring store managers' performance evaluations to prioritize metrics for customer satisfaction and employee engagement. This approach promotes a culture of customer service excellence and fosters a

supportive environment for staff, enhancing their ability to connect with consumers on a personal level. By aligning the incentives of store managers with the goal of delivering exceptional customer experiences, Vans can ensure that its stores consistently exceed patron expectations and build lasting relationships with their clientele.

At the Brand tip of our triangle, we introduce them “Intention to Result Model” to strengthen Vans' brand identity through product innovation. This involves developing a sub-label that captures the essence of Vans while appealing to emerging trends in streetwear and skate culture. The sub-label will serve as a testbed for innovative designs and collaborations, aligning product offerings more closely with consumer expectations and desires. By expanding its product range and staying in touch with the changing preferences of its target audience, Vans can strengthen its position as a trendsetter and cultural influencer.

Vans should also focus on increasing product variety and exclusivity to cater to the diverse tastes and preferences of its customer base. By offering a diverse range of footwear, apparel, and accessories, including exclusive in-store items and limited editions, Vans can generate a sense of excitement and discovery among its customers. This strategy not only boosts foot traffic and sales but also reinforces Vans' reputation as a destination for distinctive and desirable products.

In conclusion, improving the customer experience at Vans stores requires a multifaceted approach that combines community engagement, personalized service, data-driven insights, customer-centric leadership, and product innovation. By implementing creative community initiatives such as the “Vans Shanghai Citywalkers” and “Vans Skateboard Community Gathering,” investing in employee training and empowerment, leveraging consumer insights, restructuring performance reviews, and introducing the “Intention to Result Model,” Vans can

create a retail environment that not only satisfies customers but also inspires self-expression, creativity, and a sense of belonging. Through its unwavering commitment to delivering unique and meaningful experiences, Vans can solidify its position as a cultural icon that resonates deeply with its loyal customer base. By consistently exceeding customer expectations and fostering genuine connections, Vans can ensure that patrons leave its stores feeling happy, satisfied, and eager to return, ultimately driving long-term brand loyalty and success.

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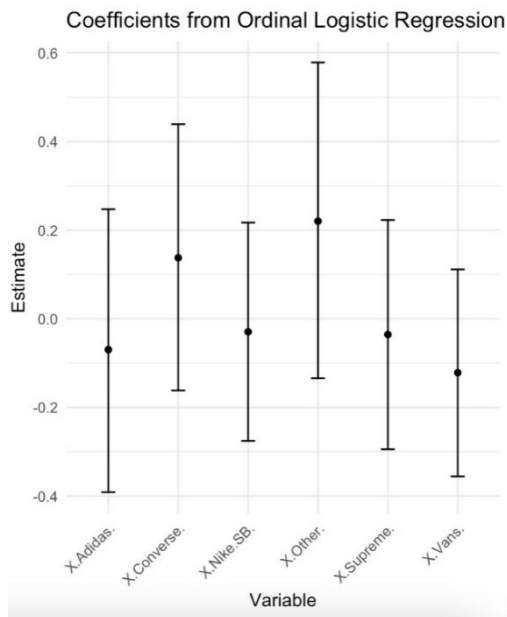
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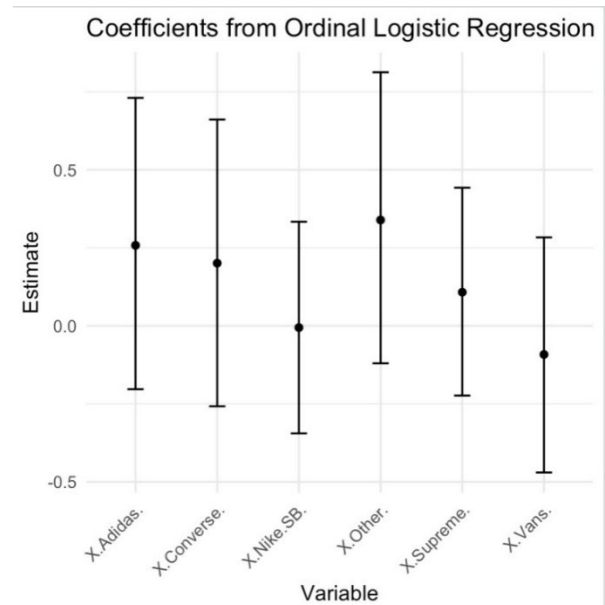
Appendix

Link to Team VF on-campus survey

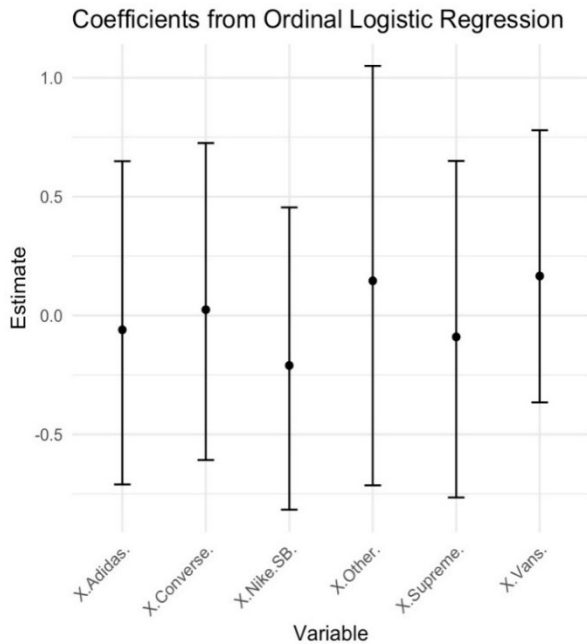
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[Figure 1. Regression analysis with the entire population]



[Figure 2. Regression analysis with Chinese Nationals only]



[Figure 3. Regression analysis with International Students only]