

## Is the One for One Business Model a Winning Formula?

Jackie Marr  
West Texas A&M University

Jillian Yarbrough  
West Texas A&M University

### ABSTRACT

In 2006, TOMS Shoes was founded by Blake Mycoskie, an entrepreneur from Arlington, Texas. In 2019, the organization must be acknowledged as a success with over \$392 million in revenue and more than 500 employees. The organization is built on a philosophy of conspicuous giving. The following case will examine TOMS Shoes; the role giving plays in organizational success; potential negative consequences of the One for One model; and ideas for considering how to bring a mission of giving to every organization.

Keywords: Conspicuous Giving, Sustainable Giving, One for One Model, Cause-Related Marketing, The Altruism Debate



Copyright statement: Authors retain the copyright to the manuscripts published in AABRI journals. Please see the AABRI Copyright Policy at <http://www.aabri.com/copyright.html>

## INTRODUCTION

“One for One” is the model TOMS Shoes pioneered and utilized for over fourteen years. It is a slogan that not only communicated the mission of the organization, but also translated into a thriving business. In May 2006, TOMS Shoes was founded by Blake Mycoskie, an entrepreneur from Arlington, Texas. The organization must be acknowledged as a success. In 2019, TOMS had revenues exceeding \$392 million and more than 500 employees. Mycoskie’s vision for his organization is multitiered. Of course, Mycoskie’s plan was to create an organization that was profitable. However, Mycoskie built into the organizational plan a unique strategy: with each pair of shoes purchased, generally priced between \$40-\$60, a child in need would receive a new pair of shoes as well.

The organization not only focused on profits, but also concentrated on improving lives and promoting corporate responsibility. By 2010, the organization had donated one million shoes to children in need (TOMS Shoes to Donate One-Millionth Pair, 2010). This achievement gained recognition and other clothing entrepreneurs began to seek donation-based collaborations with the company. For example, designers Mary-Kate Olsen and Ashley Olsen partnered with TOMS Shoes in 2011 to build the label TOMS+ The Row to create shoes available in plaid, wool-cashmere, and herringbone with a price tag of \$98-\$150 (Karimzadeh, 2011).

Further expansion seemed like a logical next step and over the next few years, TOMS added several new products. In 2011, TOMS announced they would expand their one for one model. They adopted a new product line: eyewear. Following the one for one strategy, TOMS would now give a pair of glasses to someone in need for each pair sold (Gillis, 2001). Additionally, TOMS broadened their business into the coffee industry. In 2014, TOMS Roasting Company was created and sold coffee from developing countries. For each bag of coffee sold, TOMS would provide a week’s worth of clean water to a person in a developing country. In Spring 2015, TOMS launched two new products. First, was the TOMS Bag Collection, with each sale of these bags, mothers and babies were provided with safe birthing services (PR Newswire, 2015). Later in 2015, TOMS teamed up with anti-bullying organizations to create a line of backpacks intended to promote anti-bullying messages (Kim, 2020).

Even though partnerships indicate support and interest in the giving model, the partnering projects’ profits were not as strong as the original canvas shoe. In 2014, TOMS Shoes was valued at \$625 million. However, TOMS’ sales dropped when the company attempted to migrate from their original canvas shoe giving model (Kim, 2020). In fact, the canvas shoe became a “hero” product for TOMS Shoes. The canvas shoe was and remains the archetypal product that consumers most associated with the company.

While trying to move away from their hero product, TOMS’ outlook began to decline in 2019. One reason for the decline is that the company had a \$300 million loan due in 2020. The company was unable to pay the loan in full; therefore, a group of TOMS’ creditors officially took ownership of the company from Bain Capital and Blake Mycoskie in exchange for debt relief (Kim, 2020). Obviously, this created sizeable obstacles for TOMS and with new ownership, how would this company rebuild?

The new ownership has awareness that the canvas shoe “hero” product may have limits, and the organizations has chosen to rebrand. In 2021, TOMS shoes announced they will be retiring the slogan, “One for One”, and adopting a new one, “1/3 of Profits for Grassroots Good,” (McDonald, 2021). With the company’s new focus, TOMS will no longer be donating shoes. Rather, the organization will invest funds in grassroots efforts addressing equity in three critical

areas: mental health, ending gun violence, and increased access to opportunity (TOMS Impact Report 2019-2020, n.d.).

## **PART A: IS A GIVING MODEL SUSTAINABLE?**

### **CAUSE-RELATED MARKETING (CRM)**

Many believe that Blake Mycoskie is a business genius and is currently one of the most recognized social entrepreneurs. If one has ever had the opportunity to hear Mycoskie tell his and TOMS Shoes' story, his sincerity and passion for making the world a better place and creating sustainable social change is undeniable. Even though the concept of corporate social responsibility became prevalent after World War II and R. Edward Freeman introduced the stakeholder theory in 1984, Mycoskie and TOMS' one for one business model forever changed the way organizations approach their social responsibility, stakeholders, and philanthropic giving (Carroll, 2015; Freeman, R.E, 1984).

Varandarajan and Menon define cause-related marketing (CRM) as, "The process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives" (Varandarajan and Menon, 1998). This is the reason why TOMS Shoes became wildly popular. Blake Mycoskie once stated, "People connect with us because buying TOMS is like a badge that says, 'I did something for someone.'" (Gerber, 2014). Through TOMS' strategic application of cause-related marketing, the company embedded a social cause into the core of their business model.

The basic precept behind cause-related marketing is the fact that consumers feel like they are making a difference and think they are being helpful by contributing to a worthy cause (Koschate-Fischer et al. 2012; Robinson et al. 2012). According to Ferrell, Thorne, & Ferrell, "Cause-related marketing activities have real potential to affect buying patterns" (Ferrell, Thorne, & Ferrell, 2021). Historically, companies have donated money to a charity or "cause" that is important to the organization's target market when a product was sold (Chang, et al., 2018; Ferrell, Thorne, & Ferrell, 2021). For customers and an organization's promotional purposes, this is straightforward: purchase a product and money will be donated to a nonprofit organization (Chang, et al., 2018). Customers view this as a simple economic exchange and have very little emotional attachment when this exchange occurs (Vohs, Mead, & Goode, 2006).

TOMS Shoes has changed the scope of cause-related marketing. Companies with the one for one business model are donating nonmonetary gifts (Chang, et al., 2018). In terms of cause-related marketing, customers are more inclined to have a deeper emotional attachment and view companies as more sincere when they are participating in nonmonetary giving (Hildebrand, DeMotta, Sen, & Valenzuela, 2017; Chang, et al., 2018). The explanation: Consumers acknowledge and appreciate the fact that nonmonetary giving involves more effort and in-kind resources from an organization than simply donating money (Liu & Aaker, 2008; Pfeffer & DeVoe, 2009; Quidbach, et al., 2010; Ellen et al., 2000). Moreover, customers feel a personal connection to the cause and the recipients of the nonmonetary gifts (Chang, et al., 2018).

Research has determined several beneficial factors regarding a company's use of cause-related marketing. First, the majority of consumers are more likely to conduct business with organizations that are associated with a social cause when product price and quality are equal (Ferrell, Thorne, & Ferrell, 2021). Secondly, customers are going to have more favorable

opinions of companies that are supporting causes they care about (Ferrell, Thorne, & Ferrell, 2021). Finally, organizations can more effectively achieve their business goals and will have a better public reputation when they are supporting social issues the public deems important (Ferrell, Thorne, & Ferrell, 2021).

### **IS THE ONE FOR ONE BUSINESS MODEL SUSTAINABLE?**

In 2011, Mycoskie published his book, *Start Something That Matters*, and that is exactly what he did with the one for one business model (Mycoskie, 2011). Ritchie attributes the success of the one for one model to three key reasons: 1.) The customer feels like they have made a positive difference by purchasing the organization's product(s); 2.) The organization receives public recognition, which enhances their reputation and positively impacts their bottom line; and 3.) The beneficiary of the organization's goodwill acquires what he/she needed (Ritchie, 2016). The one for one model seems to be a simple concept that has the potential to make a positive social impact. TOMS has numerous products, such as shoes, apparel and accessories, eyewear, and coffee, that are all sold at premium prices (TOMS, n.d.). Consequently, TOMS has financial resources, but are they enough to sustain the for-profit business as well as its global philanthropic component with the one for one business model?

When TOMS Shoes was initially founded, the company catapulted to success instantaneously. Publicity from the *Los Angeles Times*, a spread in *Vogue*, and other magazines, such as *Time*, *People*, *Elle* and *Teen Vogue*, featured TOMS' story and the shoes, which ignited an almost cult-like following with millions of customers, including Hollywood celebrities Keira Knightley, Scarlett Johansson, and Toby Maguire (Mycoskie, 2011). Did this spark an interest within the Generation X and older Gen Y consumers? Did they appreciate the ease of helping someone in need with the purchase of a pair of shoes?

In 2021, TOMS celebrated being in business for fifteen years. With that, the company decided it was necessary to completely rebrand itself. Along with the relaunch of the company's website, new marketing, a reimagined look for its shoes, and new collaborations, TOMS also determined they will no longer follow their original one for one business model that they are infamously known for (McDonald, 2021). Rather, their business model has evolved to "1/3 of Profits for Grassroots Good" (McDonald, 2021).

With the new giving model, consumers are still purchasing TOMS' merchandise; however, the company now has the flexibility to support grassroots organizations tackling critical issues in their communities (Aziz, 2021). Amy Smith, TOMS Chief Impact and Strategy Officer, attributed the rebranding to the fact that, "The world has changed, and the consumer has evolved." (Aziz, 2021). According to Ian Stewart, TOMS Chief Marketing Officer, the complete overhaul of TOMS' impact, brand, and product, had a major goal: "...to reach a new consumer, the socially-conscious Gen-Z" (Aziz, 2021). Stewart also stated that their intent with the rebranding was to reach the "...Gen Z and Millennials in a way that's not going to be off-putting to our loyal customers who have been with us for the last fifteen years." (McDonald, 2021).

## **PART B: A HYBRID APPROACH FOR THE FUTURE**

### **REPLICATION OF THE ONE FOR ONE BUSINESS MODEL**

Blake Mycoskie issued a statement in 2010 that read, “At Toms, giving isn’t a trend, or a fad, or a part of our business - it is our business. We’re proud that Toms has inspired a global movement and continues to influence other companies around the world” (Tschorn, 2010). This is a meaningful business concept that has influenced many organizations to recreate TOMS’ competitive advantage through one for one modeling. As of May 2016, there were at least 40 one for one businesses offering a wide range of selling and donating products (Buchanan, 2016). Some of the more noteworthy companies following the one for one model include SKECHERS, ROMA Boots, Bombas, and Warby Parker (Donnelly, 2016). Several of these competitors will be analyzed examining the effectiveness of the one for one model.

In 2010, SKECHERS created a similar canvas shoe to TOMS named BOBS, the acronym for Benefitting Others By Shoes, which was the company’s charitable mission (Business Wire, 2011). BOBS were sold at a lower price than TOMS. SKECHERS’ business model had some unique aspects like donating two pairs of shoes for each pair of BOBS sold (Kim, 2020). According to Michael Greenberg, President of SKECHERS, “The BOBS program was established to help children in need around the world – be it those struggling to survive daily, or who find themselves in the path of natural disasters...” (Skechers, 2013). Through BOBS by SKECHERS’ partnership with Soles4Souls (S4S) shoe nonprofit, the company has donated shoes to Head Start programs, education foundations, homeless shelters, disaster relief, and various other nonprofit organizations (Business Wire, 2011; Skechers, 2020). Since 2012, Skechers has donated more than 16 million pairs of new shoes to children in need worldwide (Skechers, 2020).

ROMA Boots is another company that was influenced by Blake Mycoskie and TOMS’ business model. Samuel Bistran, the founder and CEO of ROMA Boots, knows what it is like to grow up in poverty. He is from pre-revolutionary Romania and immigrated to the United States when he was eight years old (ROMA Boots, n.d.). While working at Neiman Marcus, Bistran had the opportunity to meet Mycoskie. After that meeting, Bistran combined his expertise in fashion and his desire to help children in need worldwide to create ROMA Boots in 2010 (ROMA Boots, n.d.). For every pair of boots that is sold, ROMA gives a new pair to a child in need. Their mission is to give poverty the “boot” and “bring impoverished children throughout the world hope, love, and lasting change through aid and education” (ROMA Boots, n.d.). In doing so, the children living in poverty will become empowered to, “break out of the cycle of poverty and contribute their gifts and talents to society” (ROMA Boots, n.d.). The following are ROMA Boots’ philanthropic statistics for the eleven years the company has been in business: 5 million boots have been given to children in 30 different countries; \$200,000 has been donated to educational initiatives; and 3 learning centers have been funded (ROMA Boots, n.d.).

Bombas was founded in 2013 by David Heath, CEO, and Randy Goldberg, chief brand officer. The concept for the company occurred after Heath read a Facebook post regarding socks as the most needed item for homeless shelters. With several companies adopting the “buy one, give one” business model at the time, Heath and Goldberg made the socially conscious decision to implement the BOGO model into their sock company as well (Kinne, 2020). Consequently, with every pair of socks Bombas sold, the company donated a pair to a person experiencing homelessness. In Spring 2019, Bombas expanded its business into the apparel industry and

included a product line of t-shirts (Caprino, 2020). Then, in January 2021, the company launched another product line: underwear (Stone, 2021). As with their socks, every t-shirt and pair of underwear purchased, Bombas provides a t-shirt and underwear to the homeless community (Caprino, 2020; Stone, 2021). With the addition of the t-shirts and underwear lines, Bombas provides the top three most essential clothing items in homeless shelters (Stone, 2021). Since Bombas was established, it has, "...donated more than 40 million items to more than 3,500 community organizations" (Bombas, n.d.).

Warby Parker was created in 2010 by four friends, Neil Blumenthal, Dave Gilboa, Andy Hunt, and Jeff Raider, who were trying to solve two questions: 1.) Why weren't glasses sold online? and 2.) Why are glasses so expensive? (Warby Parker, n.d.; Winfrey, 2015). After discovering that one company controlled the eyewear industry and its artificially expensive pricing, this is when they established their business model (Denning, 2016; Warby Parker, n.d.). According to Warby Parker, they were able to completely disrupt the eyewear industry, "By circumventing traditional channels, designing glasses in-house, and engaging with customers directly, we're able to provide higher-quality, better-looking prescription eyewear at a fraction of the going price" (Warby Parker, n.d.). Embedded in their business model was the Buy a Pair, Give a Pair program (Warby Parker, n.d.). Through this program, a pair of glasses is given to someone in need for every pair that is purchased. The program's goal, "...is to address the lack of access to glasses and proper vision care affecting over 2.5 billion people" (Hessekiel, 2021). As of May 2021, Warby Parker has donated over eight million pairs of glasses, and their social impact has reached over fifty countries ((Hessekiel, 2021; Warby Parker, n.d).

Clearly, there is a market for one for one business models. TOMS, SKECHERS, ROMA Boots, Bombas, and Warby Parker have experienced success with their sell/donate product lines. As this business model grows, it is interesting to observe the variations in products and business plans. Why do some buy one give one (BOGO) business plans thrive while others fail? Could the answer be in the authentic motivation behind the organization's giving?

## **GIVING AS A BUSINESS MODEL FOR SUCCESS**

Giving is increasingly recognized as an important organizational characteristic. Stakeholders want to be engaged with companies that contribute to the well-being of others, and this awareness has led to the incorporation of philanthropic giving into organizational business strategies. Many companies give to their communities in substantial ways. For example, The Coca-Cola Company has donated more than \$820 million since 1984 to enhance community sustainability; The Walt Disney Company gave over \$333 million to nonprofit organizations in 2015 through cash giving and public service announcements; and the Starbucks Foundation provided \$6.9 million to nonprofit organizations in 2015 (Cole, 2017). These organizations are giving for many reasons, and one of the reasons is because, "giving back to the community is good for business," (Ward, 2019, p. 1).

Sargeant and Crissman (2006) examined data collected by McNair Ingenuity Research as part of a 2005 Giving Australia study. The study estimated that for the years 2003-2004 the total corporate giving was \$3.3 billion contributed by 67% of all Australian businesses. The researchers' focus on explaining the motives behind the giving concluded that businesses are compelled to give by altruism; enhancement of employee morale; improvement of the organization's image; better supplier/customers relationships; and publicity.

Lev, Petrovits, and Radhakrishnan (2010) examined the increase of corporate philanthropy and its impact on sales growth. They did this by using a large sample of charitable contributions made by U.S. public companies from 1989 through 2000. Based on an application of Granger causality tests, the researchers found that charitable contributions are significantly associated with future revenue. According to Lev, Petrovits, and Radhakrishnan, “Our results are particularly pronounced for firms that are highly sensitive to consumer perception, where individual consumers are the predominant customers,” (p. 1).

There are many forms of a giving business model. An organizational giving model can bring layers of benefits, not only to the recipient, but also to the organization and its stakeholders.

## **GIVING CAN CREATE NEGATIVE CONSEQUENCES**

While there are numerous benefits of the giving business model, research is also exploring its negative consequences. The Wharton Business School examined the one for one business model in the article, “The One-for-One Business Model: Avoiding Unintended Consequences.” In the article, Andreas Widmer, leader of SEVEN Fund, a social equity venture fund, expressed concerns that the one-for-one business model causes as much harm as good. Widmer explained that if people were given shoes, such as with TOMS Shoes, then local people who make, create resources for, and deliver shoes are out of work. Also contributing to the article was Michael Matheson Miller, director of PovertyCure, a group promoting entrepreneurial solutions to poverty. Mr. Miller stated that, “The one-for-one model can undermine local producers. When you give away something free, you’re giving away a band aid. You’re not addressing deeper causes of poverty and you may be inhibiting long-term solutions” (The Wharton School, 2015, para. 7). Mr. Widmer and Mr. Miller are basing their ideas on a growing body of literature that explores the harmful impacts of some corporate giving strategies.

Frazer (2008) examined the importance of one possible explanation for the failure of African countries to step onto the bottom rung of the manufacturing apparel industry. A contributory cause may be that used-clothing donations to thrift shops and other organizations in industrialized countries typically end up being sold to consumers in Africa. Since used clothing is initially provided as a donation, it shares characteristics with food aid, which assists consumers, but at times harms African food producers. Used-clothing imports are found to have a negative impact on apparel production in Africa, explaining the approximately 40% decrease in production and the 50% decline in employment between 1981-2000.

## **SUSTAINABLE GIVING VS CONSPICUOUS GIVING**

Why is it difficult to define a one for one or BOGO business model as positive and effective? For many, the reason behind the giving matters in terms of defining a gift as positive or negative. In fact, the question “Is there such a thing as pure giving?” has long been debated. Dr. Daniel Batson believes the answer is yes. Dr. Batson thinks that when we engage in truly selfless giving, we are reacting to feelings of empathy for a person in need. When we empathize, we may feel good that we helped, but the goal was the help. However, Dr. Robert Cialdini, believes there is no such thing a pure giving. Dr. Cialdini, also recognizes that we often give when we observe others in need or others hurting. Therefore, under these circumstances, we do

not give to help the other person, we give to stop the hurting, sadness, or distress in ourselves. If this is true, Dr. Cialdini assumes we give to help ourselves, and there is no pure altruism.

Dr. Batson and Dr. Cialdini both emphasize that the experience or intent of the giver can matter in terms regarding the meaning of the gift. With this in mind, two corporate giving strategies will be explored examining the meaning and intent behind the giving philosophy.

Sustainable giving is the first corporate giving strategy that will be considered. Giving is a way to help others, support relationships, and generate individual growth. In developing a giving strategy, organizations certainly consider a sustainable giving system. A sustainable gift is a gift that once received generates something positive or something more. For example, a college scholarship gives the recipient an opportunity to gain knowledge, and it is expected that the recipient will generate ideas or opportunities for others with their knowledge. Another example of a sustainable gift might be giving a tree in one's honor. The recipient is acknowledged, and the tree supports the environment. Gifts of knowledge or trees can be sustained and can generate growth in the future.

Sustainable giving has positive outcomes for business. The type of gift offered can help align the business or brand with giving, supporting the environment, or supporting the betterment of people. For the purposes of this paper, a sustainable gift will be defined as:

1. Supporting company values.
2. Supporting company's relationships.
3. Useful.
4. Generating more than was given.

A second type of corporate giving strategy is conspicuous giving. Conspicuous giving was coined by University of Alberta professor Margrit Talpalaur. Dr. Talpalaur identified conspicuous giving as giving to receive recognition. While giving for recognition is not new, there is a new twist on this concept. Dr. Talpalaur says, "What is new is the increasing pressure on middle-class people to get involved in various types of giving, such as volunteering or donating money. The pressure has moved from the very rich and trickled down to ordinary people" (Betar, 2012, para. 8). Could one negative consequence of TOMS' shoes be that people were giving not to support those in need, but rather to be recognized as givers? Even if someone gives for recognition, isn't the gift still valuable?

## **HYBRID CORPORATE GIVING**

While the debate about pure altruism will continue, organizations must still seek to develop and create strategic giving approaches. TOMS Shoes were marketed with the idea of pure altruism and giving to help others. This idea and business model was popular with Generation X, the target market at the time. However, later generations, Generation Y and Generation Z, have different ideas on giving. Might the business giving model have to evolve with the target market's ideas about giving?

As indicated in Figure 1 (Appendix), the authors suggest a hybrid giving model between sustainable giving and conspicuous giving designed to recognize the giving interests of Gen Y and Gen Z. This model will offer the characteristics of a sustainable corporate giving model: supporting company values, supporting company's relationships, useful, and generating more than was given. Additionally, it openly acknowledges that a true gift brings benefit to both the receiver and giver.

## CONCLUSION

Research indicates that a one for one model can support business development. Research is also uncovering that some one for one models can have negative consequences as well. Organizations that seek social consciousness and care for the brand's stakeholders should analyze the complete product life cycle before implanting a one for one model and consider their target market's beliefs of giving.



**APPENDIX**

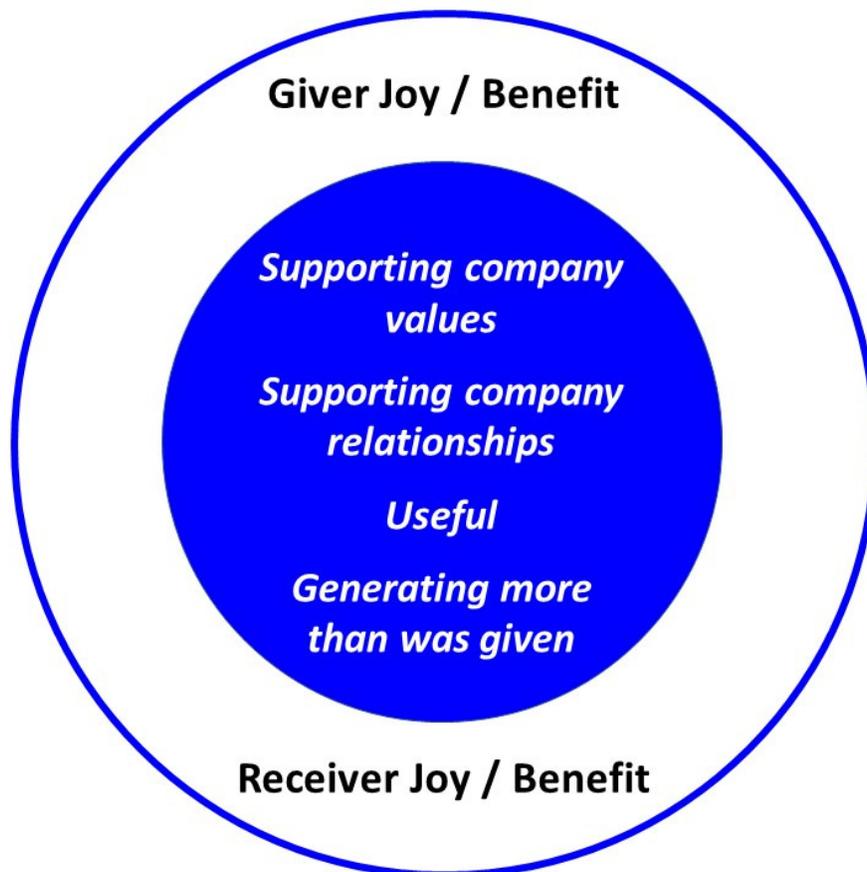


Figure 1: Hybrid Corporate Giving



**PART A: IS A GIVING MODEL SUSTAINABLE? CASE QUESTIONS**

This extensive company overhaul leads to many questions regarding the effectiveness and sustainability of the one for one business model:

1. Is there a generational component attached to the one for one business model? If so, can the one for one model meet the different generations' varying needs or demands from companies they are going to be conducting business with?

Students answers will differ. There are multiple generations that currently have purchasing power. These generations have differing views, ideas, and voices that have been shaped by defining moments in their lives. The argument can be made for/against the fact that there is a generational component attached to the one for one business model. Additionally, students can make the case for/against the one for one model meeting the different generations' varying needs and demands. Students may support their answers by providing examples of other companies, such as Bombas and Warby Parker, that have been extremely successful with their implementation of the one for one business model; whereas, TOMS has restructured and adopted the new business model of "1/3 of Profits for Grassroots Good".

2. Did TOMS Shoes lose its luster and appeal with customers? Did customers become tired of hearing the same mantra: "Sell a shoe, give a shoe?" (Buchanan, 2016).

Students answers are going to vary based on their personal opinions. Regardless of their perspective, students should present convincing explanations and reference the case when forming their answers.

3. Did TOMS' products diversification within the one for one model help or hinder the company? Should TOMS have remained true to what made them famous in the first place—their canvas shoes?

Again, students answers will vary, but they need to demonstrate an understanding of product diversification. Diversification is to acquire various product lines under an organization's umbrella to lessen its risk of failure. It enables companies to offer customers more product options while having greater flexibility during economic changes. Given this information, diversification is supposed to help a company, like TOMS, grow and expand their business, if it is done so strategically. However, one can state that TOMS' products diversification was a hinderance to the company; the company became too diversified; and they should have remained true to their hero product, the canvas shoe, especially since the company started to decline in 2019.

4. Was Blake Mycoskie's leadership and ownership of the company a contributory reason to the success of TOMS' one for one model?

Students answers will be dependent on their opinions of Blake Mycoskie's leadership capabilities and discern whether his ownership of TOMS was a contributory factor to the success of the company. Students need to be able to describe the characteristics of an effective leader (ability to influence, visionary, determination to succeed, business acumen, etc.) in their responses as well as compare/contrast if Mycoskie possessed those traits.

5. Did TOMS reach its giving limits within the one for one business model? Was the company maximizing its social impact under this model?

Some students will state that TOMS reached its giving limits and maximized its social impact under the one for one business model. In addition, many will believe that TOMS' new business model of "1/3 of Profits for Grassroots Good" will enable the company to increase their social impact, while inspiring customers, both new and existing, to participate in their grassroot efforts addressing equity. However, other students will state that TOMS still had the ability to expand their social impact under their existing business model and reference companies, such as SKECHERS and ROMA Boots, who are utilizing the one for one model with their footwear.

## **PART B: A HYBRID APPROACH FOR THE FUTURE CASE QUESTIONS**

1. When examining TOMS Shoes and SKECHERS, how has SKECHERS applied the one-to-one model differently? Based on your opinion and the case, will SKECHERS or TOMS experience greater long-term success in their giving model?

TOMS outcomes are yet to be seen with the rebranding initiatives. However, both organizations are indicating that a giving initiative or a specific giving line may be most effective for the long-term. TOMS is having to restructure for long-term sustainability; whereas, SKECHERS has a long-term plan with a single giving product line.

- i. From a business perspective, which company (TOMS, SKECHERS, ROMA Boots, and Warby Parker) has the most sustainable business model?

Answers can vary. But certainly, characteristics like a single giving line or highly-aligned organizational mission and product giving can contribute to long-term success.

- ii. From a consumer's perspective, which organization (TOMS, SKECHERS, ROMA Boots, and Warby Parker) has the "best" social cause that will encourage support of the company?

Answers can vary. As mentioned, a single BOGO product line may be most effective for the long-term where steady sales can carry the product. In terms of rapid growth or short-term gains, the "best" social cause will likely be determined by external events and timing.

2. Do you think TOMS Shoes' one for one model comprehensively supports those in need, or does the model create a "band-aid?"

TOMS is a brilliant idea. It has offered a great deal of support and relief to those in need. Nevertheless, it can be argued that TOMS does not provide comprehensive long-term support. First, the model may detract from local shoemakers, distributors, etc. Second, TOMS has gone into bankruptcy and is restructuring; therefore, the initial organizational model could not be sustained.

3. Is there a limit on company growth if the company is based solely on a one-to-one giving model? Base your answer on the case and your opinion.

Yes. The corporate growth is dependent on the aligned need. It can be assumed the product line is designed to minimize or end the need. If this goal is achieved; theoretically,

the product that is given would no longer be needed.

4. Is there such a thing as pure altruism? Explain your answer and why you have this perception.

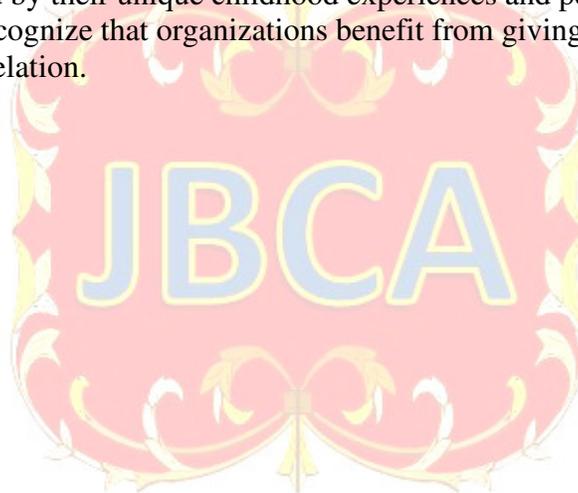
Answers will vary as this is a long-standing debate. Student answers should include research and case ideas.

5. Was TOMS Shoes' one for one business model particularly aligned with Gen X? Why?

Yes, generations have ideas about giving shaped by their shared life experiences. Gen X found the ease of giving through the purchase of shoes rewarding while also aligning with generational values.

6. Will Gen Y and Gen Z want a giving model that transparently communicates giving is a win/win?

Gen Y and Gen Z are growing up in a globally-based, technologically-advanced world where virtual items, like bitcoins, can be exchanged. Their ideas about time, giving, and service will be shaped by their unique childhood experiences and perspectives. Gen Y and Gen Z are likely to recognize that organizations benefit from giving and will likely not be shocked with this revelation.



**REFERNCES**

- Aziz, A. (2021, April 6). *TOMS Evolves Away From One-For-One And Announces New Model Of 1/3 Profits To Grassroots Good, To Create A Better Tomorrow*. Forbes. <https://www.forbes.com/sites/afdhelaziz/2021/04/06/toms-evolves-away-from-one-for-one-and-announces-new-model-of-13-profits-to-grassroots-good-to-create-a-better-tomorrow/?sh=52f6effc7709>.
- Betar, T. (2012). New term 'conspicuous giving' delves into psychology of giving. *DesertNews*. Retrieved from: <https://www.deseret.com/2012/8/14/20505575/new-term-conspicuous-giving-delves-into-psychology-of-giving#american-actor-sean-penn-carries-the-belongings-of-a-person-displaced-by-the-earthquake-as-people-are-relocated-from-the-petion-ville-golf-club-to-a-new-camp-corail-cesselesse-in-port-au-prince-saturday-april-10-2010-haitis-government-is-beginning-to-relocate-thousands-of-people-in-a-multi-agency-effort-to-move-people-to-higher-ground-before-the-rainy-season>.
- Bombas. (n.d.). *About Bombas*. <https://bombas.com/pages/about-us>.
- Buchanan, L. (2016, April 27). *How Toms' Blake Mycoskie Built a \$400 Million Business on Social Entrepreneurship*. Inc.com. <https://www.inc.com/magazine/201605/leigh-buchanan/toms-founder-blake-mycoskie-social-entrepreneurship.html>.
- Business Wire. (2011, January 18). *SKECHERS, America's Number 2 Footwear Brand, to Give Free Shoes to Children in Need Worldwide Through the BOBS by SKECHERS Brand*. <https://www.businesswire.com/news/home/20110118006077/en/SKECHERS-Americas-Number-2-Footwear-Brand-to-Give-Free-Shoes-to-Children-in-Need-Worldwide-Through-the-BOBS-by-SKECHERS-Brand>
- Caprino, K. (2020, March 30). *Bombas: How This Mission-Driven Organization Remains Profitable And Impactful, Even In Crisis Times*. Forbes. <https://www.forbes.com/sites/kathycaprino/2020/03/30/bombas-how-this-mission-driven-organization-remains-profitable-and-impactful-even-in-crisis-times/?sh=219725e7b5a6>.
- Carroll, A. (2015). Corporate social responsibility. *Organizational Dynamics*, 44(2), 87-96.
- Chang, Chun-Tuan, Chen, Pei-Chi, Chu, Xing-Yu, Kung, Ming-Tsung, & Huang, Yi-Feng. (2018). Is cash always king? Bundling product-cause fit and product type in cause-related marketing. *Psychology & Marketing*, 35(12), 990-1009. <https://doi.org/10.1002/mar.21151>
- Cole, L. (2017). 5 companies that give back in big ways. Business 2 Community. Retrieved from: <https://www.business2community.com/strategy/5-companies-give-back-big-ways-01798630>.
- Denning, S. (2016, March 24). *What's Behind Warby Parker's Success?* Forbes. <https://www.forbes.com/sites/stevedenning/2016/03/23/whats-behind-warby-parkers-success/?sh=11cf392411ac>.
- Donnelly, S (2016). 16 brands that use the TOMS Model of One-for-One giving. InsideHook. <https://www.insidehook.com/article/food-and-drink/16-brands-use-toms-model-one-one-giving>.
- Ellen, P. S., Mohr, L. A., & Webb, D. J. (2000). Charitable programs and the retailer: Do they mix? *Journal of Retailing*, 76(1), 393-406.
- Ferrell, O. C., Thorne, D. M., & Ferrell, L. (2021). *Business and society: A strategic approach to social responsibility & ethics* (7th ed.). Boston: Chicago Business Press.

- Frazer, G. (2008). Used-clothing donations and apparel productions in Africa. *The Economic Journal*, 118(532): 1764-1784.
- Freeman, R.E. (1984). *Strategic management: A stakeholder approach*. Boston, Pitman Publishing Inc.
- Gerber, S. (2014, December 11). *What Toms's Blake Mycoskie Has Learned About Disruption*. Inc.com. <https://www.inc.com/magazine/201412/scott-gerber/blake-mycoskie.html>.
- Gillis, C. (2011). TOMS announces eyewear as new “One for One” product. *Huffington Post*. [https://www.huffpost.com/entry/TOMS-eyewear-one-for-one\\_n\\_872847](https://www.huffpost.com/entry/TOMS-eyewear-one-for-one_n_872847).
- Griskevicius, Vladas, Tybur, Joshua M, Sundie, Jill M, Cialdini, Robert B, Miller, Geoffrey F, & Kenrick, Douglas T. (2007). Blatant Benevolence and Conspicuous Consumption. *Journal of Personality and Social Psychology*, 93(1), 85–102. <https://doi.org/10.1037/0022-3514.93.1.85>.
- Hessekiel, D. (2021, May 6). *Companies Embracing Buy-One-Give-One Strategies: Warby Parker*. *Forbes*. <https://www.forbes.com/sites/davidhessekiel/2021/05/06/companies-embracing-buy-one-give-one-strategies-warby-parker/?sh=381991bb3b56> .
- Hildebrand, D., DeMotta, Y., Sen, S., & Valenzuela, A. (2017). Consumer responses to corporate social responsibility (CSR) contribution type. *Journal of Consumer Research*, 44(4), 738–758.
- Karimzadeh, M. (2011). Olsens Collaborate With TOMS Shoes. *WWD: Women’s Wear Daily*, 201(32), 11b–1.
- Kim, I. (2020). How TOMS went from a \$625 million company to being taken over by its creditors. *Insider*. <https://www.businessinsider.com/rise-and-fall-of-toms-shoes-blake-mycoskie-bain-capital-2020-3>.
- Kinne, A. (2020, June 30). *The Bombas Story: Changing the World, One Sock at a Time*. Workhuman Resource Center. <https://www.workhuman.com/resources/globoforce-blog/the-bombas-story-changing-the-world-one-sock-at-a-time>.
- Koschate-Fischer, N., Stefan, I. V., & Hoyer, W. D. (2012). Willingness to pay for cause-related marketing: The impact of donation amount and moderating effects. *Journal of Marketing Research*, 49(6), 910–927.
- Lev, Baruch, Petrovits, Christine, & Radhakrishnan, Suresh. (2010). Is doing good good for you? how corporate charitable contributions enhance revenue growth. *Strategic Management Journal*, 31(2), 182–200. <https://doi.org/10.1002/smj.810>.
- Liu, W., & Aaker, J. (2008). The happiness of giving: The time-ask effect. *Journal of Consumer Research*, 35(3), 543–557.
- Lopez, R. (2014). Maker of TOMS shoes expands into coffee roasting. *Los Angeles Times*.LA Times. <https://www.latimes.com/business/la-xpm-2014-mar-12-la-fi-mo-TOMS-coffee-roasting-20140312-story.html>.
- Marquis, C & Park, A. (2014). Inside the BUY-ONE GIVE-ONE Model. *Stanford Social Innovation Review*, 12(1), 28.
- Mattson, Craig E. (2018). A Better Feeling for Making the World Better? TOMS's Tropes and the Buy-One-Give-One Mode. *Rhetoric Society Quarterly*, 48(5), 440–458. <https://doi.org/10.1080/02773945.2017.1392036>.
- McDonald, S. (2021). TOMS Undergoes Its Biggest Rebrand – Inside the Company’s New Business Model. *Yahoo Life*. <https://news.yahoo.com/toms-undergoes-biggest-rebrand-inside-132335012.html>.

- Mycoskie, B. (2011, September 20). *How I Did It: The TOMS Story*. Entrepreneur. <https://www.entrepreneur.com/article/220350>.
- Mycoskie, B. (2011). *Start something that matters chief shoe giver*. Spiegel & Grau.
- Pfeffer, J., & DeVoe, S. E. (2009). Economic evaluation: The effect of money and economics on attitudes about volunteering. *Journal of Economic Psychology*, 30(3), 500–508.
- Quoidbach, J., Dunn, E. W., Petrides, K. V., & Mikolajczak, M. (2010). Money giveth, money taketh away: The dual effect of wealth on happiness. *Psychological Science*, 21(6), 759–763.
- Ritchie, Hannah. (2016, February 19). *Beyond Good Intentions: Tweaking the Buy One, Give One Model*. Sustainable Brands. <https://sustainablebrands.com/read/product-service-design-innovation/beyond-good-intentions-tweaking-the-buy-one-give-one-model>.
- Robinson, S. R., Irmak, C., & Jayachandran, S. (2012). Choice of cause in cause-related marketing. *Journal of Marketing*, 76(4), 126–139.
- ROMA Boots. (n.d.). *About Our Founder: Samuel Bistran*. <https://romaboots.com/pages/about-founder>.
- ROMA Boots. (n.d.). *About Roma Foundation: Mission & Vision*. <https://romaboots.com/pages/about-roma-boots>.
- Sargeant, Adrian, & Crissman, Kathryn. (2006). Corporate Giving in Australia: An Analysis of Motives and Barriers. *The Australian Journal of Social Issues*, 41(4), 477–494. <https://doi.org/10.1002/j.1839-4655.2006.tb00031.x>
- Skechers. (2020). Engaging With Our Communities. <https://about.skechers.com/community/>.
- Skechers. (2013, November 14). *SKECHERS Donates More Than 200,000 Pairs of BOBS Shoes to Typhoon Victims in the Philippines*. Skechers U.S.A., Inc. <https://investors.skechers.com/press-releases/detail/178/skechers-donates-more-than-200000-pairs-of-bobs-shoes-to>.
- Stone, C. (2021, January 12). *Bombas, the internet's favorite sock brand, now makes underwear* | *CNN Underscored*. CNN. <https://www.cnn.com/2021/01/12/cnn-underscored/bombas-underwear-for-men-women/index.html>.
- The Wharton Business School. (2015). The one-for-one business model: Avoiding unintended consequences. <https://knowledge.wharton.upenn.edu/article/one-one-business-model-social-impact-avoiding-unintended-consequences/>.
- TOMS® Official Site: We're in business to improve lives*. TOMS. (n.d.). <https://www.toms.com/>.
- TOMS Impact Report 2019-2020*. TOMS. (n.d.). [https://www.toms.com/on/demandware.static/-/Library-Sites-toms-content-global/default/pdfs/TOMS\\_Impact\\_Report.pdf](https://www.toms.com/on/demandware.static/-/Library-Sites-toms-content-global/default/pdfs/TOMS_Impact_Report.pdf).
- TOMS Launches Its Fourth One for One(R) Product, The TOMS Bag Collection, To Address Maternal Health. (2015). *PR Newswire*.
- TOMS Shoes To Donate One-Millionth Pair. (2010). *WWD: Women's Wear Daily*, 200(28), 9–1.
- Tschorn, A. (2010, October 17). *Toms has its alpargata, and now so does Bobs*. Los Angeles Times. <https://www.latimes.com/archives/la-xpm-2010-oct-17-la-ig-bobs-20101017-story.html>.
- Varadarajan, R. P., & Menon, A. (1988). Cause-related marketing: A Coalignment of marketing strategy and corporate philanthropy. *Journal of Marketing*, 52(3), 58–74.
- Vohs, K. D., Mead, N. L., & Goode M. R. (2006). The psychological consequences of money. *Science*, 314(5802), 1154–1156.

- Warby Parker. (n.d.). *Buy a Pair, Give a Pair*. <https://www.warbyparker.com/buy-a-pair-give-a-pair>.
- Warby Parker. (n.d.). *Warby Parker History*. <https://www.warbyparker.com/history>.
- Ward, S. (2019). Giving back to the community is good for business. *The Balance Small Business*. Retrieved from: <https://www.thebalancesmb.com/invest-in-your-community-2948357>.
- Winfrey, G. (2015, April 8). *The Mistake That Turned Warby Parker Into an Overnight Legend*. Inc.com. <https://www.inc.com/magazine/201505/graham-winfrey/neil-blumenthal-icons-of-entrepreneurship.html>.
- Wydick, Bruce, Katz, Elizabeth, & Janet, Brendan. (2014). Do in-kind transfers damage local markets? The case of TOMS shoe donations in El Salvador. *Journal of Development Effectiveness*, 6(3), 249–267. <https://doi.org/10.1080/19439342.2014.919012>.

