



<https://www.solepurposeve.com/>



sole_purposeve



1 (949)-234-5900



solepurpose.ca@veinternational.org





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Problem

246 million car tires are discarded every year, in the United States alone. With no effective way of disposing of them, we have unfortunately resorted to polluting our landfills, where the tires can take decades or even centuries to decompose. These used tires threaten to ignite fires, releasing enormous amounts of toxic gas into our environment. The alternate method of tire destruction, the open-burning process, continues to contaminate our air. Sole Purpose has found a way to recycle tires into a street-wear shoe line for young adults. By repurposing tires for the soles of our shoes, we particularly strive to reduce smog emissions produced by tire disposal. We hope to encourage our consumers to do their part in preserving our environment, while also showing off their new kicks!





Target Market

Demographic

Designing our shoes for young adults, both male and female, between ages 14 and 30.

Geographic

Modeling our shoes to replicate a streetwear style currently trending in Southern California and NYC ~ Constructing our shoes to endure varying weather conditions.

Socio-Economic

Manufacturing high-end footwear ~ Pricing our products to appeal to people of all financial situations, particularly middle-class consumers.

Offering monthly subscriptions to reduce the pressure of making a big purchase ~ Giving our customers the opportunity to help combat the tire crisis.

Benefit

Providing sustainable alternatives to regular shoes through the idea of upcycling ~ Keeping up with the evolution of fashion trends by frequently updating inventory.

Behavioral

Targeting shoe enthusiasts, an eco-friendly clientele, and your everyday shoe-wearer.

Psychographic





Market Analysis

Industry:

Over the next five years, the shoe industry is projected to increase by 5.5%, compounded annually. Currently, the streetwear market is thriving; major growth in recent years has caused the sneaker industry to peak at \$366 billion. Sole Purpose plans to benefit from this footwear “boom” by continuing to promote environmental awareness through our innovative shoe designs. In keeping with our goals as a year two company, manufacturing all components of production in-house has eliminated international customs and shipping costs. Our average cost per shoe has decreased from \$21.60 to \$3.44, consequently yielding enormous profit margins. In comparison to last year, our profit margins have increased from 63% to 95%. To further increase our profit margins, while simultaneously keeping up with the changes in fashion trends, Sole Purpose took the risk of selling luxury, high price products. Although this could alienate consumers, we offset this risk by addressing the needs of a broader market with our subscription based model, which also allows for better forecasting of production materials. We took a risk by assigning Sole Purpose into a single product category: streetwear. In order to counteract this risk, Sole Purpose will quickly increase market share by leveraging its unique product design, environmentally friendly mission, and subscription selling model. Sole Purpose has decided to base production in the U.S. which may pose a risk due to regulatory and labor disadvantages. However, our environmentally friendly solution of utilizing rubber from repurposed tires offsets the increased costs of labor, and decreases material, tariffs, and transportation costs. Initiating a global economic crisis, Covid-19 has resulted in dramatic fall in disposable income and consumer spending in 2020. Although the threats to Sole Purpose are minimal, the Covid-19 pandemic presents challenges to the shoe market as a whole, therefore reducing the net damage to our profits.

Market:

Sole Purpose brings in the majority of its sales through our success at trade shows. At both the Western Regional and the National Online Trade Shows, we had a





Market Analysis

consistent number of customer transactions ranging between 80–90 customers. As opposed to the steady number of buyers, our revenues had quite a drastic increase, jumping from \$16,527 to \$106,150, with a little less than a month's difference. We credit this dramatic increase to a shift in our sales and marketing strategies. In the past, we've focused on advertising our company's products as a whole, but in doing so, our customers were more attracted to the least expensive options. To encourage buyers to purchase our more pricey shoes or invest in our variety of packages, we specifically created promotions for the National Trade Show that encompassed both those motives. By continuing to offer deals and promote our higher-priced products, we expect to see a constant increase in revenue.

Competition:

With apparel comprising one of the largest sections of retail, there is significant competition vying for consumer dollars. Our biggest rivals in the virtual market include Epparel, Freedom Trail Outfitters, and Mined. In order to succeed, it is important that we understand our competitor's strengths,, and that we are able to differentiate our brand in a more favorable manner.



Epparel produces eco-friendly, high-end clothing, shoes, and mission trips, while Sole Purpose exclusively focuses on creating unique, trendy shoes at a lower cost with greater market diversity in addition to reducing tire waste and smog.



While Freedom Trail Outfitters exclusively sells men's footwear products, Patagonia, and Columbia clothing, along with outdoor expeditions, Sole Purpose targets more markets by offering unisex sizing and designs, creating a stronger brand with our singular environmental focus.



Lastly, Mined sells affordable denim apparel, masks, and accessories, made out of recycled plastic. Sole Purpose differentiates itself by exclusively selling footwear. Although we sell high end products, we offer an affordable method of payment through our subscription system.



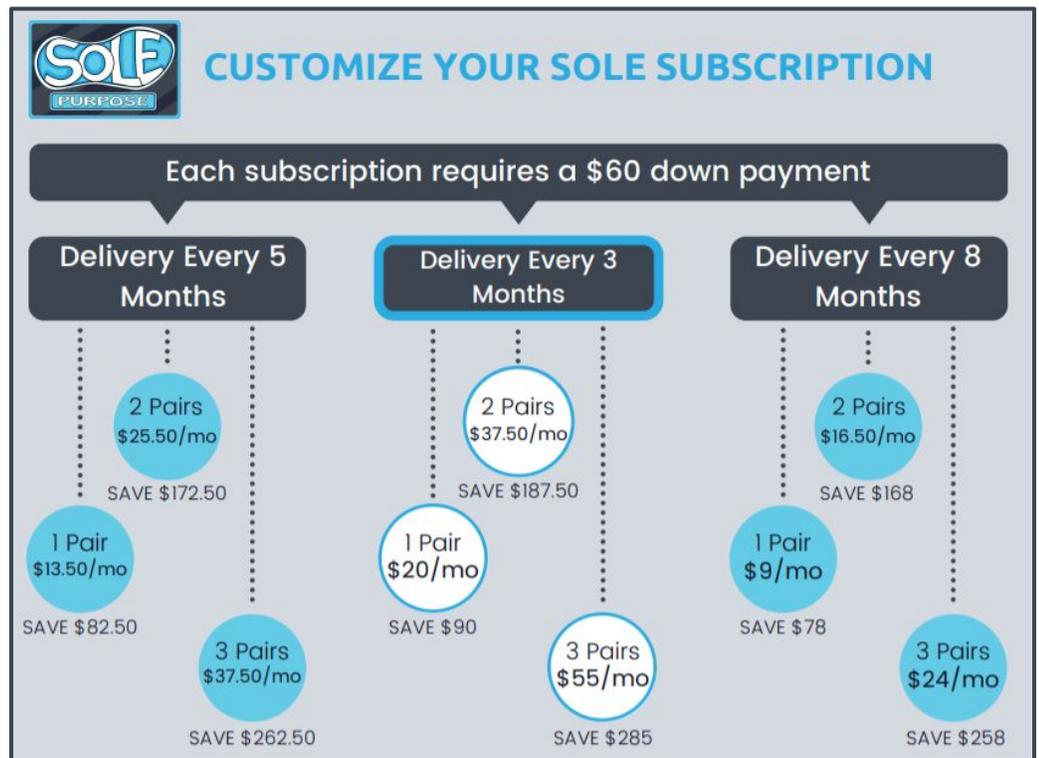


Marketing Plan

Product:

Sole Purpose exclusively sells sneakers, the soles of which are made from upcycled tires. To promote sustainability and combat wastefulness, Sole Purpose's subscription service creates affordability by allowing customers to spread out their payments over time. In this subscription model, the customer will receive one or more pairs of our high end shoes at a discounted price over a specific number of months. Depending on the

subscription they choose, the payments may be spread over three to eight months. This allows the customer to pick a plan that best fits within their budget. The subscription based method will ensure our shoes don't create more material waste by providing us pre-order demand that allows us to accurately forecast production materials. Also, by making the product more affordable we can cultivate a larger customer base with consistent revenue we can rely on. In addition, Sole Purpose provides their customers with different volume based packages giving them discounted pricing when they purchase in larger quantities. And of course customers will also have the option to purchase our standard shoes at their full price if they are not interested in the subscription model.





Marketing Plan



Pricing:

Sole Purpose will have five different styles of shoes with five different price points: \$75, \$100, \$125, \$200, \$250. Our subscription system consists of a \$60 down payment with three different monthly term payment options. For example, the eight

month subscription model will be at a discounted price of \$8 per shoe, each month. For every additional pair of shoes purchased, a lower price of \$17.50 will be offered for up to two additional pairs of shoes, regardless of the shoe style.

Positioning:

Sole Purpose will operate within the high-end streetwear industry. Understanding that it is difficult to stand out in an overly developed industry, we have carved out a niche sub-industry within this market: environmentally friendly, tire based footwear. The image that we wish to project is that of a streetwear brand that promotes both environmental sustainability, along with innovation in fashion design. Operating as the sole member of this sub-industry, Sole Purpose will be the first company to come to mind when environmental streetwear is brought up, making our sub-industry and our identity one of the same.



Innovation In Sustainability

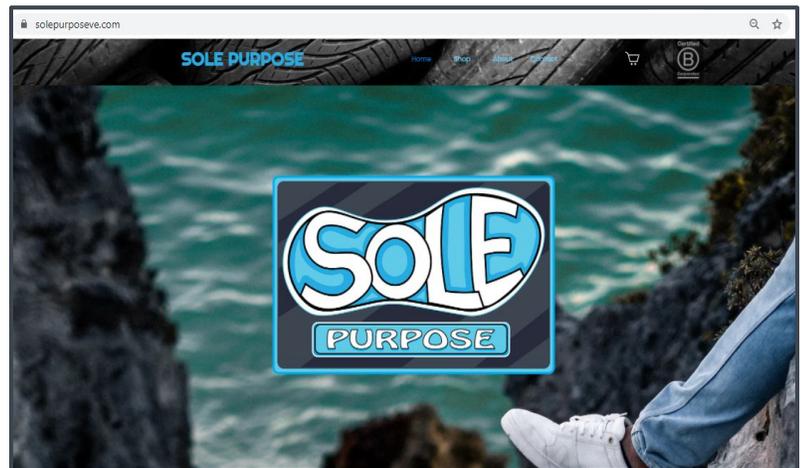




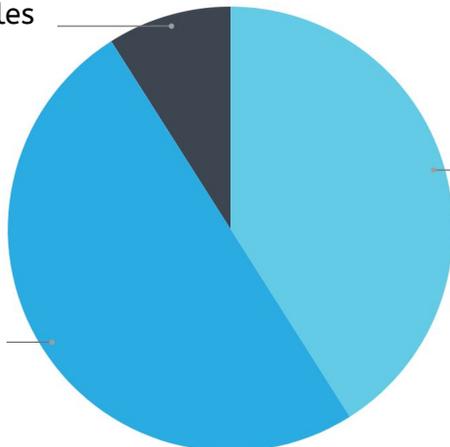
Marketing Plan

Placement:

Sole Purpose exclusively sells products through eCommerce and virtual enterprise trade shows. Millennials in 2019 make 60% of their purchases online, and that number is expected to exponentially grow with the millennial and gen z generations, making our website the perfect place to sell our product. These products are ordered online and delivered by local carriers such as USPS, Fedex and UPS. Shipping is free for all US orders on Sole Purpose products. International orders will cost \$9.99. In addition, trade shows provide a great outlet to sell one-on-one with our consumers and display physical models of our product. Dividing up these sales, our percent of revenue is 41% in out-of-network contracts, 50% in trade show sales, and 9% in website sales.



Website Sales
9.0%



Out-of-Network Contracts
41.0%



Trade Show Sales
50.0%





Marketing Plan



Promotion:

Sole Purpose plans to primarily market our product through social media platforms such as Instagram, Twitter, and Snapchat. 95% of our target market owns an internet-enabled device while 54% of all social browsers use social media to research products, proving this method to be the most effective way to reach our target market. We will use Instagram in-app promotions to push our posts to the top of our target market feeds, generating more traffic and engagement on our account. At Virtual Enterprise trade shows, we will use Snapchat geofilters. For a low price of \$5 per 20,000 square feet, geofilters have proven to be one of the most cost-effective marketing strategies in the digital

age. We also plan to utilize physical marketing materials such as banners, flyers, business cards, t-shirts, and more at Virtual Enterprise Trade Shows.

Subscriptions starting at \$9 a month!

CUSTOMIZE YOUR SOLE SUBSCRIPTION

| STEP 1 | STEP 2 | STEP 3 |
|--|--|---|
| <p style="font-size: 0.8em; margin-top: 5px;">\$60 down payment for your first pair of shoes</p> | <p style="font-size: 0.8em; margin-top: 5px;">Choose how many pairs you want per month: One, Two, or Three</p> | <p style="font-size: 0.8em; margin-top: 5px;">Pick what model shoe you want to receive each month</p> |

