



RENS vs. SALOMON

SUSTAINABLE ATHLEISURE SHOES

Contents

Introduction

Sustainable athleisure shoes

– an industry overview

Sustainability in footwear

Starting up or starting over?

Company introductions: RENS & Salomon

Company culture

Business Model Canvas

Effectuation from theory to practice

Theory Principles

Salomon vs Rens

Design Thinking

Design Thinking & Innovation

Doblin's 10 Types of Innovation

Innovation Ambition Matrix

Danish Design Ladder

Future perspective

Future prospects

Futures Table

3 scenarios

Key learnings

Appendix

Interview with Amer Sports

References

Team



EMILIA KIIALAINEN

684691



HYUN LEE

796107



TRANG NGUYEN

904135



KAREN VISURI

876263



PRASHANT YADAV

247500

Introduction & Market Overview

In the fashion industry, sustainability is becoming a huge trend. Consumers have environmental concerns on top of their minds. Just a good product will not win consumers' favor anymore. Nowadays, shoppers want more, they want more than quality. They are looking for brands and products that do align with their own personal values. (Rosmarin, 2020)

In the twenty-first century, we shall now consider how good shoes are made with respect to good-for-the-earth footwear with true sustainability through natural premium materials and longevity of the product life cycle. (DeAcetis, 2020)



According to an article in Business Insider, there are nine footwear brands that are making sustainable sneakers, and the materials are recycled and renewable. These nine brands are Adidas X Parley, Tread by Everlane, Reebok NPC UK Cotton + Corn, Nothing New, Converse Renew, Nike, Allbirds, Greats, and Rothy's. These nine brands are making an effort to set a new standard by designing and making sneakers with eco-friendly and innovative materials, and as well more sustainable manufacturing methods.

There are over 23 billion pairs of sneakers made each year, and over 300 million of these pairs are thrown out. It takes about 30-40 years for a sneaker pair to completely decompose. Shoppers have more knowledge about environmental issues in the production of shoes. Due to this, several brands offer sustainable alternatives, because they are now more incentivized to do so. (Ismael, 2020).

Another article about sustainable shoes can be found on Refinery 29's website. According to Hoshikawas (2020) article *5 Sustainable Running Shoes For Some Eco-Friendly Exercise* people's way of acting sustainably is no longer a niche, it has become a new norm. The article discusses five brands that make consciously-made sneakers: Adidas x Parley, Allbirds Wool Runners, Veja Condor Running Sneaker, Nike, and Tread The Trainer. As seen by both articles large companies in the sneaker industry are making sustainable shoes from different materials. The material of the shoes varies from example sea trash to recycled materials.

A lot of waste is generated in the fashion industry. Because of this, sustainability has become an issue that everyone in the industry is trying to address (Silverman, cited in Burke 2018). As our interview with Amer Sports CEO Takala (2020) states that big companies need to make sustainable products, in other words it is a must. Takala continues that due to the huge amount of waste it is a must to create other solutions that change the situation for the better. The article

mentioned above, by Ismael, states that shoppers have become more educated about the environmental issues in the production of shoes. From these statements, we can conclude that it has become an important factor for bigger companies to offer sustainable shoes. There are two factors that create this sustainable shoe market, the companies that need to be sustainable and the consumers that demand and want these products.

Companies and brands also think about their competitors, and to stay in the competition of consumers' money all the companies need to provide such products. It is also profitable for large companies to offer these sustainable products because customers want to buy them.

In this paper we are looking at two sustainable shoe makers: Salomon and Rens. Salomon is a brand owned by Amer Sports, and Rens is a startup company. They are taking part in the sustainability trend in the shoe industry by having

created a shoe with sustainability in mind. Salomon's sustainable running shoe is completely made out of a plastic material named "thermoplastic polyurethane", which can be ground down into smaller bits at the end of its life, and through this, the plastic material salvaged from the running shoes can be used to make an alpine ski boot shell that is also produced by Salomon (Salomon, 2020). Rens shoes are the first sneakers in the world that are made of coffee and recycled plastic. (Rens, 2020). Both Rens and Salomon tackle the sustainability issue in the shoe industry, but in different ways.



(Businessinsider, 2020)

RENS

COMPANY OVERVIEW

RENS Original is the World's First Sneaker made from recycled coffee and plastic.

Founded: 2017

HQ: Helsinki, Finland

Company size: 17 people , 10 nationalities

RENS created an upcycled shoe. For every hundred pairs of sneakers manufactured that , they recycle 324 pounds (147 kilos) of used coffee grounds . In addition, the manufacturing process uses recycled plastic.

The two founders of the company, Jesse and Son, used to work in a startup called Factory Finder. One thing the two friends have in common is that both of them are *sneakerheads*.



(Rens, 2020)

They came up with the idea to make sustainable shoes where sustainability is not the most important point, but the coolness. From their observations, sustainable products look unfashionable, and customers buy it mostly based on ethical reasons.

In addition, the price of sustainable products is usually high, and companies target the upper class. Jesse and Son wanted to make sustainable shoes affordable for everyone.

(Tran, 2020)

Salomon

COMPANY OVERVIEW

Salomon is the European leader in outdoor sports equipment.

Founded: 1947

HQ: French alps

Company size: 2800 employees

"Salomon has been playing in the French alps since 1947. Our passion for outdoor sports, new technologies and craftsmanship has driven us - and still does - to create progressive gear to enable you to freely enjoy and challenge yourself in the great outdoors.

Don't wait any longer.

Now, it's time to play. "

Salomon is a research, development, and product-driven brand which is close to nature. One way in which Salomon reinforces their brand image is by creating new products.



Salomon uses the Higg Index Brand Module to measure and improve the environmental and social footprint of their products and operations. Salomon has been a bluesign® System Partner since 2013; a Sustainable Apparel Coalition (SAC) member since 2016 and is committed to the use of more sustainable textiles chemistry.

Salomon's mission is to deliver growth while reducing environmental impact, and contributing to social development.

(Salomon, 2020)

#rens

Come up with ideas

Jesse and Son started working on their ideas

2017



05/
2019



Crowdfunding
Product launched. Raised 100% within only 24 hours

10/
2019

Products completed

Start delivering the first RENS shoes to customers



2020

Products upgraded
Version 2 of the coffee sneaker launched



Founded

Company was founded in Annecy, France

1947



1972



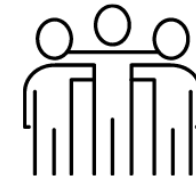
Big Success

Selling 1 million shoes in one year

1985

Reputation

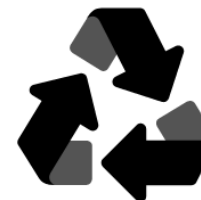
Salomon gained 250 million euro revenue



2005

New family group

Salomon was acquired by Amer Sports



New Direction

Time To Play - brand new direction focus on sustainability

2016



2020

New product line

New recyclable running shoes V1

Company Culture

rens

RENS wants to build a family where everyone is open and has respect for each other. Each member has their own authority, and everyone is responsible of their own projects. In the future, as business operations expand, they will recruit more.

They use the Hub-recruitment platform to find new talents who are the best in Helsinki and like to do cool stuff.

(Tran, 2020)

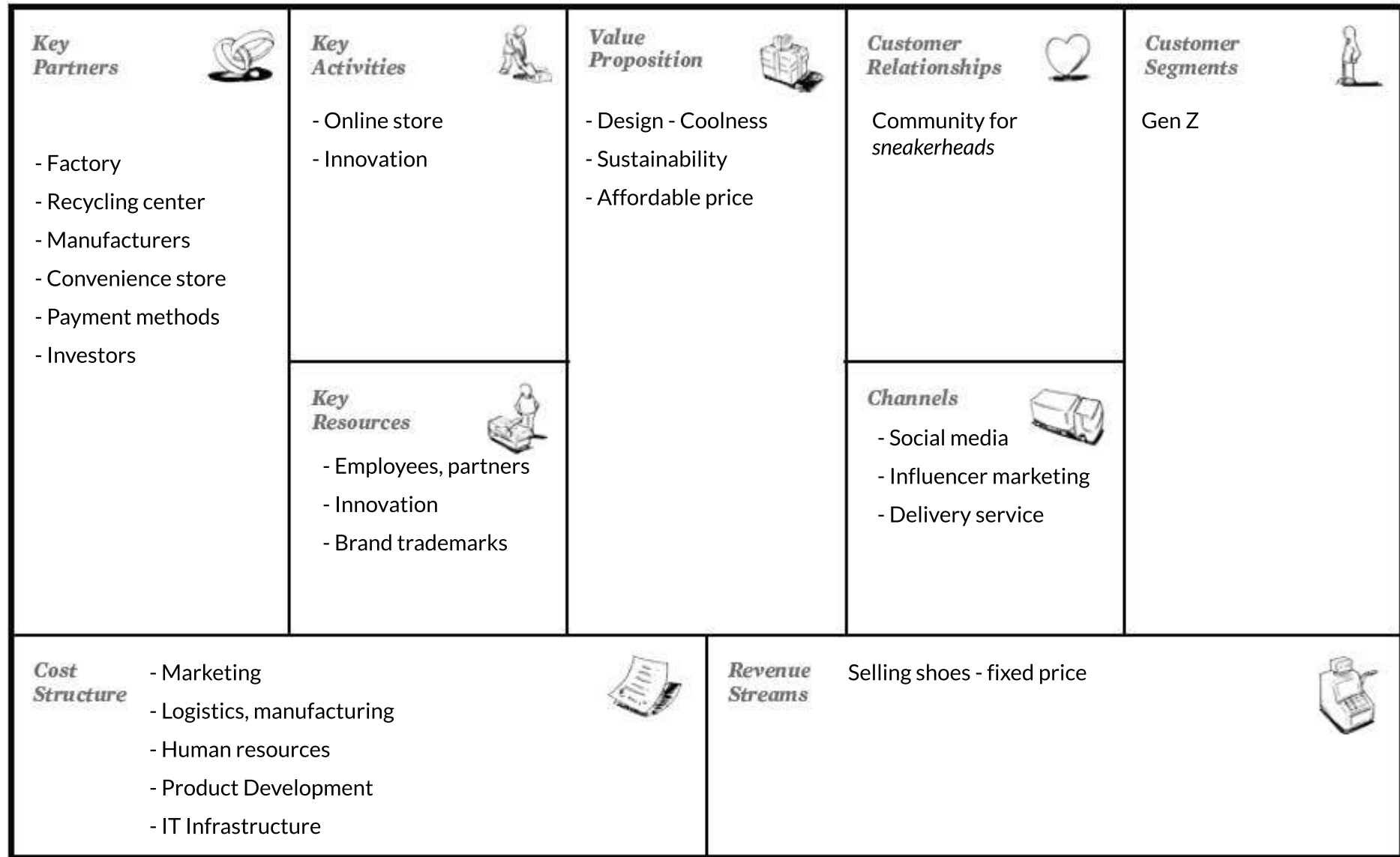


Salomon has spent 10000 hours on training program for employees. They also created 37 sports and cultural clubs for employees. Internal events are held at least twice per week for team building.

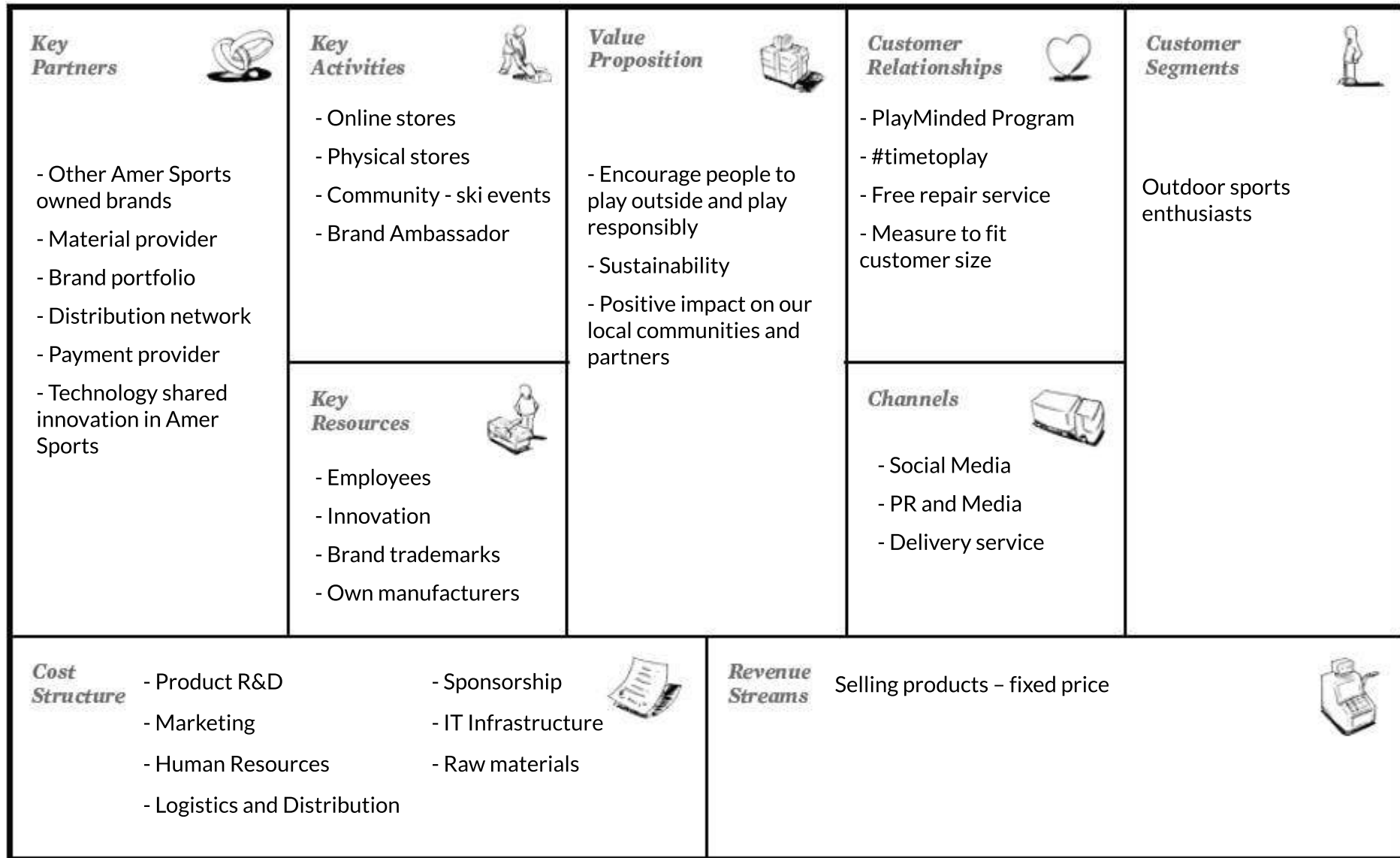
Salomon pays attention to raise awareness about sustainability among their employees. They provide organic food for cafeteria. Their goals are to be in top 25% companies of employee engagement.

(Salomon, 2020)

Business Model Canvas - RENS



Business Model Canvas - Salomon



Business Model Canvas explained

Value proposition

The value proposition is the foundation for every product. It describes the concept of how the business delivers value to customers. For both RENS and Salomon, they focus on bringing sustainability to their products. However, each company has added value.

With RENS, sustainability is their core value, but they don't want to promote it as a top priority. What they see from other sustainable products is the lack of style. Coolness is what they want to achieve with their products, and sustainability is a cherry on top. For Salomon, they want to encourage people to do more outdoor sports. Their products ensure safety when people play outdoors.

Customer segments

Customer segments between the two companies are different. The main target audiences for RENS are people from Gen Z, while for Salomon, it is the sports enthusiasts.

Customer Relationships

For a big corporate like Salomon, they pay a lot of attention to building customer relationships. They offer delivery and repair services for free. Besides selling products, they often host ski events and try to build a community around sports enthusiasts.

RENS is currently building a community for all sneakerheads. The first pair of shoes bought are shipped to customers for free.

Channels

Both of the companies use social media channels to engage with the audiences. Influencer-marketing is applied and has gained good results. Especially with Salomon, they built campaigns around brand ambassadors.

Key activities

RENS and Salomon both have online stores. Salomon also has the products displayed in physical stores. Both pay attention to design innovative people and inspire people to do more outdoor sports.

Key resources

Unlike Rens that has to find a manufacturing partner, Salomon has its own factory. Both companies have their own brand trademarks that do distinguish them from competitors and avoids copying. RENS's CEO explained that each pair of shoes have different patterns. Amazon started to sell some similar products, but they can not duplicate what RENS has done.

Partners

RENS partners with convenience stores to get the coffee grounds, and then delivers them to the recycling center. After the recycling process, the coffee grounds are delivered

to their manufacturing partners to make the products. As Salomon is owned by Amer Sports, it can share technology with other sister companies under Amer Sports (such as Atomic, Arc'teryx, Peak Performance etc).

Cost structure

The cost structure is the same for both: Cost = Human + Marketing + Technology + Product R&D + Logistics + Manufacturing. There is only a small difference with Salomon, which sponsors community events to build customer relationships.

Revenue stream

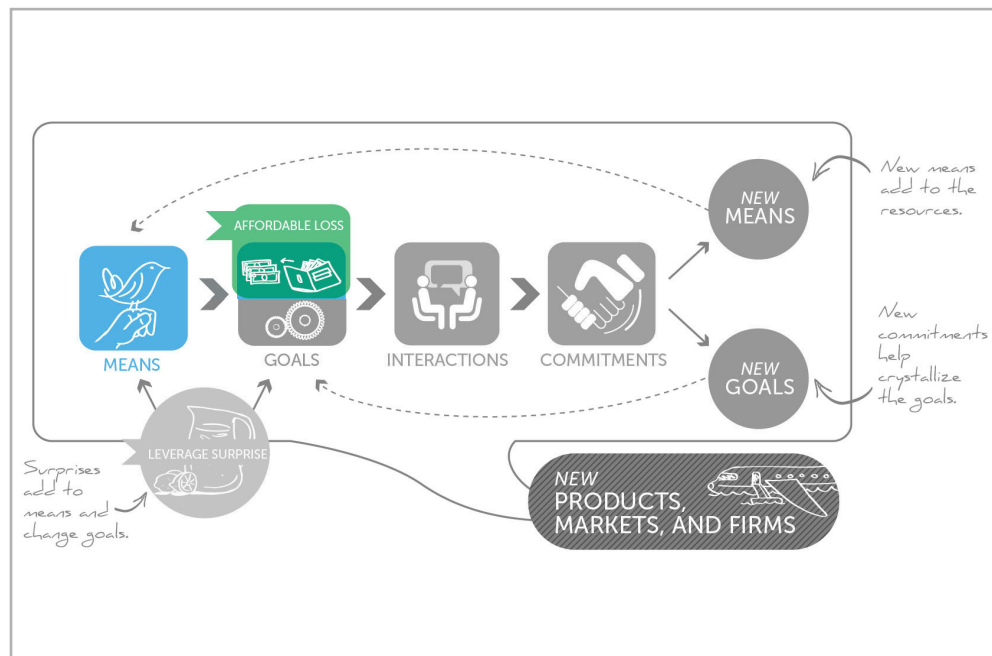
The revenue stream in both comes from selling products at a fixed price.

Effectuation from theory to practice

Effectuation is a sense of purpose, a logic of entrepreneurial expertise (Society of Effectual Action, 2020), and the science behind great entrepreneurs. Effectuation is complimentary with design thinking, which puts great importance on customer-centricity because effectual reasoning is all about unpredictability. Hence, effectual reasoning is much more suitable in the case of a project with a high degree of uncertainty than a project with a high degree of certainty.

Saras Sarasvathy proposed the theory of effectuation to describe entrepreneurship processes in decision-making and action-performing (Society of Effectual Action, 2020). In short, the theory of effectuation argues that entrepreneurship utilizes the concept of effectuation rather than causal logic, that involves predetermined goal and carefully made plan with limited resources, obviously because entrepreneurial processes have to deal with more uncertainties and risks. In our report, we analyzed entrepreneurship in Rens and Salomon with 5 pillars of the theory of effectuation.

Bird-in-Hand & Affordable Loss Principles



(The effectuation cycle)

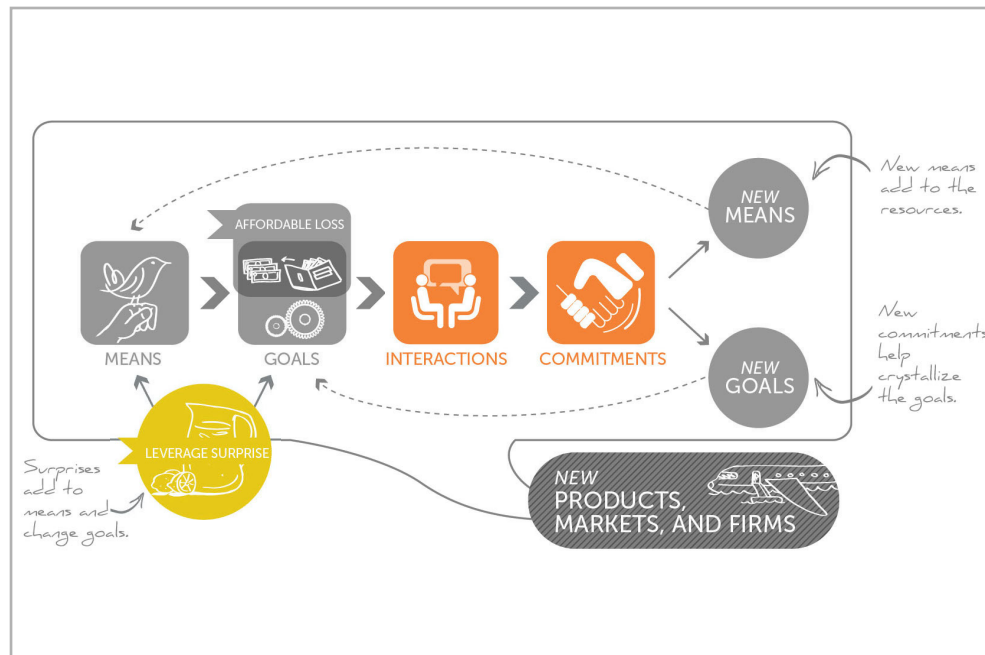
Bird-in-Hand

There are various means that entrepreneurs build a new venture with - who they are, what they know, who they know. Other than those, we would propose to include the current industry situation and market that they are in, because that can be an intangible resource to be used as well as shown in Rens' case. The bird in hand principle, after all, is all about what the entrepreneurs see as resources and means they can utilize to start their venture.

Affordable Loss

Entrepreneurs can minimize the risk of their ventures by only investing what they can afford and willing to lose. This is to avoid depending on prediction and to focus on making opportunities that cost lower when failed, to extend.

Crazy Quilt & Lemonade Principles



(The effectuation cycle)

Crazy Quilt

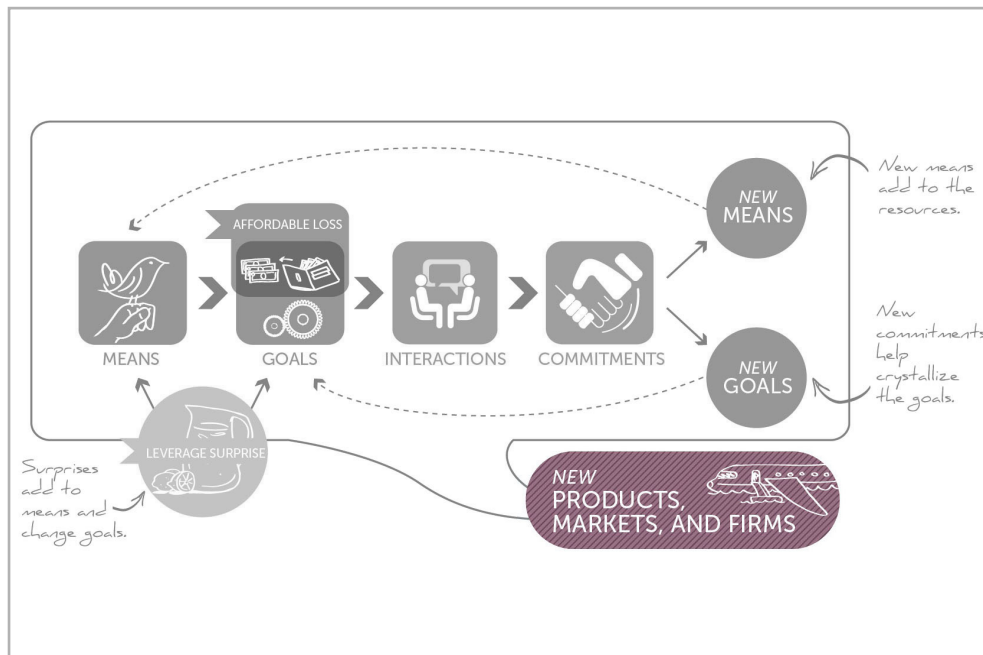
With unpredictable future, the market where new venture will fit is not guaranteed to be existed, hence competitive analysis has very little meaning. It is complimentary with affordable risk principle that entrepreneurs already minimized the risk, so that the entrepreneurs can benefit commitments from some of their “crazy quilt” networks.

Lemonade

With unpredictable future in mind, successful entrepreneurs are the ones who can make new opportunities out of mistakes and surprises. To do so, remaining flexible is the key quality to keep in mind.

Pilot in the Plane

Principle



(The effectuation cycle)

The building block of effectuation is an unpredictable future. The pilot in the plane principle explains that well. For entrepreneurs, the future is something they can make, so they put the effort into making their future happen rather than predicting it. Being a pilot of their venture, they focus on the aspects they can control in whatever degree they can.

#rens

Both founders of Rens are sneaker enthusiasts to start with. Also, they had a friend who was a shoemaker to help them with the first prototype. To compete as a latecomer in the athleisure market, Rens took advantage of the current market leaders' weaknesses of being unsustainable to promote their venture's strength.

Many people backed up Rens through crowdfunding. Some of those individual contributors are committed to Rens. Moreover, Rens built huge networks of manufacturers and sustainable materials companies over the years. They continuously collaborate with influencers for promotion as well.

Means
BIRD-IN HAND



(Bird-in-Hand)

Co-Creation
Partnership
CRAZY QUILT



(Crazy Quilt)



To start with making sustainable running shoes, Salomon had already knowledge of making new ski boots from worn out old ski boots. Besides that, as an established brand in a sporting goods company (Amer Sports Oyj) that has ever expanding catalogue of sports brands, the other brands resources can also be considered as their birds in hand.

Salomon started the Salomon Foundation and Time to Play Foundation to build community and serve local and industry associates in focus on many areas, including sustainability. Also, Salomon opened Salomon Mountain Academy for educating skiers and snowboarders to evaluate safety in their environment. Salomon is a full member of the Sustainable Apparel Coalition (SAC) and working closely with the High Index tools in driving environmental sustainability.

rens

Social risk and psychological risk are the risks they could afford to lose. As a startup, they could not afford the economic risk.

Although their current product is shoes made out of coffee waste and plastic bottles, it wasn't a direct result of their first prototype. The first prototype was made from organic cotton with Adidas sole, which didn't meet their expectations. Rens used the failure as an opportunity to find a lot of cool materials, resulting in the current product.

Rens started with a strong goal to make a fully sustainable fashion company. With limited resources they have in hand, Rens is fully committed to make the future happen rather than predicting it. For example, after seeing difficulties in trade related to China, they expanded their network of manufacturers to Vietnam.



Affordable Loss



(Affordable Loss)

Leverage Contingencies



(Lemonade)

Worldview:



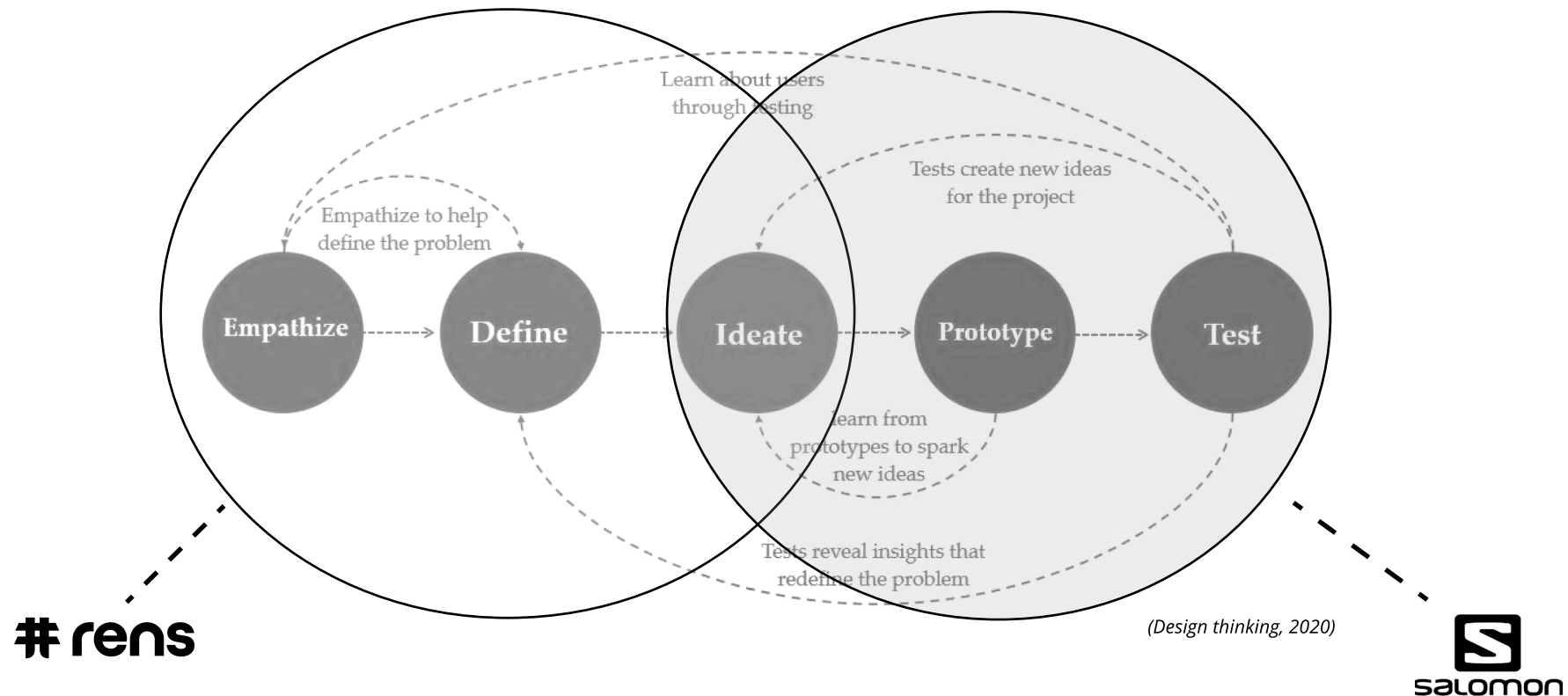
(Pilot in the Plane)

Economic and monetary risk is the risks they could afford to lose, but Salomon sees social risk - particularly ecological reputation - directly connected to existential risk, which they couldn't afford.

As a part of the effort towards sustainability goals in 2025, Salomon identified wasted materials as one of their mistakes. Salomon then decided to reduce the waste minimum and maximise production.

Salomon's sustainability goals towards 2025 are based on the prediction from various sources. As much effort Salomon is putting to meet their goal with their huge pool of resources compared to Rens, Salomon is equally focused on the possible changes in the future.

Design Thinking & Innovation

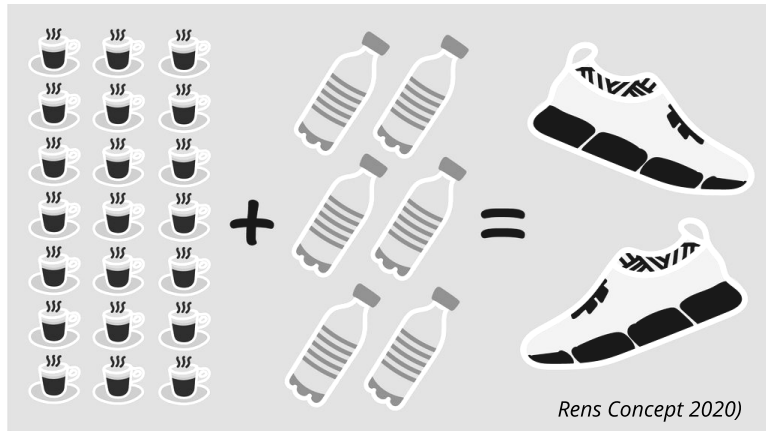


Empathize, Define & Ideate

RENS is on the mission to become the Market Leader in Sustainable Fashion Globally. They have used coffee beans and recycled plastic to design *The World's First Coffee Sneaker* and plan to be a global player by introducing more sustainable and recycled products. (Tran, 2020).

Ideate, Prototype & Test

According to Takala (2020), Salomon has an innovation process called as I2C = Idea to Consumer as part of the company's 'Play Minded Program'. New products, processes, and improvements are designed to achieve Sustainability goals by 2025 through the Play Minded Program as a guiding principle.



RENS

Although prototyping and testing form core phases of their product design philosophy, RENS, as an organization has more of the Empathize, Define & Ideate phases of design thinking embedded into their DNA.

As explained by Tran (2020) in his interview, after a failed attempt of creating a sustainable shoe using organic cotton, the define and ideate phase helped RENS to conceptualize and manufacture a totally new breed of material – used coffee beans and recycled plastic to create a 100% waterproof, breathable, eco-friendly & odor-resistant shoe, the first-ever in the world.

RENS's target is to achieve Sustainability through a 'Closed Loop' manufacturing and supply chain process using design thinking methodology (Tran, 2020).



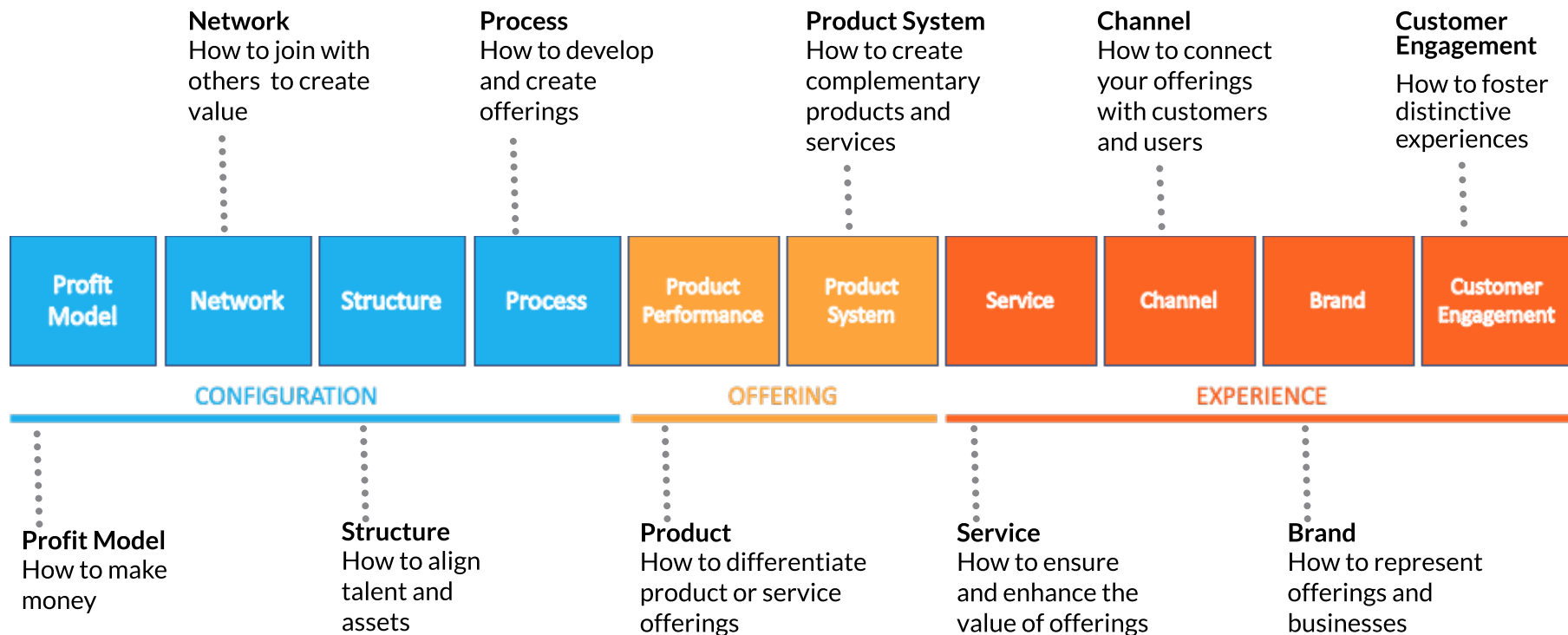
SALOMON

In Salomon, the different phases of design thinking are used intermittently with more emphasis on prototyping and testing of products. The majority of innovation happens at the product level starting from identifying raw materials that can be recycled. The latest product – Index.01 running shoe is designed to limit materials hence 100% recyclable (Snider-McGrath, B. (2020).

The shoe's upper, made from recycled polyester, can be recycled into a new thread for fabric, while the foam sole can be ground up and used in making Salomon's trademark ski-boots. 'Nothing goes to landfill'. Salomon's target is to achieve Sustainability through a 100% Circular Economy using design thinking methodology. (Peters, 2020)

Doblin's Ten Types of Innovation

The Ten Types of Innovation framework, is a flexible approach to innovation that is highly applicable to internal audit. The framework is especially suited for situations in which incremental innovation is preferable to radical change created in isolation. (Doblin.com, 2020)



RENS - Applying the 10 Innovation Types



Four Types of Innovation

- 1 Network:** RENS has built itself a strong network of partners and suppliers, mainly in the R&D and manufacturing space. Right from recycling plants where the ground coffee is sourced to the raw material supplier, which binds coffee and recycled plastic to create the fabric for the shoe, forging successful partnerships has been its greatest strength. The investors in the company not only bring financial backing but also bring their deep expertise in the retail e-commerce space, which is the main growth driver for RENS and helping them to establish as a global brand. (Tran, 2020).
- 2 Process:** Being young and entrepreneurial, RENS founders apply the design thinking process in all aspects of their business. The problem definition and ideate phase are well evolved, and process-driven. There is a structured approach to researching new recycled / up-cycled raw materials that form the basis of their next innovation and product development. (Tran, 2020).
- 3 Product System:** RENS through its disruptive innovation methods has started building a whole set of products within the fashion realm. They have a road-map to create a range of sustainable, recycled material-based products, not limiting to footwear, but also catering to the apparel market. The vision is to be market leaders in the sustainable fashion space, globally. (Tran, 2020).
- 4 Brand:** RENS has been successful in creating a unique identity for themselves in the sneaker market. The narrative of using everyday waste like coffee grounds and pet plastic bottles to create a shoe has been a resounding success with the young generation who desire environment-friendly products (Tran, 2020). The concept was so well received, that their Kickstarter campaign got funded within 24 hours and raised a total of \$0.5M with orders from around 69 countries (Kickstarter.com, 2020). Both the co-founders were featured in Forbes 30 under 30, and this has helped in establishing the brand too (VietNamNet News, 2020).

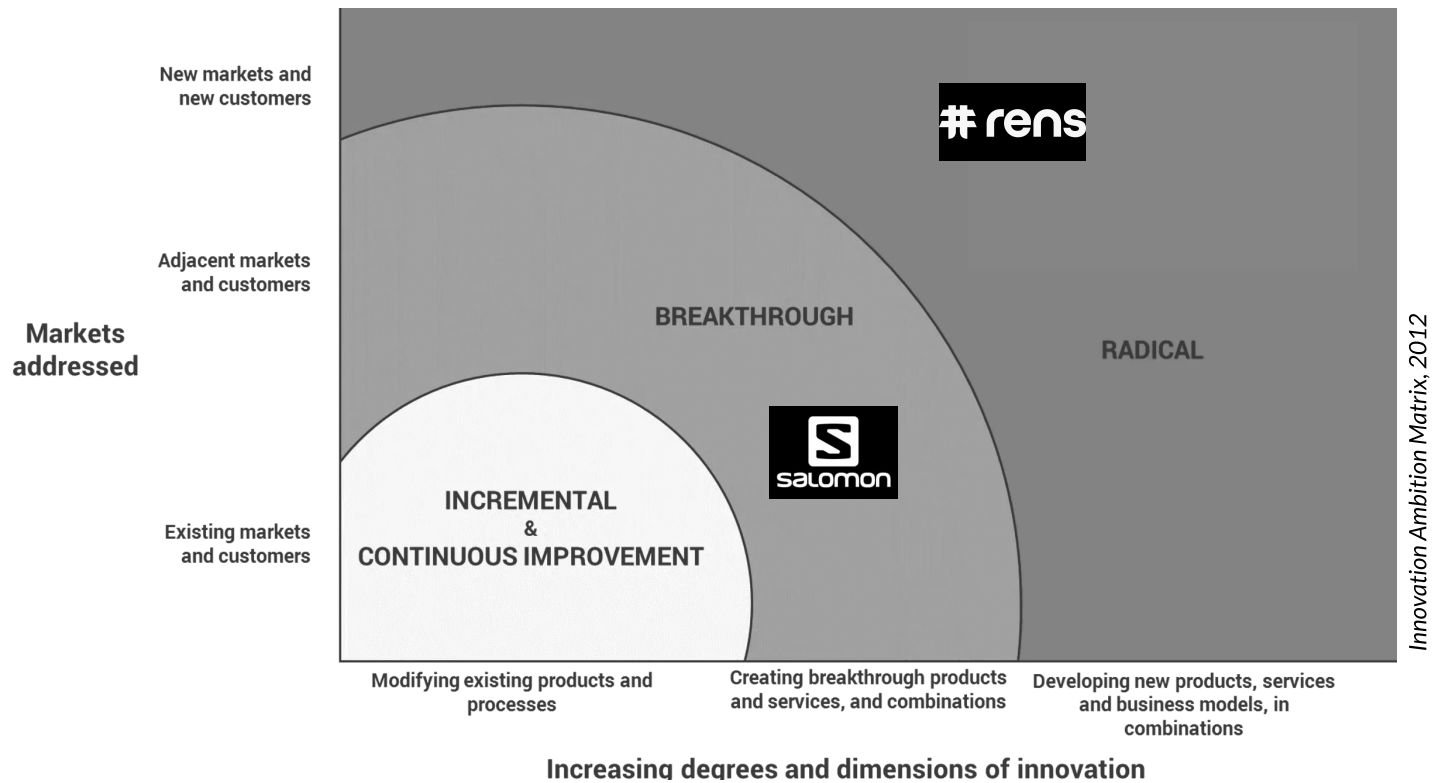
Salomon- Applying the 10 Innovation Types



Six Types of Innovation

- 1 **Structure:** Sustainability is part of the company's innovation process. New ecological methods to manufacture the product are searched to reduce the carbon footprint. They apply standardized practices like Higgs Index even with their suppliers and include them in their sustainability journey (Mazars, C. cited (Apparelcoalition.org, 2020). Sustainability goals are decided at the corporation level, and passed on to the brands internally to innovate, and it is a perpetual process (Takala, 2020).
- 2 **Process:** The Idea-to-Consumer, its a new consumer-driven innovation process that analyses the megatrends and consumer behavior to cater to the consumers' changing needs. Technology and innovation are shared across brands within Amer Sports to implement best practices in design as well as manufacturing. Automated machines calculate the use of materials and fabric to eliminate human inefficiencies. (Takala, 2020)
- 3 **Product Performance:** With the introduction of new recyclable materials, the products are rigorously tested to ensure that they perform at par or even better and live up to the Salomon brand promise. New shoes are tested by test groups and machines. The machine 'walks' with the shoes for several hundred kilometers to ensure product endurance. This tried and tested material is then passed on to different brands & product groups. (Takala, 2020)
- 4 **Service:** Salomon offers a warranty of 2 to 3 years on all products and a hassle-free 30 days return policy (How can we help you? (Salomon, 2020). The ski-boots fitment process plays a large role in implementing the customer-first approach. This novel way of heating and baking ski-boots to give a custom fit ensures customer delight and customer loyalty. (Takala, 2020)
- 5 **Channel:** Salomon has a robust distribution network backed by the parent company Amer Sports, which has a repertoire of brands serving the outdoor sports & fitness market. It sells its products through brand stores, factory outlets, e-commerce, and trade customers in sporting goods chains, specialty retailers, mass merchants, fitness clubs, and distributors. (Pambet, cited in Jans 2020)
- 6 **Customer Engagement:** The team at Salomon strives to deliver an omnichannel experience, whether the consumer is in-store or online (Pambet J., cited Jans, 2020). To enhance customer engagement, Salomon has launched various Experience stores across Europe, the latest being in Munich, Paris & Madrid (Amersports.com, 2020).

Innovation Ambition Matrix



RENS- Innovate to EXIST

- Radical raw material made from used coffee grounds + recycled plastic
- Use of recycled material to create new product
- Targeting youth sneaker lovers concerned about sustainable products globally (Trans, 2020)

Salomon- Innovate to be RESPONSIBLE

- Reversed engineered material from existing product to launch a new product
- New product at end-of-life to be recycled
- New product targets customers in existing markets (Takala, 2020)

“Innovation distinguishes between a Leader and a Follower”– Steve Jobs

The Innovation Ambition Matrix, created by Bansi Nagji and Geoff Tuff is based on the classic diagram devised by the mathematician H. Igor Ansoff (Nagji B & Tuff G., 2012). This matrix replaces Ansoff’s binary choices of products and markets with a range of values.

The products or company’s offerings are listed on the X-axis, while the market characteristics are plotted on the Y-axis. On the left-hand corner are the core activities of the companies, and the extreme right represents transformational initiatives. In the middle, the adjacent initiatives, are built on the activities that the companies are experts in. It leverages the inherent strengths within the organization and builds on it through breakthrough innovations that assist in capturing adjacent markets and customers. (Nagji & Tuff, 2012)

According to the Nagji & Tuff (2012), companies that allocated about 70% of their innovation activity to core initiatives, 20% to adjacent ones, and 10% to transformational ones outperformed their peers. Based on our analysis of the discussion with Salomon CEO Takala (2020), their focus is on enhancing core activities and the adjacent ones. Whereas discussion with RENS CEO Tran (2020), revealed that they are focusing on improving their existing product (core activity) but also dedicating a substantial amount of efforts in introducing radical new products, not confined to the shoe market. Since RENS and Salomon are two very distinct companies, one being a young startup while the other an established brand in the same space of athleisure shoes, we decided to compare them with the same tool.



Tran, CEO of RENS, was instrumental in developing a radical new raw material 'coffee yarn' made of used coffee grounds plus recycled plastic. The material is not only odor-free due to the anti-bacterial properties of coffee but 100% waterproof too (Rens Original US, 2020). The design of the shoe is singular, which means the entire top of the shoe is made from a single fabric – the coffee yarn. (Rens Original, US, 2020)

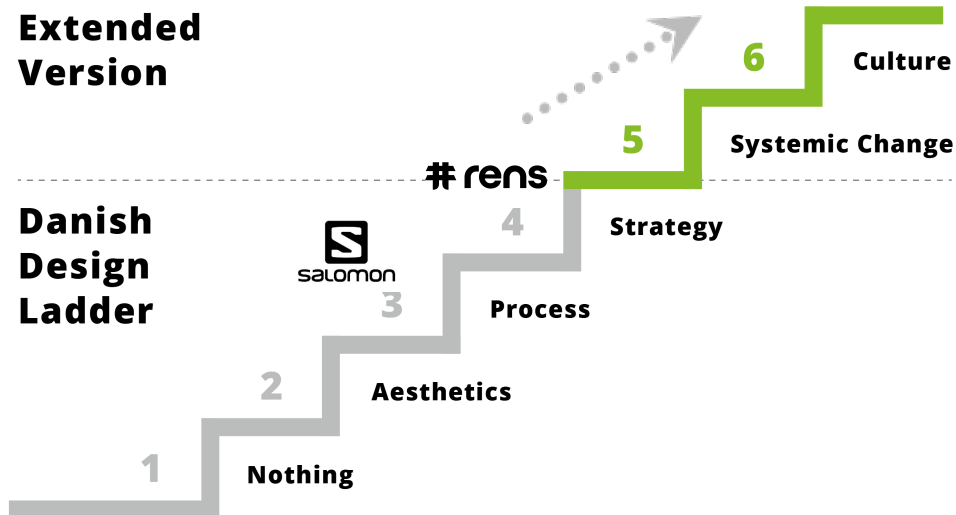
This ensures that the shoe fabric, at the end of its life, is recycled again with ease (Tran, 2020). Innovation at RENS has ensured the creation of a totally new up-cycled raw material, which has an appeal with the youth who wish to use sustainable products (their target market) (Tran, 2020). For RENS Innovation means TO EXIST and hence we placed them in the Radical quadrant of the matrix.



Salomon has been recycling their old ski-boots for the past few years as part of their sustainability efforts to create a cyclic economy (Takala, 2020). Their breakthrough movement came when they created a unique fabric out of the recycled ski-boot material. This material was used to launch a totally new product 'INDEX.01', a running shoe, which, as a whole, can be recycled by melting into pellets at the end of its life and transforms as raw material for their ski-boots (Newcomb, 2020).

The target market for these shoes is their existing customer segment in athletic wear. The recyclable shoe was born as part of the sustainability initiative. For Salomon, Innovation is to be RESPONSIBLE, hence we placed them in the Breakthrough quadrant.

Danish Design Ladder



Danish Design Ladder with 2 additional Steps, 2016

The Danish Design Ladder was developed in 2001 as a communicative model to rate company use of design (Design Ladder 2016). It is based on the hypothesis about the relationships between a company's level of development and the role of design. The original version of the Danish Design Centre has 4 steps. The graph (above) is an extended version from Hoedemaekers (2016) from Design for Business.

Design was a strategy for Rens in the beginning. Design transformed the way Rens create value. Design draws on their logic, imagination, and intuition to explore the possibilities of what could create desired outcomes to benefit the customers. This is proved through their close collaboration with manufacturers and customers and within the company. As the business scales up, design is moving towards becoming a culture.

Design at Salomon is more of a process. Sustainability is one of their main focuses, and they use design to reach the goal. Design is integrated during the development process.

In the near future, the world is shifting from engineering-driven to design-driven, product-centric to customer-centric, marketing-focused to user-experience-focused (Naiman 2019).

Future prospects

Both two companies share a common goal for sustainability, yet have a profoundly different approach to the transition at hand.

A common time-span for companies to plan is within a few years ahead. Whilst transformational design thinking acquires a much longer time-span. For companies to innovate and gain the lead in the industry, they could benefit from looking further forward. With futures research methodology, such as scenario work, we can examine what possibilities lie in the long future.

Scenario work is a mix of tools used in futures research and foresight to come up with alternative visions or storylines for the future. It is a combination of both qualitative and quantitative research methods. Scenario work mixes

present trends, weak signals, findings from multiple fields of study and combines it with the researcher's own imagination. (Rubin 2004).

Scenarios help to avoid the trap of one predictable future, as there is no such. It also encourages companies to think creatively and scene for surprises and discontinuances in the future. (Rubin 2004)

We use scenario work here as a non-strategic experimental tool to analyze what trends and transformations can take place in the context of sustainable footwear.

What could sustainable athleisure footwear look like in 2050?

Futures table

Sustainable footwear in 2050	A	B	C
Main driver: Digitalisation	IoT	VR	AI
Production	Local	3D scanning and printing	Personalized products
Materials	Unmaterialistic	Smart materials	Biomaterials
Design problem	Optimizing and monitoring health	Modifiability	Individuality
Order / Delivery	Subscription	On-demand	Homemade
Economy (taxing)	Shared economy	Ecological footprint taxed	Data taxed
Lifestyle	Moon inhibitors	Urban (empty shopping malls as community housing)	Movable (urban-rural)

The futures table method is a tool to create alternative scenarios. As a main driver in the futures table (left) we chose to use digitalization since it is a megatrend that will penetrate all industries at all levels in the years ahead. (Sitra 2020)

To come up with the variables in the futures table, we examined megatrends from Sitra and footwear trends in online publications, looked for weak signals from artwork, listened to the insights of future researcher Risto Linturi and finally spiced it up with imaginary alternatives.

The variables were then randomly divided into three color groups, which then create the basis for three scenarios. named; Healthy & homemade, Shoe hack, and Unmaterialistic materialists.

3 scenarios

Healthy & homemade

- AI
- 3D scanning and printing
- Biomaterials
- Homemade
- Optimizing and monitoring health
- Shared economy
- Urban (empty shopping malls as community housing)

Shoe hack

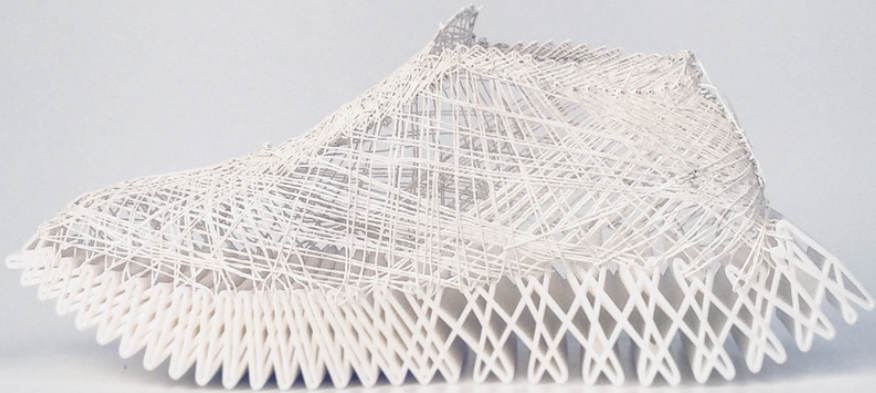
- IoT
- Local production
- Smart materials
- Subscription
- Modifiability
- Ecological footprint taxed
- Movable lifestyle / combination of city-urban

Unmaterialistic materialists

- VR
- Personalized products
- Unmaterialistic
- Individuality
- On-demand production
- Data taxed
- Moon inhibitors

Healthy & homemade

SCENARIO 1



Pictures: 3D printing (left), Potato Shoe

- 3D printed at your own home or within your community facilities.
- Recipe for the biomaterials provided by an Ai-assistant.
- Your health starts from your feet!

Shoe hack

SCENARIO 2



Picture: 4D printing

- Self-repairing smart materials assemble and repair themselves.
- It's programmable for your liking!
- Wherever you go, the shoe will stay connected. Your subscription will be updated regularly.



Unmaterialistic materialists

SCENARIO 3

Pictures: No-Nike (left) and Virtual Play

- In virtual reality you can order a unique design, without any need to be practical.
- While in reality you want to be well equipped for all the experiences both off- and online.
- In both worlds, everything is personalized and made-to-order.

Key learnings

What can the two companies learn from each other to reach a common goal of sustainable footwear?

Ren's can continue developing their production towards a closed loop and consider a more localized manufacturing and cutting the need for transportation. Also, they could benefit from collaborating with other brands and scaling through co-operation.

Salomon could use and develop more sustainable materials such as up-cycled or biomaterials and create even more ambitious goals towards sustainability.

It does not matter how big or small the company is, they can still have an impact.

***" Not only do we want to
disrupt the fashion industry
with more sustainable
products, we want our carbon
sink effect to be positive "***

(Jesse Tran, CEO of Rens Original)

***" Our aim is to use 100%
recycled materials by 2025"***

(Jean Marc PAMBET, CEO of Salomon)

Appendix

Interview with Amer Sports CEO Heikki Takala, 2020

Why did Salomon invent sustainable running shoes?

It is a big priority and new innovations are being searched constantly. They search for new ecological ways to make products and to reduce the carbon footprint.

They are looking for new raw materials that will burden less. They take advantage of innovations between the segments.

Big companies and brands develop these kinds of solutions because they “have to”.

Salomon the brand and its products have an ecological reputation. They design and make products with ecology in mind.

The legislation is getting tightened all the time, concerning bigger corporations. There is pressure from 1. consumer who asks for sustainable products 2. other stakeholders and investors 4. competition 5. politics.

If the company would not take part in the sustainable trend, it might cause investors to give money to competitors who do take part.

Is Salomon a product-driven brand or other?

Salomon is a research and development, and product-driven brand. They think of the product's life cycle so that it will burden the environment less.

How does innovation happen at Salomon?

They have an innovation process called I2C= idea to consumer. The I2C is built for a purpose. They look at megatrends and consumer behavior so that they can answer consumer needs.

I2C process contains the product+marketing+distribution channel+ 4P. Salomon wants to answer the target group's needs and their developing needs. I2C happens at the corporate level and inside the brands as well. On a corporate level, they decide the targets/goals the brands need to get to, and the brands innovate the solutions so that they will get into the goal.

I2C is a perpetual improvement strategy. The products that are developed with this strategy are the final results of systematic development. It is as well the company's/brands design thinking process. The brands need to develop perpetually.

Salomon is a brand that is close to nature. By developing new products they reinforce their brand image.

What is the pricing of the new shoe?

The shoe will not be priced higher than the existing shoes.

The shoe will be marketed according to the I2C.

Since one company owns 2 brands in the same category, how do you ensure that cannibalization does not happen?

20% of Salomon is winter sports, so that is the amount that Salomon and Atomic are similar. This gives the opportunity to share technology and innovation. Technology transfer is only a benefit. Innovation is shared between the brands in Amer Sports. They learn in one brand and category, and

then they share the knowledge with brands and categories. It is good cannibalization if it gives the company a bigger market share.

Why a running shoe? And not just new ski boots that you do already recycle.

The opportunity to move technology between categories is one reason for the creation of the sustainable running shoe. Because the shoe can be made out of the same material as the ski boot (plastic & rubber), the shoe was a good choice.

Innovation happens in the market continuously, because of this, it is important to take part. Consumer trends are moving towards more sustainable products, Salomon must remain active.

Amer Sports has a sustainable strategy, each unit needs to build strategic initiatives to find more sustainable business models.

What will a sustainable shoe look like in 2050?

It will be made of 100% recycled material. The production chain has come closer to the consumer. Products are no longer made only in the Far East but closer to the market. In this case, there will be no emissions from long transport journeys.

The recycled product must not give up performance. The product will then probably be fully recyclable after use.

Packaging technology is going to be an extreme sustainability driver. If the packages are smaller, contain less air, and are made sustainably it will make each pair of shoes more eco-friendly.

Do you bring the product straight to the market?

First, we make a prototype when the product is totally new, and then we do market testing.

When it is about a totally new product, we make more tests and test performance and durability. When the product will be made from recycled material, it is necessary to test the shoes even more. Shoes are tested by test groups and

machines. The machine “walks” with the shoe for several hundred kilometers, and makes sure it lasts the usage. When you learn about a particular material then you can trust it and there is no longer a need to test so much. When a product and material is known to be good, it is kept and used in other products. Often there is then no need to change the products. Salomon does collaborate with vendors.

Other comments?

- Salomon does already recycle a large number of their old ski boots. They grind the old boots into small chips and then make them into new boots. The new boots that are made by recycling can only be made in the color black. They get old boots for example ski rental companies.
- So that Salomon and the owner company Amer Sports can be very ecological in concerning surplus waste they have machines in the factories that minimize the amount. The machines can calculate how they will use the materials and fabrics so that the amount of waste will be very small. Humans can not do the same as the machines can. This is one example of sustainability.

References

Pictures

- 3D printing: <https://www.campdover.com/people/martin-sallieres>
- 4D printing: <https://all3dp.com/4d-printing-smart-materials/>
- Affordable Loss: <https://www.effectuation.org/>
- Arsutoriamagazine, 2020. *Shoe As A Part Of Nature*. [image] Available at: <<https://arsutoriamagazine.com/biodegradable-shoes/>>
- Bird-in-Hand: <https://www.effectuation.org/>
- Businessinsider, 2020. *Recycle*. [image] Available at:
<<https://www.businessinsider.com/sneakers-lead-charge-for-sustainability-apparel-2019-8?r=US&IR=T>>
- Business Model Canvas. 2020. The Business Model Canvas. Available at: <<https://www.strategyzer.com/canvas/business-model-canvas>>
- Crazy Quilt: <https://www.effectuation.org/>
- Concept Shoe, 2020: <https://www.salomon.com/en-us/blog/salomon-unveils-concept-recyclable-running-shoe>
- Design Thinking. 2020. Available at:
<https://www.mdpi.com/sustainability/sustainability-11-04823/article_deploy/html/images/sustainability-11-04823-g003.png>
- Innovation Ambition Matrix, 2012 : <https://hbr.org/2012/05/managing-your-innovation-portfolio>
- Lemonade: <https://www.effectuation.org/>
- No-Nike: <https://www.instagram.com/atocmagazine/?hl=fi>
- Pilot in the Plane: <https://www.effectuation.org/>
- Potatoe shoe: <https://www.instagram.com/atocmagazine/?hl=fi>
- Rens Concept, 2020:

<https://cafebiz.vn/vi-sao-da-co-nhung-ong-lon-nike-adidas-lining-nhung-2-chang-trai-viet-9x-van-startup-thanh-cong-thuong-hieu-giay-rieng-va-duoc-forbes-lien-tiep-vi>

- The effectuation cycle: <https://www.effectuation.org/sites/default/files/documents/effectuation-3-pager.pdf>
- Virtual Play: <https://www.groupon.com/deals/vr-junkies-nm>

Text

- Amersports.com, 2020. *Salomon Opens New Experience Store In Germany'S Outdoor Capital Munich – Amer Sports*. [online] Amersports.com. Available at: <<https://www.amersports.com/2019/11/salomon-opens-new-experience-store-in-germanys-outdoor-capital-munich/>> [Accessed 14 October 2020].
- Apparelcoalition.org, 2020. *SAC-Use-Case-Salomon*. [ebook] Available at: <<https://apparelcoalition.org/wp-content/uploads/2020/04/SAC-Use-Case-Salomon.pdf>> [Accessed 14 October 2020].
- Burke, M. & . 2018. Sustainable shoes. *Chemistry & Industry*, 82(6), pp. 18-21. doi:10.1002/cind.826_5.x
- Danish Design Ladder, 2016. The Design Ladder: 4 steps of design use [Article]. Danish Design Centre
- DeAcetis, J., 2020. No Brand Has Successfully Turned Bamboo Into A High-Performance Shoe Fabrication—Until Now. [online] Forbes. Available at: <<https://www.forbes.com/sites/josephdeacetis/2020/02/02/no-brand-has-yet-successfully-turned-bamboo-into-a-high-performance-shoe-fabrication--until-now/#6d1fcaed2e90>>
- Hoedemaecker, B. 2016. Are you getting the most out of design. Available at: <<https://medium.com/design-for-business/are-you-getting-the-most-out-of-design-f2f47caf2339>>
- Hoshikawa, K., 2020. 5 Sustainable Running Shoes For Some Eco-Friendly Exercise. [online] Refinery29.com. Available at: <<https://www.refinery29.com/en-us/sustainable-running-shoes>>
- Jans, G., 2020. *Salomon: "We Are Never Close Enough To The End Users"*. [online] Ispo.com. Available at: <<https://www.ispo.com/en/companies/salomon-we-are-never-close-enough-end-users>> [Accessed 14 October 2020].
- Salomon.com. 2020. *How Can We Help You ? | Salomon*. [online] Available at: <<https://www.salomon.com/en-no/faq#warranty-and-after-sales-service-content>> [Accessed 14 October 2020].
- Naiman, L. 2019. Design Thinking as a strategy for innovation [Article]. *The European Business Review*.

- Peters, A., 2020. *These Running Shoes Are Designed To Be 100% Recycled*. [online] Fast Company. Available at: <<https://www.fastcompany.com/90547526/these-running-shoes-are-designed-to-be-100-recycled>> [Accessed 14 October 2020].
- Rens, 2020. [online] Available at: <https://rensooriginal.com/pages/about-us>
- Rens Original US. 2020. *Rens Original - World's 1st Coffee Sneaker*. [online] Available at: <<https://rensooriginal.com/>> [Accessed 14 October 2020]
- Rosmarin, R., 2020. Sustainability Sells: Why Consumers And Clothing Brands Alike Are Turning To Sustainability As A Guiding Light. [online] Business Insider. Available at: <<https://www.businessinsider.com/sustainability-as-a-value-is-changing-how-consumers-shop?r=US&IR=T>>
- Rubin, A. 2004. Tulevaisuudentutkimus tiedonalana. TOPI – Tulevaisuudentutkimuksen oppimateriaalit. Tulevaisuuden tutkimuskeskus, Turun yliopisto. <http://...>, searched 13.10.2020.
- Salomon, 2020. [online] Available at: <https://www.salomon.com/en-us/blog/salomon-unveils-concept-recyclable-running-shoe>
- Sitra, 2020. [online] Available at: <https://www.sitra.fi/en/articles/megatrend-4-technology-is-becoming-embedded-in-everything/>
- Smael, A., 2020. 9 Footwear Brands That Make Sustainable Sneakers From Recycled And Renewable Materials. [online] Business Insider. Available at: <<https://www.businessinsider.com/sustainable-sneaker-brands?r=US&IR=T>>
- Snider-McGrath, B. (2020) *Salomon's new recyclable running shoe promotes sustainability - Canadian Running Magazine*, *Canadian Running Magazine*. Available at: <https://runningmagazine.ca/sections/gear/salomons-new-recyclable-running-shoe-promotes-sustainability/> (Accessed: 16 October 2020).
- Society of Effectuation. 2020. [online] Available at: <<https://www.effectuation.org/>> [Accessed 16 October 2020].

Interviews

- Tran, K. 2020. Interview with Rens CEO - Audio on request
- Takkala, H. 2020. Interview with Salomon CEO - Found in the appendix