

The Q & A part is at the end of this file.

Report

Hoka One One: redefine running

1. Brief-introduction of Hoka One One

Created in 2009, Hoka is a brand that manufactures shoes for running, triathlon, trail-running and hiking, but also extends its range with urban shoes and clothing (T-shirts, gloves, hats, bags, etc.).

Because of its organisation, Hoka is a young company that is part of the business transition. It is also a child company of Deckers Outdoor Corporation.

2. An overview of external transition impacting the business

1.1 Task -> Relationships

Hoka One One invests much money into the customer relationship management : they made multiple versions according to different languages and core concepts of customers from different countries ; they built online chat-box to communicate with consumers in real time ; they provide after-sales services including : shoes care & cleaning, free shipping and free returns etc. Besides, they have a customer loyalty program, collaborate with running associations in order to connect the consumers together and strengthen the tie between them and the brand itself.

Instead of considering selling products as a task to the business, they deem customers as their friends and let customers take part in their life.

1.2 Principles -> Applications

There is no doubt to say that Hoka One One is a serious supporter of green manufacture and social and racial justice. Unlike some other companies which only retain these ideas on the surface of “slogan”, Hoka One One has real measurements for supporting them.

First, they encourage their staff to participate in volunteer work by offering a donation to a charity in which they gave service over 100 hours.

Second, they continued their commitment to include 60% black, indigenous, people of colour and diversity of body types and abilities in their marketing campaigns to avoid racism.

Also, they support female rights by being a member of an association called “Run 4 All Women” which is meant to empower women using running as a vehicle for social change.

1.3 Extrinsic motivation -> Intrinsic motivation

Hoka also seeks to create intrinsic motivation among its employees : personal satisfaction is at the heart of the company's HR policy. This happens on three levels :

- The thrill that employees experience in their work activities. The company's objectives are clearly defined and communicated to all employees, which allows everyone to feel involved in the company's success.
- Employees enjoy learning new things. Hoka offers its employees training and professional development programmes that help them improve their skills and advance in their careers. The company encourages its employees to be curious and to learn new skills. This creates a sense of achievement and personal satisfaction.
- Personal inspiration to take on new challenges. Training allows for an increase in skills and thus delegates more responsibility to employees. It challenges each employee without putting a lot of pressure on them.

1.4 Focus economic growth -> focus on economic, social and environmental politics

In the past, companies were exclusively focused on their economic development. But today this is no longer the case : social and environmental policies are now a must in the 21st century. Hoka is fully integrated into this new mentality.

Social policies : the company has adopted values that guide its development throughout the world. The three main ones are "diversity, equity and inclusion". Hoka recognises all individuals, regardless of their ethnicity, gender, age... It says on the website "everyone has a place in the HOKA family."

Ecological policies : the company highlights on its website all its initiatives on environmental issues. As with societal issues, the aim is to have a good public image. Hoka lists its initiatives: recycling packaging, reducing its carbon footprint, reducing its impact on waterways, participation of the parent company Deckers Brands in the United Nations Global Compact (which is, according to the website, "the largest corporate responsibility initiative in the world")

1.5 Linear evolution -> VUCA

In the context of the VUCA tool, which is used to describe volatile, uncertain, complex and ambiguous business environments, Hoka's situation can be described as follows :

- Volatility : The running shoe market is constantly changing, with new competitors, new technologies and new shoe models appearing regularly. Hoka must be able to adapt quickly to these changes to remain competitive.
- Uncertainty : Running consumer trends can vary unpredictably, making it difficult for Hoka to predict future demand for its products. In addition, weather conditions and sporting events can also have a significant impact on the demand for running shoes.
- Complexity : Running shoes are complex products that require great attention to detail to ensure quality and performance. Hoka must manage a complex supply chain to ensure that its shoes are made with the best materials and under the best conditions.
- Ambiguity : Hoka may face situations where information is incomplete or contradictory, and expected outcomes are uncertain. For example, Hoka may face challenges such as unexpected fluctuations in consumer demand, sudden disruptions in the supply chain, or unexpected changes in government regulations. In these situations, Hoka will need to be able to adapt quickly and effectively to meet the challenges and remain competitive in the marketplace. This may involve product diversification strategies, strategic partnerships with other companies, or internal reorganisation to better meet changing market demands

3. Canvas Analysis

2.1 Key Proposition:

Hoka mainly focuses on **making comfortable trainers** for **runners** in order to help them to achieve a **greater speed** in competitions. Besides, designing fashionable shoes is also one of their businesses, to fit the requirements of **fashion** people.

In terms of their business concepts, they do packaging by using **recycled** paper, and they also mentioned on their website that 46.98% of all materials used in HOKA apparel and accessories and 90% of footwear SKUs were made of recycled, renewable, regenerated or natural in 2021. Furthermore, they insist on producing while diminishing carbon emissions: one pair of shoes can reduce 20% of GHG emissions and 25% of energy use. What is more, they added a so-called 'Meta-Rocker' technology which enhances the propulsion ability of the runners.

The Canvas Analysis for Hoka One One



2.2 Customer Relationship:

Like most of the rivals, Hoka has their own **customer loyalty program** called “Affiliate Program” which can recommend customers with new products and services. Also, the existence of **chatbox** facilitates consumers when they have questions, and a Q&A section can deal with the majority of situations. Also, to involve more running lovers, they organised a **running association** collaborated with Achilles and named “Achilles International”.

Finally, they provide a variety of **after-sales services**: “Fly for 30 Guarantee” is a program aiming to give enough rights to customers: let them buy and try shoes with 30 days by free and can get a full return or product exchange if they are not satisfied within 30 days; also, they provide clean & shoes care services; order and shipping status check are also covered.

2.3 Channels:

Selling products on their **official website**, collaborating with **e-commerce platforms** like Amazon and **off-line retailers**, Hoka did the marketing channels like most of the other brands. Also, they have a channel on **Youtube** called **HOKA TV**, which records the story and experience of normal customers and some professional runners. What is more, they have a few **brick-and-mortar stores** in the US, which can accurately sell products to loyal customers.

2.4 Customer Segments:

Here, I prefer to split the customer group into two parts:

- a. Professionals:
 - i. All the professional sportsmen: including sprint, marathon, ironman etc..
- b. Amateurs (Lovers):
 - i. People who like climbing;
 - ii. People who like hiking;
 - iii. Fashion guys.

2.5 Key Activities:

Hoka should keep an eye on the **stockage** whether online or offline marketing especially like just a couple days after the lockdown of the COVID. At that moment, a big group of people love to recover from staying at home everyday by doing sports a little bit. Also, **package** and **delivery** are combined together as the normal procedure after the payment of buyers. Then the **staff management** is also important for the company itself - to manage the position and the head count of each position etc. Finally, the **sales and marketing strategy** is also a necessity for them to consider.

2.6 Key resources:

As the “attraction” of a brand, **technology** is the key resource and it is also known as the “**Intellectual Property**” (IP). Also, as a partially fashionable shoe brand, the **design** of Hoka counts significantly. And as a “Luxury” sporting shoe brand considered by most consumers, Hoka has the right to judge the price and to decide the **position of the value** of shoes.

2.7 Key Partners:

As it said before, they collaborated with Achilles to establish a **running association** to gather all running lovers. Besides, they participated in some **competitions** as a sponsor, like ironman competitions and marathon competitions. After that, they started to have collaborations with **famous athletes** in North America, Europe and even in Asia.

As for their materials, because of their concept of “Green”, they consider that the abuse of leather could lead to a great loss of plants or forests, so they utilise leathers from some specific **tanneries**.

2.8 Revenue Structure:

Mainly, Hoka gets their income by the **sales of shoes and clothes** (which are B2B sales); meanwhile, they also take part in some B2C activities such as **Collaborations, sponsorships** and **advertisements**.

2.9 Cost Structure:

As the biggest section of cost, materials of products will probably cost over 50% of all costs for Hoka. Besides, they should also input money into R&D innovations. The promotional fees to e-commerce platforms and retailers should not be avoided also and finally, the salaries for staff and tax fees for the government are inevitable.

4. The customer journey

a. Awareness

At this stage, the customer becomes aware of Hoka One One through various channels such as social media, online ads, word-of-mouth, and influencer marketing. Hoka One One's marketing team uses these channels to create brand awareness, introduce new products, and attract potential customers.

- Promotion
 - TV
 - Events
- Social Media Following
 - Facebook
 - Instagram
 - Twitter
 - YouTube
 - Strava
 - Pinterest
 - TikTok
 - Influencers
- Engagement
 - Affiliated to athletes
- Brand Mentions
 - Partnerships with IronMan
 - Other collaborations
- Web searches
- Online advertising

b. Consideration

Once the customer becomes aware of Hoka One One, they start to research more about the brand and its products. Hoka One One's website, social media accounts, and product pages provide detailed information about the brand, its mission, and the features of its products. The customer also reads reviews and ratings from other customers to get a better understanding of the brand and its products.

- Quality
 - Lightweight
 - EVA Foam
 - Some shoes are 100% Vegan
- Colors
 - Their various colors
- Price
 - Higher than mass produced shoes from \$120 → \$200
 - Similar in price to specialized running shoes (Nobull)
- Use
 - Specific for Runners
- Unique Characteristics
 - Vegan materials
 - Lightweight
 - Safety specifications
 - American Podiatric Medical Association (APMA) Seal of Acceptance
- Promotions

c. Decision

The customer has decided to buy a pair of Hoka One One shoes. They visit the brand's website or a physical store to complete the purchase. Hoka One One's website has an easy-to-use checkout process, multiple payment options, and fast shipping to ensure a seamless shopping experience.

- Go into the store
- Go to the Website
- Choose model
- Choose size
- Choose color

d. Experience

After the customer has made the purchase, Hoka One One sends an order confirmation email and a shipping notification to keep the customer informed about their order's status. The brand also provides excellent customer service to handle any issues or questions that the customer may have. Hoka One One may also ask the customer to leave a review of the product to gather feedback and improve its products and services.

- Using the Shoes
- Experiencing the in-store customer service
- Online customer service
- 30 days to try

- Check your order online
- Exchange or Return easily
- Warranty for material defects
- Free shipping & Free returns
- Knowing other people who use the shoes (Running programs)

e. Loyalty

At this stage, Hoka One One aims to retain the customer's loyalty and encourage them to make repeat purchases. The brand may send promotional emails or exclusive discounts to its loyal customers to encourage them to come back and purchase more products. Hoka One One may also continue to engage with its customers through social media, email marketing, and other channels to build a long-term relationship with them.

- Loyalty Program
 - Summer Mile Club
- Feel included in running events (Marathons, Meetups, etc...) Like seeing other people wearing the shoes
- Student discounts

f. Advocacy

The customer is happy and starts to create awareness and mouth to mouth.

Overall, the customer journey for Hoka One One involves creating awareness, generating interest, encouraging consideration, facilitating purchase, providing post-purchase support, and retaining customer loyalty.

5. Flower analysis (Ines)

4.1 Product

HOKA specializes in designing and producing high performance athletic footwear and clothing. The brand is mainly known for their shoes, which have high detail design to provide customers with the good cushioning and support for runners and other athletes.

Some of their other products which they offer in a range of clothing are jackets, t-shirts and shorts. All of those products are also designed with top level materials and design to fit the customer.

Overall product strategy for HOKA is to provide customers with the best possible equipment to help them achieve their sport goals as well as being able to provide apparel with which they can be comfortable. The brand focuses on utilizing the best

materials for their products, innovative technologies as well as a high level of detail in the design of their products.

4.2 Place

HOKA sells their products through various channels, online as well as in person.

One of their main channels is their website, which shows their wide range of products they offer. Their website also provides detailed information about their products, sizing guides which help the customers pick the perfect shoe for themselves, as well as showing the customers reviews, which usually give the customers a better understanding of the brand's perspective from the customers' view.

Their strategy is to make purchasing as easy and convenient as possible for the clients, no matter which channel they are buying from.

4.3 Promotion

The brand is using a mixture of both digital and traditional marketing channels to reach their target customers.

They have partnerships with athletes and other influencers, which help them spread their audience. The goal of their partnerships with athletes is to showcase the comfort and ease of wearing their products and build credibility with the customers.

Partnering up with different sport teams as well helps them promote their products within the fans of those sport teams.

The brand has a strong presence on digital platforms such as Instagram and Facebook, where they share the products' pictures, videos highlighting athletes' use of those products and customers' reviews where the consumers can also interact with the brand. On Instagram they have a high following of 903 thousand followers, and on Facebook almost 800 thousand people are either liking or following their profile.

Their strategy is to build awareness and interest in the brand, and by utilising both digital and traditional marketing channels, they are reaching a bigger target audience.

4.4 Price

Their pricing strategy is focused on providing customers with high-quality, high-performance products at a premium price point. The brand's products are priced higher than many of its competitors, reflecting the premium materials, innovative technologies, and superior design that go into each product.

Despite the premium pricing, HOKA is still able to attract a loyal customer base, in part because the brand's products are perceived as offering excellent value for the money. Customers are willing to pay more for HOKA products because they believe they are getting a superior product that will help them perform better and last longer.

To maintain their premium pricing, they often use discounts and promotions to drive sales and encourage repeat customers. These pricing strategies enable the brand to make their products more accessible to a larger audience.

Their strategy is enabling HOKA to stay as one of the leading brands in the athletic footwear market.

4.5 People

HOKA invests in training and development programs to help its employees build their skills and stay up-to-date on the latest trends and technologies.

They strive to provide a high level of customer service to all of its customers, whether they are shopping online or in-store. HOKA's customer service team is trained to be knowledgeable about the brand's products and to provide helpful, friendly assistance to customers who have questions or concerns.

In addition to relying on employees and good customer service, HOKA relies on sponsored athletes and brand ambassadors to represent the brand and promote their clothing products. HOKA is focused on attracting and retaining top talent, providing excellent customer service, and working with athletes and ambassadors who embody the brand's values and mission.

By investing in its people, HOKA is able to create a strong and loyal customer base, build its brand reputation.

4.6 Physical evidence

One of the aspects HOKA focuses on is its retail store and online presence. Their stores are often designed to reflect the brand's value and mission.

Another element is their product packaging and design, as they are known for their unique designs and using cutting-edge technologies, which the final products reflect on.

The packaging is often sleek and modern, with a focus on showcasing the key features and benefits of each product, like so they are creating a distinctive look and feel which sets HOKA apart from its competitors.

The brand also sponsors a number of events, such as marathons and triathlons, where customers can see its products in action and get a sense of their performance and quality. By sponsoring various athletes and sports teams showcases the brand's connection to the world of athletics and its commitment to performance and innovation.

By using these strategies HOKA is able to build trust and loyalty with its customers, and differentiate itself from its competitors in the athletic footwear and apparel market.

4.7 Process

One important element of HOKA's process is their focus on product development and innovation. That is one of their main characteristics from which they are recognised. The brand invests in research and development to create cutting-edge products which meet the customers' needs. Their process includes expensive testing and collaboration with athletes and other experts to ensure that the product is as innovative and high-performing as promised.

HOKA focuses on quality control and supply chain management. HOKA's supply chain process is designed to minimize waste and reduce its environmental impact, with a focus on sustainability and responsible sourcing.

The brand invests in training and development programs for its customer service team to ensure that the team is equipped and prepared with skills and knowledge necessary to provide good customer service.

6. Recommendations to HOKA management (All)

- Ability to personalize shoes;
- Disability inclusion;
- Be careful of "socialwashing". A lot of initiatives are taken and that's a good point, but some slogan can give the impression of "socialwashing" (ex : "everyone has a place in the HOKA family");
- Build up more "Hoka One One" brick-and-mortar stores;
- Add chatbot into the webpage.

References

Hoka One One. (2023). Better for people. Retrieved from Hoka One One:
<https://www.hoka.com/en/us/hoka-people/>

Hoka One One. (2023). POLICIES AND PRINCIPLES. Retrieved from Hoka One One: <https://www.hoka.com/en/us/policies-and-principles.html>

Miro. (2023). Miro. Retrieved from Miro: <https://miro.com/>

MORTIER, B. (2022, 7 14). 8 stratégies pour stimuler la motivation intrinsèque de ces collaborateurs. Retrieved from Le Pavillon des Entrepreneurs: lepavillondesentrepreneurs.fr/motivation-intrinsèque-et-managemet-entreprise/

McCann, M. (2022) *Hoka One one's Wendy Yang on how the Footwear Brand Approaches Fashion Partnerships, Modern Retail*. Available at: <https://www.modernretail.co/retailers/hoka-one-ones-wendy-yang-on-how-the-footwear-brand-approaches-fashion-partnerships/> (Accessed: March 20, 2023).

Abel, K. (2020) *Why hoka One one is the crisis-proof running brand everyone is talking about, Footwear News*. Footwear News. Available at: <https://footwearnews.com/2020/business/financial-news/deckers-sales-earnings-stock-hoka-one-one-1202993634/> (Accessed: March 20, 2023).

Personal part:

1. What are, for you personally, the main differences between ERP, CEM and CRM ?

Haozhe TANG:

At the level of concept:

1. ERP, as a project management system, it combines the informative technology and advanced management idea in one platform to manage all plans and decisions between staffs and managers.
 2. CEM, more focus on the experiences that being produced during the interactions between customers and brands. Company do proper measures according to the X-data to each individual.
 3. CRM, more focus on behaviour of customers such as the frequency and amount of purchasing.
2. At the level of target:
1. For ERP, to integrate all business processes of a company and accelerate all procedures between each link;

2. For CEM, to improve customer's interaction, conversion, and purchasing power throughout the journey, and even achieve the effect of customer repurchase and recommendation. It records the views of customers on the company;
3. For CRM, to nurture customers from prospects to raving fans. It tracks the company's view of a customer.
3. At the level of data: (biggest difference)
 1. The data for ERP are mostly inside the company, from different departments and groups, they are mainly used to make the project running smoothly;
 2. The data for CEM are collected and considered at any time, and companies should analyse these data at time to know the current feeling of consumers and solve the problems customers encountered. They can even predict problems customers might meet and deal with them in advance;
 3. The data for CRM is more collected through previous purchases and behaviours, but it can not predict the future behaviour of them.

Henri Garcia-Pelayo

ERP (Enterprise Resource Planning), CEM (Customer Experience Management), and CRM (Customer Relationship Management) are all business systems that focus on managing different aspects of a company's relations with its customers.

1. ERP integrates different business processes and functions (accounting, human resources, inventory management...) into a single unified system. The objective is to streamline operations and improve efficiency.
2. CEM is focused on creating positive customer experiences across all touchpoints, such as marketing, sales, and customer service. The objective is to establish a customer journey and use that knowledge to deliver personalised experiences.
3. CRM helps to manage customer interactions (customer data, sales activities, customer service requests...) It seeks to improve customer satisfaction and loyalty by providing a better understanding of the customer's needs and preferences.

These three tools are different in their use : ERP focuses on internal processes, CEM focuses on customer experience, and CRM focuses on managing customer

interactions. But they all aim to improve a company's operations and customer interactions in different ways.

Eduardo de la Espriella:

- ERP is software to manage all the company's important data.
- CEM is the strategy on how to maintain a customer happy with the company.
- CRM is the link in between the two, where data and the human interact together.

Ines Cerne

ERP (enterprise resource planning) is focused on how the resources are utilised in a company, managing and controlling all of the company's resources in order to optimise their progress. This includes financial, logistical, HR, production management, etc.

While ERP is focusing more on different aspects of business resources, CEM and CRM are putting more emphasis on how customers interact with the business. One way to distinguish the two, is that CRM is managing the company's perception of the customers (and their journey) and CEM is managing how the customers see/ experience the company and its services.

2. Please explain what you have learnt in the CRM course to a friend who has not attended the course. Use familiar language. 30 words Max

Haozhe TANG (30 words)

This course illustrates the general context (transition period) → business (Analyse with: Canvas, KSFs, flower analysis etc.) → marketing (Customer Journey and 4Cs) → CRM itself (Positioning and complement among CRM, CEM, ERP).

Henri Garcia-Pelayo :

CRM is a global strategy that companies use to manage customer interactions. By collecting data, the objective is to improve the service offer and, therefore, the customer's experience.

Eduardo de la Espriella :

CRM is the practice of having returns; in clients, profitability and data. This practice keeps evolving and changing with time and technologies.

Ines Cerne:

While CRM is a strategy used by companies to manage customers' interactions with them, we also focused on the data points throughout the customer's journey, and making sure the company positions itself correctly in the market.