

Partnership Plan

The Green Mind

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Adidas

Who We Are



The Green Mind is a demand-driven NGO that promotes an environmentally responsible lifestyle from a young age by raising awareness on environmental issues and implementing educational initiatives for children.

“Green, from head to toe”

Our Team

Our team is comprised of a group of Masters students from Sciences Po who are concerned about the effects of environmental degradation and climate change, and believe that the solution lies in behavioural change and sustainable consumption patterns.



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Our Vision

We want children to be more green-minded. We believe that awareness of the environment starts from a young age. We envision a world in which children are active in addressing environmental issues, and that the consumption patterns they develop are sustainable and environmentally-friendly.

Our Mission

As an organisation, our mission is to:

- Promote the idea of green education
- Encourage the young generation to be more green-minded
- Create a conversation between children and parents
- Drive social changes in behaviour towards the environment

Our Solutions

Our first, short-term solution is to address environmental consumption patterns through creating biodegradable trainers for children/babies that would have a “post-material life” in the form of a plant.

To achieve this, we plan to partner with Adidas, which is known for its passion for innovation and sustainability. We propose **a partnership with Adidas** to produce, market, and capture the long-term economic and environmental value of the (eco)shoes.

In the long-term, we want to implement a nationwide education program that will use the consumption of the shoes as a entry point to an awareness program that draws on multiple partnerships to create green public spaces and programs for children and their parents to learn about the environment.

PRIMARY RESEARCH

- We sent out a questionnaire and got 50 responses from mainly women with kids between the age of 18 - 39.
- They all stated they had some knowledge about the environment however were not consistent in leading an eco- friendly lifestyle.

Key Findings: when asked:

- *How important is it for you to have your kids be aware of the current issues and encourage them to be environment-friendly?* 80% rated important to very important
- *Would you be willing to buy eco-friendly shoes?* 85% agreed
- *What would persuade you to purchase our product?* Affordability, Design, Visible educational benefit
- *Would you appreciate the additional benefit of learning with your child about the environment when buying our eco-shoe?* 100% agreed
- *What platforms do you use the most ?* 80% Facebook, 40% Instagram, 25% YouTube

SECONDARY RESEARCH

Rising trends:

- Green parenting and eco-parenting
- Consumers expect companies to disclose their CSR
- Healthy lifestyle and active sports participation of young generation
- Demand for personalized footwear
- The use of smart concepts such as connected fabrics, driven by the environmental benefits such as the elimination of the use of Dimethylformamide(DMF) in the manufacture of footwear.

Who are “green consumers”?

According to International Institute for Sustainable Development research, the “green consumers” are young adults who have a growing commitment to the green lifestyle and environmental protection. Referring to economic position of “green consumers”, these are people with money to spend. The average amount that french families spent in 2016 for one child was 800€. According to *Juniors & Co* , one half of the whole budget went towards clothes and shoes. Moreover, and shopping tends to be an educational opportunity, for the transmission of values and a good moment to teach children how to handle a budget.

Competition Analysis



Launching a biodegradable shoe with inbuilt seeds and long-term educational benefits would put **The Green Mind** and **Adidas** at a significant, sustainable competitive advantage when compared to industry competitors. Our competitors include, *Reebok, Timberland, New Balance, Nike* and *One Moment*.

What our competitors have in common

They all talk about what the shoe is made of. Not about the afterlife of the shoe. Additionally, they do not focus on educating children about environmental issues.

Competitors	Current products on the market
Puma	Puma had a “bring me back” program where customers would return used shoes or unwanted products back to the store so that Puma could recycle the materials. The program ended due to lack of consumer participation.
Reebok	Reebok has two environmentally-friendly product lines: shoes with soles made with industrial corn and the rest of the shoe with organic cotton; and the Terrex line, which comprises of shoes made of recycled sea plastic.
Timberland	Timberland makes shoes from recycled material, and recently partnered with Thread X, a company that uses fabric made from “recycled plastic bottles, picked up on the streets of Haiti and Honduras”
New Balance	New Balance has a line of eco-friendly shoes - the ME070 and WE070 models. These shoes are made from eco-friendly materials. 75% of the upper components are made from sustainable or recycled materials. In addition, the shoes are sold with no paper or plastic wrapping, and are constructed with water-based rather than solvent-based adhesive
Nike	Nike’s most recent environmental innovation was the development of an AirMax shoe box made from recycled plastic. This environmentally-friendly packaging was created specifically for Nike’s shoe made from recycled materials - the AirMax
One Moment	The Spanish company has created a 100% biodegradable shoe designed from bioplastics. The shoes can be cut up with scissors after use and either planted or used in compost. The downside of the shoe, however, is the overall design, which is not attractive to customers.

The Opportunity



No other sports footwear producer is offering a similar product line. The introduction of biodegradable, implanted seed shoes, while providing a long-term educational awareness plan would offer an innovative product that matches the values of an environmentally-conscious target market.

Competitors do not focus on educating children about the importance of preserving the environment. The core competency of the project would be the partnership between **Adidas** and **The Green Mind** to create this new product and educational experience. This would be the source of a long-term competitive advantage in the eco-friendly shoe market. Our product is also taking a commitment to environmental sustainability and regeneration a step further by implanting seeds in the shoelaces.

Furthermore, the unique value proposition of a long-term vision of partnerships and educational programs that integrate the product into a lifestyle will be difficult for other competitors to replicate. With first mover advantage, the program will be self-sustaining in its market success as school partnerships and interested parents build educational activities into their lifestyles. The educational programs and partnerships will centre the product as a unique way to engage with the program, and will therefore have significant same-side network effects.

STRENGTHS (+)

- Unique product and vision on market
- Organisational knowledge of partners
- Existing customer base
- Educational resources already developed

WEAKNESSES (-)

- Lack of supplier system for seeds
- Easily-imitated product (seeds in shoelaces)
- Narrow market segment (costs prohibitive to low-income parents)

OPPORTUNITIES (+)

- Sustainable customer base through long-term vision
- Replicable model for future market development
- Community building and cohesion
- Smart city model

THREATS (-)

- Competitors replicating long-term vision
- Seasonality of planting outside
- Lengthy procedure of city permits for long-term vision establishment

Target Market



First segmentation :

The market for children shoes is particularly dynamic as children need to regularly change their shoes as they grow out of them quickly. On average, in France, children buy 7.5 pairs of shoes per year. This is twice more than men and 1.5 times more than women. Children shoes represent around 40% of total shoe sales in France. This accounts for more than 170 million pairs of shoes a year.

Second segmentation :

For our product we will target children between 7 and 15 years old. This concerns a market of 70 million pairs of shoes a year.

Third segmentation :

Our product will target the market for children's sneakers which represents around 30% of this broader market: around 20 million pairs of shoes a year.

It is important to note that the shoe market in France is experiencing a slight growth. This growth is especially concentrated in sneakers (e.g. +10% in number of sales, +30% in revenue in 2015).

	Number of pairs of shoes bought per year	Percentage of pairs of shoes bought per year	Quantity of pairs of shoes bought per year
Women	6	35,29 %	141 116 000
Men	3,5	20,59 %	82 360 000
Children	7,5	44,12 %	176 480 000
Total	17	100%	400 000 000

	Percentage of pairs of shoes bought per year	Quantity of pairs of shoes bought per year
0 to 3 years	35%	61 768 000
3 to 7 years	25%	44 120 000
7 to 12 years	22%	38 825 600
12 to 15 years	18%	31 766 400

Our product is a 100 % biodegradable shoe for children containing seeds. When planted, the shoe will decompose and the seeds will grow into a plant. The shoe is given an afterlife and leaves no ecological footprint.

Materials:

- “Biosteel fiber” developed by Adidas: 100% biodegradable; designed to mimic spider silk
- Biodegradable soles like those designed by Apinat Bio. These soles, made of biodegradable plastic, can erode by at least 90% within 6 months when placed in composting conditions.

Seeds:

- Fast-growing seeds, adapted to the Parisian climate,
- First selection of seeds: Basil, Mint, Lavender, Viola
- As the shoe is expected to degrade in 6 months, we have chosen “fast growing” seeds



Design:

- Array of colors to appeal to children
- Plant-themed Green Mind logo on sole of the shoe
- Seeds implanted in the tongue of the shoes

Packaging

- Minimalist recyclable wooden shoe box
- Will act as the flowerpot
- The package will come with an educational booklet within the box which will explain things from how to take care of your plant to general environmental facts and discussion questions



Position on the Market



Psychology marketing :

keep the price below 80 €

Price range :

- Average price of kids sneakers : 40€
- Adidas price range : 40 - 100€ with an average price around 60€

Pricing strategy :

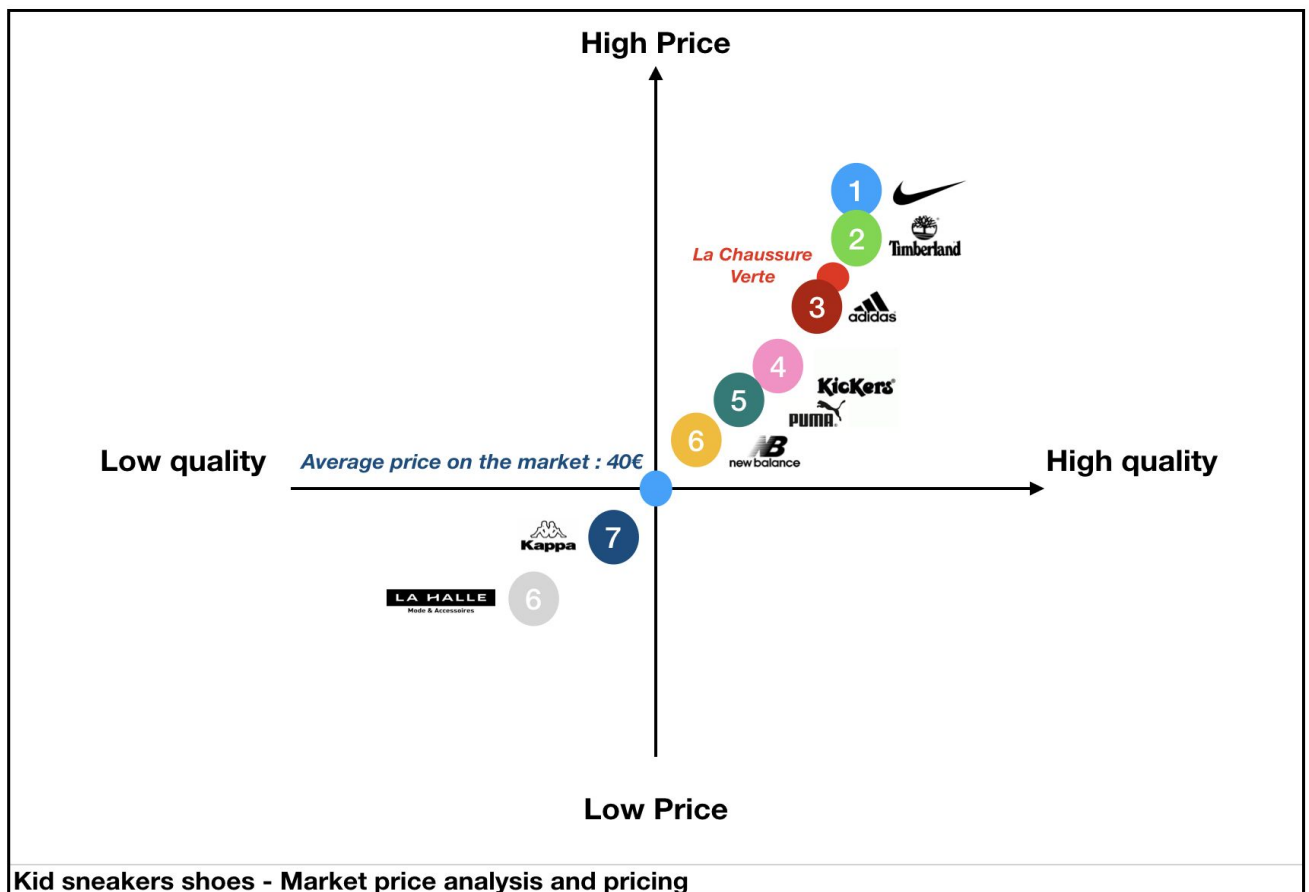
- Adidas brand image
- High quality sneaker
- Innovative product offering an experience : new concept underpinned by eco-friendly and social goals

=> *selling more than a product, an experience*

Our final price

:

79.00€ TTC



Adidas :

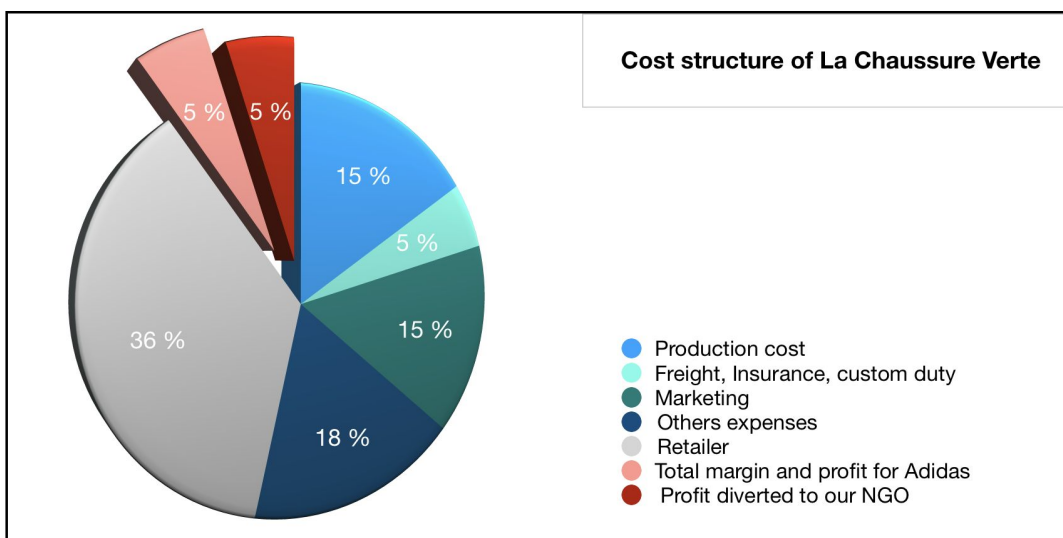
- **production** (15%) : using its current factories and process : no specific investments required.
=> price of the raw materials : 4€
=> with the manufacturing cost : 15€
- **marketing** (15%) : campaign designed for 3 years. It represent a significant percentage of the cost structure as it is particularly important to have an active marketing to explain the experience there is behind our product.
=> cost of 1,3 millions euro.
- **distribution and retail** (36%) : using current organization

The Green Mind :

- **R&D** : offering the concept.
- **Marketing** : working in collaboration on the campaign.

Profitable and credible project :

- 5% margin for Adidas
- 5% margin for the Green Mind (collected and then reverse by Adidas)



Promotion Strategy

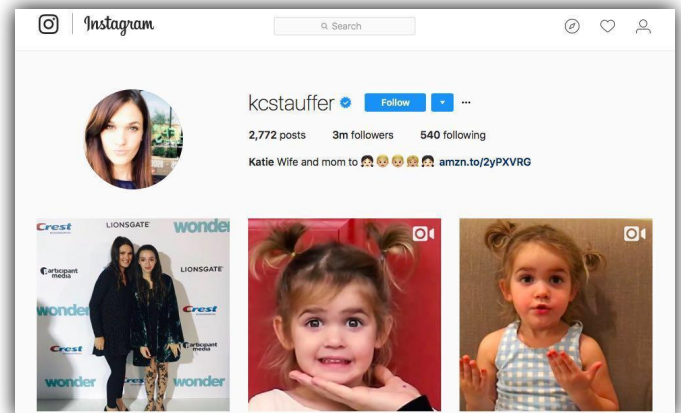


Launching event in one of the Adidas stores in Paris:

- Educational workshops with a lottery for everyone and a Q&A session for children to win gifts.
- Collaboration with Youtube and Instagram influencers
- Live-streaming of the event.

Advertising campaigns aiming at parents:

- Commercials on traditional TV channels and online TV platforms
- Promotion messages on social media (Facebook, Twitter, Instagram)
- Videos on Youtube and Facebook



Other advertising methods:

- Product placement with sports stars, personalities outside of sports and in hit TV series with young actors
- Sponsorships of sporting events, national teams, club teams and associations, including youth leagues.

Partnership with Adidas

We strongly believe **both Adidas and The Green Mind have a significant interest in working together**. While producing and commercializing the product would be a fantastic way for our NGO to promote its values and objectives, it would also represent a new market opportunity for Adidas and allow them to gain legitimacy in its corporate social responsibility projects. Adidas will be promoted in both the private and public realm. Both organisations will benefit from working together and learning about our overlapping target market through each other's data, analysis, and insights.

Logistics of the partnership

Representatives would be responsible for developing the appropriate feedback between the organisations, as well as for incorporating the key performance indicators into the organisation work plans. Financial representatives from each organisation will be responsible for allocating the budget assigned to the development of the shoe, and for monitoring expenditures.

The proposed partnership would be for an initial period of 3 years in order to develop, launch, and market the shoe. Following that initial period, the partnership would be renewable and would start addressing the long term vision of implementing environmental education and forming new distribution channels such as schools and local government offices.

Long-term partnerships

While at first, the plants/trees will be planted in personal space (gardens or pot plants of the consumer), in the future we are aiming to partner with La Mairie de Paris and l'Education Nationale to further emphasise the original message of our shoes.

- **Mayor of Paris** to set up an educational garden and teaching facilities to learn about permaculture and sustainable environmental issues.
- **La Fondation de France** to provide environmental knowledge to the kids, in the form of interactive lessons, dealing with issues from energy saving to healthy eating.
- **L'Education Nationale**: schools in Paris will be able to visit the garden

3 year financials

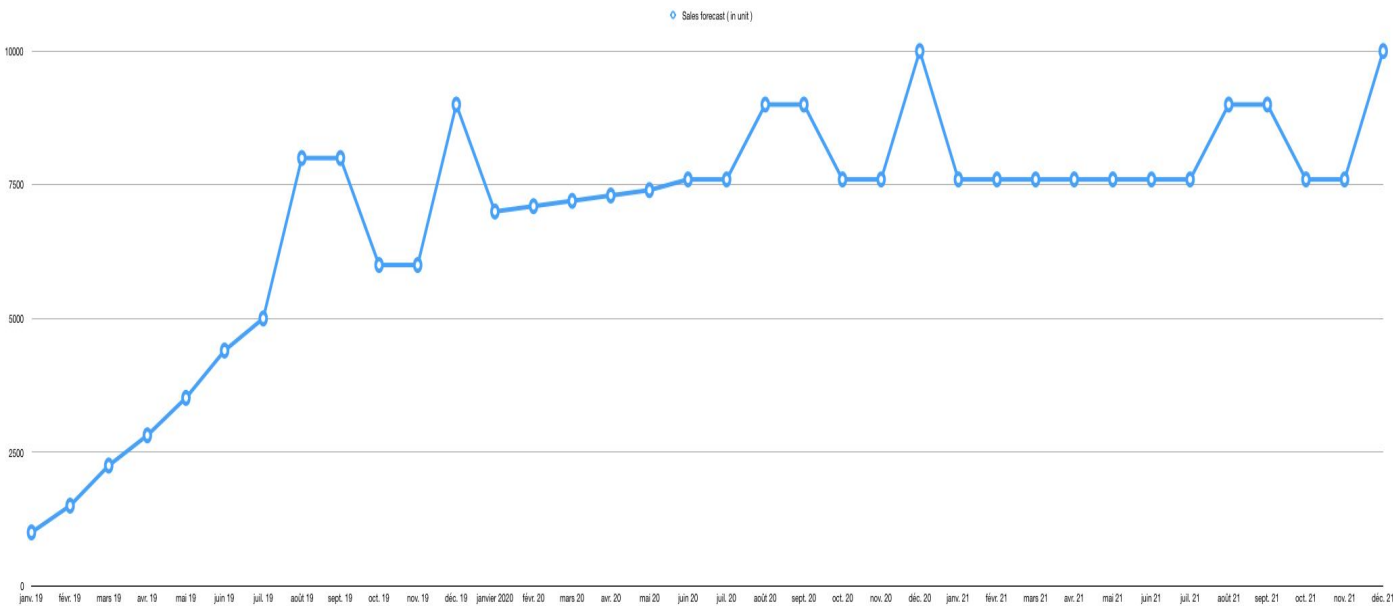


The product will target France for **3 years to test the model and its profitability** for the first time. After this initial stage, it should be possible to increase the market at a european level and then eventually worldwide.

Kid sneakers market : 20 millions of pair of shoes

**Adidas Market share : around 20% with a variety of 250 products
=> around 4 millions of pairs a year**

**Green Mind would expect capture 2,5% of Adidas market which would represent in the long run :
=> 100 000 pairs of shoes a year (8300 monthly)**



First year :

- first month : 1000 pairs
- growth of 50% the 2 first month, followed by 25% the 2 following and 15% the fourth month
- sharp rise in August : reach a plateau at 8000
- 25% drop during October and November (less interest for kids shoes at this period)
- new significant rise in December before Christmas

Second year :

- slow but continuous progress in sales
- steady level at 7600 sales
- 2 major periods during the year : Christmas and the beginning of School with approximately 50% more

Third year : reach the global trend :

- Average monthly sales of 7600
- A peak in august and september before the return to school at around 9000 sales a month
- The most important peak before christmas at 10 000 sales in December.

	2019	2020	2021
Adidas :	227 046 €	372 880€	380 780€
Our margin :	227 046 €	372 880€	380 780€

Adidas and our organization can then both attain a significant margin which is expected to reach **€380 800 a year by 2021** showing a **financially sustainable product**.

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Appendix 1 - Overview of kids sneakers market :

Competitor :	Price Range* :	Average Price* :	Quality :	Particularity :	
1 - Nike 	35 - 130 €	75 €	Good quality sneaker	Reputable brand image : sneaker specialist	
2 - Timberland 	30 - 100 €	70 €	High quality urban footwear	Reputable brand image : fancy design and premium materials	
3 - Adidas 	30 - 90 €	60 €	Good quality sneaker	Reputable brand image : sneaker specialist	
4 - Kickers 	40 - 100 €	50 €	High quality	Reputable brand image : sneaker and urban footwear	
5 - Puma 	35 - 70 €	45 €	Good quality sneaker	Reputable brand image : sneaker specialist	
6 - New Balance 	40 - 60 €	40 €	Good quality sneaker	Reputable brand image: sneaker spécialiste	
7 - Kappa 	25 - 35€	30€	Middle range	Sneaker brands	
8 - First Price - La Halle 	15 - 20€	20 €	Low quality	General shoes retailer - First price and retailer brand.	

*On the brand official websites

*According to an average done on the price of shoes on the brands official websites

Appendix 2 - Sales forecast : 2019 - 2021

	janv. 19	févr. 19	mars 19	avr. 19	mai 19	juin 19
Quantity	1000	1500	2250	2815	3515	4400
Unit Price	79	79	79	79	79	79
Sales	79000	118500	177750	222385	277685	347600
<i>growth (in %)</i>		50	50	25	25	25
Cost						
<i>production cost</i>						
freight, insurance, custom	11850	17775	26662,5	33357,75	41652,75	52140
<i>marketing</i>	3950	5925	8887,5	11119,25	13884,25	17380
<i>others expenses</i>	11850	17775	26662,5	33357,75	41652,75	52140
<i>retailers</i>	14220	21330	31995	40029,3	49983,3	62568
	28440	42660	63990	80058,6	99966,6	125136
Total margin	7900	11850	17775	22238,5	27768,5	34760
<i>Adidas margin</i>	3950	5925	8887,5	11119,25	13884,25	17380
<i>Our margin</i>	3950	5925	8887,5	11119,25	13884,25	17380

	juil. 19	août 19	sept. 19	oct. 19	nov. 19	déc. 19
Quantity	5000	8000	8000	6000	6000	9000
Unit Price	79	79	79	79	79	79
Sales	395000	632000	632000	474000	474000	711000
<i>growth (in %)</i>	14	60	0	-25	0	50
Cost						
<i>production cost</i>						
freight, insurance, custom	59250	94800	94800	71100	71100	106650
<i>marketing</i>	19750	31600	31600	23700	23700	35550
<i>others expenses</i>	59250	94800	94800	71100	71100	106650
<i>retailers</i>	71100	113760	113760	85320	85320	127980
	142200	227520	227520	170640	170640	255960
Total margin	39500	63200	63200	47400	47400	71100
<i>Adidas margin</i>	19750	31600	31600	23700	23700	35550
<i>Our margin</i>	19750	31600	31600	23700	23700	35550

Appendix 2



	janvier 2020	févr. 20	mars 20	avr. 20	mai 20	juin 20
Quantity	7000	7100	7200	7300	7400	7600
Unit Price	79	79	79	79	79	79
Sales	553000	560900	568800	576700	584600	600400
<i>growth (in %)</i>	-22	1	1	1	1	3
Cost						
<i>production cost</i>						
freight, insurance, custom	82950	84135	85320	86505	87690	90060
<i>marketing</i>	27650	28045	28440	28835	29230	30020
<i>others expenses</i>	82950	84135	85320	86505	87690	90060
<i>retailers</i>	99540	100962	102384	103806	105228	108072
	199080	201924	204768	207612	210456	216144
Total margin	55300	56090	56880	57670	58460	60040
<i>Adidas margin</i>	27650	28045	28440	28835	29230	30020
<i>Our margin</i>	27650	28045	28440	28835	29230	30020

	juil. 20	août 20	sept. 20	oct. 20	nov. 20	déc. 20
Quantity	7600	9000	9000	7600	7600	10 000
Unit Price	79	79	79	79	79	79
Sales	600400	711000	711000	600400	600400	790000
<i>growth (in %)</i>	0	18	0	-16	0	32
Cost						
<i>production cost</i>						
freight, insurance, custom	90060	106650	106650	90060	90060	118500
<i>marketing</i>	30020	35550	35550	30020	30020	39500
<i>others expenses</i>	90060	106650	106650	90060	90060	118500
<i>retailers</i>	108072	127980	127980	108072	108072	142200
	216144	255960	255960	216144	216144	284400
Total margin	60040	71100	71100	60040	60040	79000
<i>Adidas margin</i>	30020	35550	35550	30020	30020	39500
<i>Our margin</i>	30020	35550	35550	30020	30020	39500

Appendix 2



	janv. 21	févr. 21	mars 21	avr. 21	mai 21	juin 21
Quantity	7600	7600	7600	7600	7600	7600
Unit Price	79	79	79	79	79	79
Sales	600400	600400	600400	600400	600400	600400
<i>growth (in %)</i>	-24	0	0	0	0	0
Cost						
<i>production cost</i>						
freight, insurance, custom	90060	90060	90060	90060	90060	90060
<i>marketing</i>	30020	30020	30020	30020	30020	30020
<i>others expenses</i>	90060	90060	90060	90060	90060	90060
<i>retailers</i>	108072	108072	108072	108072	108072	108072
	216144	216144	216144	216144	216144	216144
Total margin	60040	60040	60040	60040	60040	60040
<i>Adidas margin</i>	30020	30020	30020	30020	30020	30020
<i>Our margin</i>	30020	30020	30020	30020	30020	30020

	juil. 21	août 21	sept. 21	oct. 21	nov. 21	déc. 21
Quantity	7600	9000	9000	7600	7600	10 000
Unit Price	79	79	79	79	79	79
Sales	600400	711000	711000	600400	600400	790000
<i>growth (in %)</i>	0	18	0	-16	0	32
Cost						
<i>production cost</i>						
freight, insurance, custom	90060	106650	106650	90060	90060	118500
<i>marketing</i>	30020	35550	35550	30020	30020	39500
<i>others expenses</i>	90060	106650	106650	90060	90060	118500
<i>retailers</i>	108072	127980	127980	108072	108072	142200
	216144	255960	255960	216144	216144	284400
Total margin	60040	71100	71100	60040	60040	79000
<i>Adidas margin</i>	30020	35550	35550	30020	30020	39500
<i>Our margin</i>	30020	35550	35550	30020	30020	39500