

**UNIVERSITAT  
JAUME I**

**INTERNATIONAL MARKETING PLAN OF**



# **SIMPLICITY WORKS**

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## **EXECUTIVE SUMMARY.**

This document is an international marketing plan for the Chinese market, prepared for Simplicity Works, the company that patents 3D Bonding shoemaking technology. For the preparation of this document, both an internal and external analysis of the company has been carried out and the Chinese market in the footwear sector has also been studied. Information has been collected from primary and secondary sources. For primary information on Simplicity Works and its activity, the company has been contacted directly by email and the information has been provided by the marketing developer Alica Kulichova. On the other hand, secondary sources from the web have also been used.

After the analysis carried out, it has been possible to highlight that the company does not have much presence in the market, since it offers a single line of products that is safety footwear, it also distributes its product through a single online store, and the investment in communication is very low, since it only makes its product known by attending certain events, reaching a very small audience and therefore many of the potential consumers are unaware of the existence of 3D Bonding technology.

After the analysis was carried out, several objectives have been set in this marketing plan. One of the objectives is to increase the number of visits to the corporate website by 20% in one year. This objective will be carried out through a communication strategy using social networks as a medium. Another objective is to increase the company's sales by 5% in one year. This objective will be achieved through market development strategies, diversification and the competitive advantage strategy, which is differentiation. And the last objective that is going to be achieved through this marketing plan is to attract 15% of new Chinese customers in a year, since as mentioned above, the purpose of the company is to target the Chinese market.

To achieve these objectives, 9 actions have been proposed related to the expansion of the range of products, the opening of new distribution points and the use of social networks in promotional activities.

Finally, for all the actions that are going to be carried out to achieve the objectives, a budget and a timeline have been set to know when each action begins and lasts. A way has also been established to control the achievement of each of the objectives.



## **1. INTRODUCTION.**

I have chosen the Simplicity Works company to make an international marketing plan for the Chinese market for my final degree project.

Simplicity works is a startup founded in 2011 located in the scientific park of the Miguel Hernández University of Elche, Alicante. The company is dedicated to the production of footwear using a new technology, 3D Bonding, which saves steps in the footwear production process by replacing the stitching of each of the shoe's parts with an injection that joins all the parts simultaneously in just a few seconds.

### **1.1. The company.**

The company was founded by Adrián Hernandez, who after traveling to Asian countries such as India and China, observed work situations that allowed him to see a business opportunity, this was to produce footwear at lower costs than in China since wages in Spain are higher, and thus came the idea of creating 3D Bonding which was patented in September 2009. The founders of the company are Adrian Hernandez who is currently also the director of the company, Christopher Banus who is a great investor in new technologies, Carlos Perez Vidal who is the head of science and Ezequiel Sanchez who is the head of strategy.

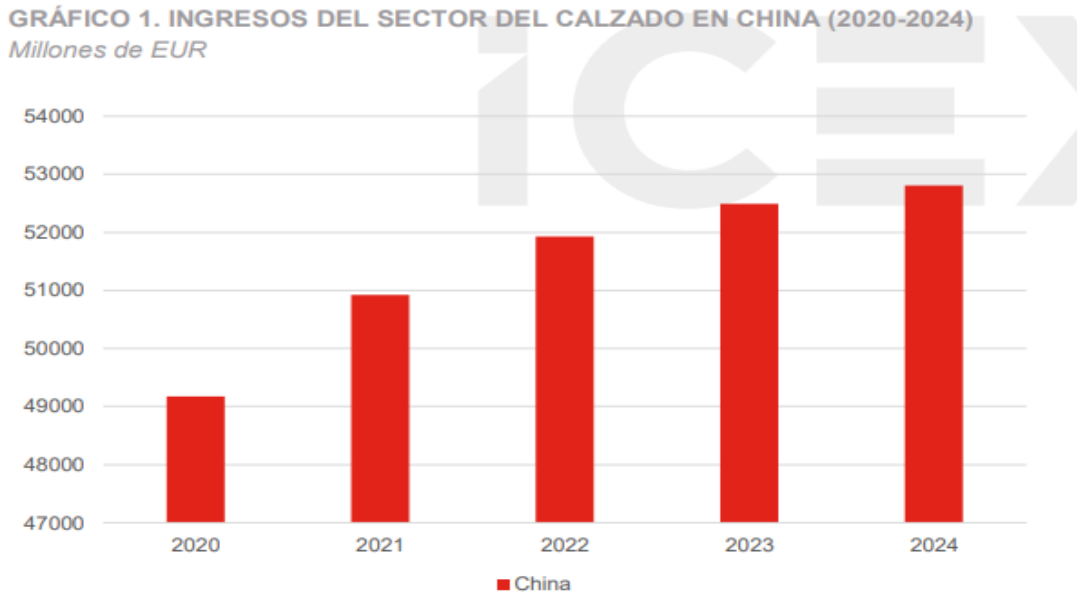
(Check in annex 1)



## **1.2. The Chinese market as a producer of footwear.**

China is currently the second footwear market in the world after the United States. In the coming years, an increase in revenues is expected in the sector in China, for the year 2024, revenues of almost 53,000 million euros are expected.

**Graph 1. Footwear industry revenue in China.**



Fuente: Statista

Source: ICE

Regarding the production of footwear in China, it is concentrated in the regions of Canton, Zhejiang, Schiuan and Fujian, that is, in the south of the country.

The province of Canton is specialized in the production of upper-middle-range footwear and leather footwear.

On the other hand, Zhejiang province is dedicated to the production of inferior quality footwear, it is where the largest number of leather footwear manufacturers are concentrated.

In Sichuan province, the largest number of lower-middle-range women's footwear is produced.



The province of Fujian concentrates most of the production of sports shoes and is the main headquarters of some Chinese companies that are dedicated to manufacturing this type of footwear. It is also the headquarters of many companies that are dedicated to export.

The most used materials in the production of footwear in China are leather and rubber.

On the other hand, it should be noted that in recent years there has been a decrease in the production of footwear in China, this is due to the relocation of production to countries with lower production costs, such as Vietnam and Malaysia. In addition, this decrease in footwear production in China is also due to the trade war with the United States and new environmental policies, which have caused a significant impact on the leather and therefore footwear industry.

Regarding the competitive landscape, companies such as Belle international and Aokang have managed to reach the consumer thanks to their distribution channels and affordable prices. In addition, they have managed to overcome the reduction in their competitiveness caused by the growing demand for international footwear by introducing innovative designs.

In addition, it is possible to differentiate between three types of products marketed in the Chinese market, ordered from highest to lowest rank for their quality and price. The first is footwear from imported brands from Europe and the United States, among which Spain represents one of the main countries. This footwear is always marketed as a product in the medium-high or luxury level. In second place, there are the brands that result from a joint-venture between Chinese and foreign companies, which compete in the medium and high-level segment of the market and, finally, that of companies of 100% national origin, whose products are They tend to target lower-middle-income consumers who offer the most affordable prices on the market.

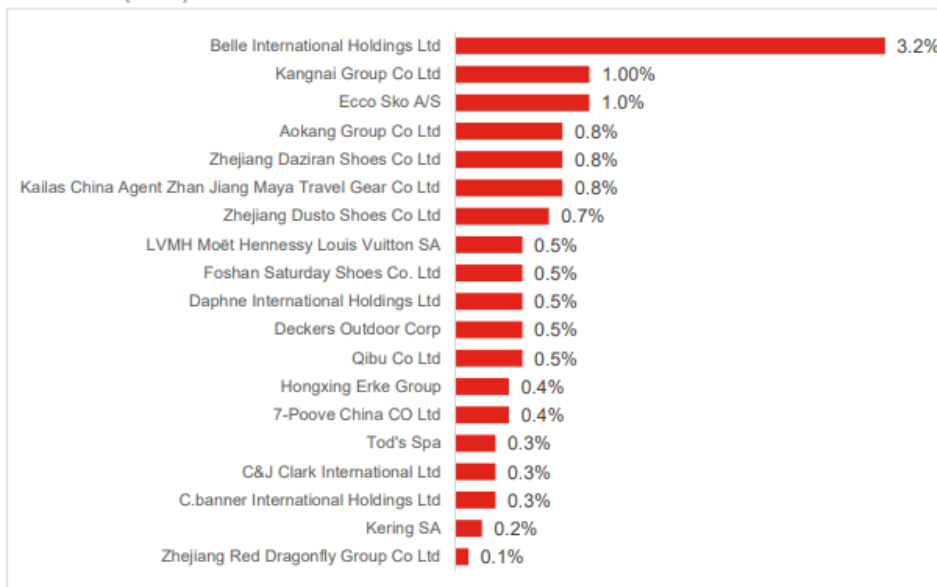
The following graph shows the brands in the sector that obtain the largest market share, except for sports footwear brands.





**Graph 2: Companies with the largest market share in the footwear sector in China.**

**GRÁFICO 9. EMPRESAS CON MAYOR CUOTA DE MERCADO DEL SECTOR DEL CALZADO EN CHINA (2019)**



Fuente: Euromonitor.

Source: ICEX.

Finally, regarding the preferences of the Chinese consumer, which is the new market to which the company is going to address, the following characteristics can be highlighted:

- The market is divided into a luxury segment and a necessity segment.
- Consumers seek the convenience of the product, without sacrificing its quality.
- The authenticity granted by certain exclusive and innovative products is gaining importance among the consumer.
- Leather footwear is the leader in demand by product type in China.
- There has been an increase in the demand for sports shoes and sneakers.
- Social networks and the so-called influencers have become determinants of success in promoting the brand.



## **2. SWOT ANALYSIS.**

The **SWOT** analysis (Weaknesses, Threats, Strengths and Opportunities) is a tool that aims to help the company in making strategic decisions. On the one hand, the strengths and abilities that belong to the internal scope of the company, its analysis focuses on the study of resources and capacities such as production, marketing, organization or personnel. On the other hand, opportunities and threats always belong to the external sphere of the company, and it must overcome them or take advantage of them, anticipating them. Here the flexibility and dynamism of the company comes into play, or what is the same, its resources and capabilities. Some of these factors are the competition, the market or the sector. (Check in annex 2).

**Table 1. Swot analysis.**

<b>WEAKNESSES</b>	<b>THREATS</b>
<ul style="list-style-type: none"><li>● Distribution of products through a single distribution channel and in a single store.</li><li>● Low product portfolio.</li><li>● Poor communication of the brand and the product.</li></ul>	<ul style="list-style-type: none"><li>● The crisis caused by the World Pandemic.</li><li>● Have higher costs than the competition.</li><li>● Entry barriers to access new markets.</li><li>● High number of footwear brands that are very well positioned in the market.</li></ul>
<b>STRENGTHS</b>	<b>OPPORTUNITIES</b>
<ul style="list-style-type: none"><li>● Creator of 3D Bonding technology.</li><li>● Savings in production and distribution costs.</li><li>● Simpler and faster production process.</li><li>● Local production.</li><li>● Eco Challenge Project.</li></ul>	<ul style="list-style-type: none"><li>● The first and only company in the world that uses 3D Bonding technology in the production of footwear.</li><li>● Lower costs than the competition.</li><li>● Greater awareness of people towards sustainability.</li><li>● Lack of direct competition.</li><li>● The continuous technological advance.</li></ul>

Source: Own elaboration.



## **2.1. Internal analysis.**

The internal analysis of a company is very important since it is the only part of the entire Marketing Plan where all the products and services that the company has are described and collected, such as prices, products, communication and distribution.

This analysis is used to compare with each plan that is being made or that has been made before.

Therefore, the internal analysis can be used to reflect, look back, to the present and to the future in order to improve and correct the action plans.

### **2.1.1.The company.**

The **Mission** of the company as shown in the human resources dossier provided directly by the company is the following: "To develop 3D Bonding, a technology that will have a positive impact on the lives of people and our planet."

The **vision** of the company is to achieve change in the industry for human well-being.

On the other hand, among the main **values** of the company are perseverance, attention to detail, innovation, integrity, simplicity, ethics, efficiency, teamwork and concern for sustainability.

On the other hand, a **strategic objective** of the company is to install a pilot factory in Alicante in 2022. Another objective is that the company has as a challenge for 2026 an estimated investment of 170 million and with the capacity to supply 24 million pairs per year to the global footwear industry from the industrial center of Elche.

### **2.1.2. Resources and capabilities of the Company.**

#### **2.1.2.1. Human Resources.**

The company is a small company, it is made up of a team of 10 employees in total. The CEO of the company is Adrian Hernandez, in the mechanical part there are 3 people, in the design part there are 3 employees and in the administration part there are 3 employees.

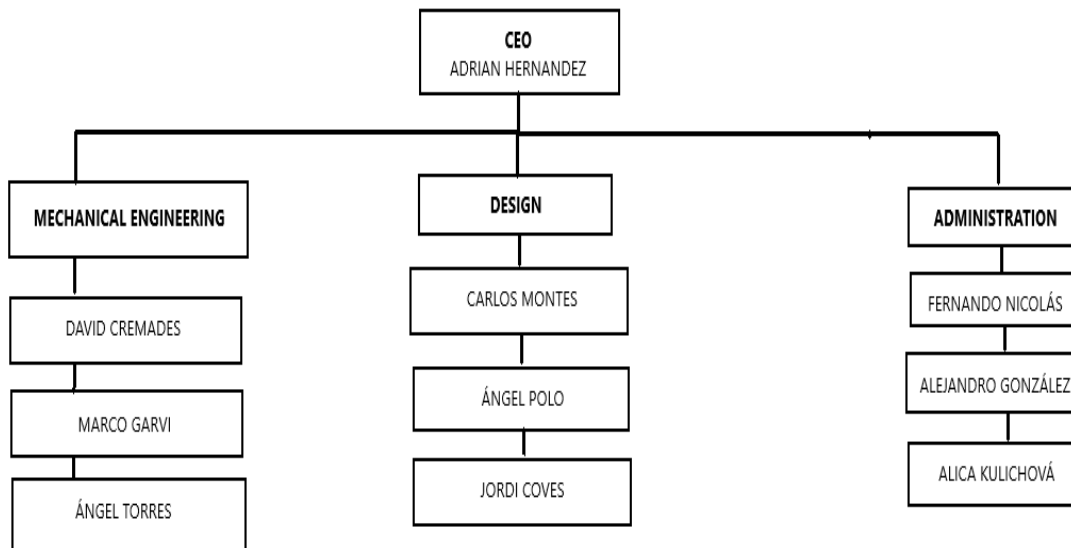


On the other hand, there are a series of labor values shared by the company's employees, which are:

- Have friendly contact with co-workers.
- Work in a pleasant environment.
- Have high remuneration and financial rewards.
- Offer an upward promotion and interesting job.
- They are encouraged to be original and face new ideas.
- Help people, dedicate themselves to work of social or community value.

Next, the organization chart of the company is presented that represents in a more visual way how the jobs are distributed in the company.

**Diagram 1. Organization chart of the company.**



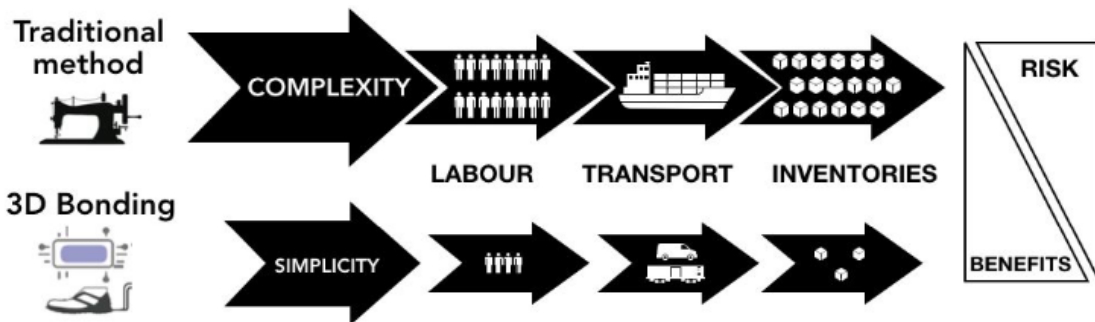
*Source: Own elaboration.*

### **2.1.2.2. Production.**

The production process using 3D bonding consists of placing materials such as leather, fabric or rubber in a finished three-dimensional mold. Then by means of a polymer injection the pieces are joined creating a finished product. Therefore, this new technology eliminates many steps in the production process for the manufacture of shoes, since all the pieces are joined simultaneously in a few seconds, performing only one action without having to join the pieces one by one.



Image 1. Comparison between traditional production process and 3D Bonding technology.



Source: *Simplicity Works website.*

### 2.1.2.3. Technology.

The technology used by the company is 3D Bonding. This technology allows to save steps during the production of the footwear, since through an injection all the pieces of the footwear are united and this allows to save time and production costs since material manual operations are saved, offering a product of higher quality, flexibility, waterproofing and durability. And this technology is also responsible for the environment since it reduces the amount of skin used by 50% and as local production is promoted, it reduces the transport of goods and therefore reduces the use of fuel and the emission of pollutants.

On the other hand, thanks to this technology the company has signed agreements with technology partners such as Desma, Cazador, AMF, Ortron and Durkopp Adler.

Image 2: 3D Bonding technology.



Source: Google images.



#### **2.1.2.4. Investigation and development.**

The 3D BONDING process consists of a new technological process for the production of three-dimensional objects through the injection of a thermoplastic applied to the sportswear, automobile and furniture sectors.

SimplicityWorks' 3D Bonding project in 2016 was supported by the European Regional Development Fund (ERDF), through ICEX.

The Mouldedfix project consists of the production of resin molds with vacuum closure with the aim of reducing the cost of mold machining and creating a more flexible system using a conveyor for the footwear injection industry.

The Mouldeffix project during the 2016-2019 period had the support of the European Regional Development Fund (ERDF), through the state research agency of the Ministry of Economy, Industry and Competitiveness.

#### **2.1.2.5. Corporate Social Responsibility.**

For Simplicity Works, the factors that influence health and quality of life to achieve Human Well-being depend on national habits, religion or the generation influenced by our technology. The company's goal is to bring happiness to the nation, emphasizing harmony with nature and traditional values. The company has a passion for environmental and social causes. For this, it has different practices focused on sustainability that seek both economic, social and environmental well-being.

Regarding environmental practices, the Eco Challenge Project stands out, through which the aim is to produce without waste, it consists of recycling and reusing the used material. This material is recycled and reused for the production of shoe midsoles, terrestrial parks and also in the construction industry as a thermal insulation material.

The company also has a great commitment to climate change, since through 3D Bonding technology it transmits low carbon emissions. This is due to less use of transportation and storage.



On the other hand, 3D technology uses 30% less energy than the traditional shoe production process.

One objective that the company has to use the land in a fair way is to grow in Elche Business Park, near Alicante.

In addition, the 50% decrease in the use of fabric or leather saves 50% of wastewater.

The company uses premium quality and ecological raw materials such as leather, textile, mineral aluminum and oil.

On the other hand, it has been proven through a test certified by INESCOP that 3D Bonding technology allows a 19.70% reduction in the carbon footprint, favoring a more ecological manufacturing.

On the other hand, the footwear that offers 3D Bonding technology brings benefits for the consumer's health since they are made with quality breathable leather without increasing their price. And also the shoes do not have seams that eliminate the pressure areas of the shoe.

Leather shoes are ecological, rubber sneakers and synthetic shoes last for years in landfills. By repairing and replacing leather-soled shoes, they stay out of landfills longer. And when it comes time to get rid of them, leather is a natural and biodegradable product.

On the other hand, the company targets generation Z students, as it is proven that they are more attracted to science, technology, engineering and mathematics.

There is also the concern for those most disadvantaged regions where people do not have the possibility of purchasing footwear.

The company does not forget the importance of fair and ethical treatment of employees within the company.

In addition, 3D Bonding technology produces locally supporting the local economy.



It should also be noted the concern for animals, since 50% of materials such as leather are saved in production.

Finally, economic sustainability is also sought to save resources and create values in the long term and also take into account the costs that may occur in the long term.

#### **2.1.2.6. Financing.**

In 2018 the company received a grant of 50,000 euros from the European Commission in the Horizon 2020 program to contribute to this fund in the development of 3D Bonding technology with which it seeks to simplify the production process in the industry of footwear.

On the other hand, the company has also received the support of the Ministry of Economy and Competitiveness, granting Simplicity Works an economic aid of 450,000 euros. In addition, the Center for Industrial Technological Development has also made a contribution of 550,000 euros to develop its technology.

#### **2.1.2.7. Logistics.**

Simplicity Works stands out for making minimum use of logistics, distributing its products locally in the same region since the production plants are located close to demand and at the same time it contributes to reducing pollution by making less use of transport.

This is because 3D Bonding factories in Europe can produce a more economical shoe than a traditional factory based in Asia. Using good working conditions and eliminating fuel for long distance transportation. On the other hand, production is made by the client's order.

#### **2.1.2.8. Marketing Resources.**

Next we will analyze the marketing mix of the company. The marketing mix is a strategy analysis of internal aspects and commonly developed by companies. In it, four basic variables of its activity are developed and analyzed, also called "4Ps": product, price, distribution and communication. Its main objective is to be able to know the real





situation of the company and in this way to be able to develop a specific strategy for subsequent positioning.

#### **2.1.2.8.1. Product.**

The product is what a company offers to a market in order to satisfy a specific desire or need. The product is not only the physical product, but other attributes are also valued, such as: customer service, warranty, packaging.

On the other hand, the **product portfolio** is the set of product lines that the company offers and that have fairly homogeneous characteristics that generally correspond to a certain category or need. To analyze the product portfolio, the following characteristics must be taken into account: breadth, depth, length and consistency. In the case of Simplicity Works, it offers a range of products made up of two lines: the technology that it patents, which is 3D Bonding, and the final footwear that is produced using this technology. Therefore, the company has a **breadth** of two lines. The company has 6 types of shoes (check in annex 3), therefore, it has a **length** of 7 products that it offers to end consumers. On the other hand, it can be affirmed that the **consistency** is high, since the products are closely related to each other and present the same characteristics.

Simplicity Works follows a single brand strategy, as it markets all of its products under one name, Infinity. Although each product of the brand has a different name which are: Jujo, Jers 1, Kalpana, Juno, Sputnik and Themis, they are all from the same brand.

#### **2.1.2.8.2. Price.**

The company sets its price based on the competition, since it takes into account the production costs and the prices of competing companies that produce footwear without the use of this innovative technology, in this case Asian competitors such as Vietnam or China and the United States. One of the main objectives of the company is to try to produce at a lower cost than Asia, since the shoe manufactured in Vietnam has a cost of 16.90 USD, and if logistics costs are included, a total cost of 20.22 USD is reached. On the other hand, in the US the cost of production is 14 USD. While 3D Bonding technology saves 6.19 USD from Vietnam's production cost of 20.22 USD, thanks that the production using 3D bonding technology is local, and logistics costs are saved.



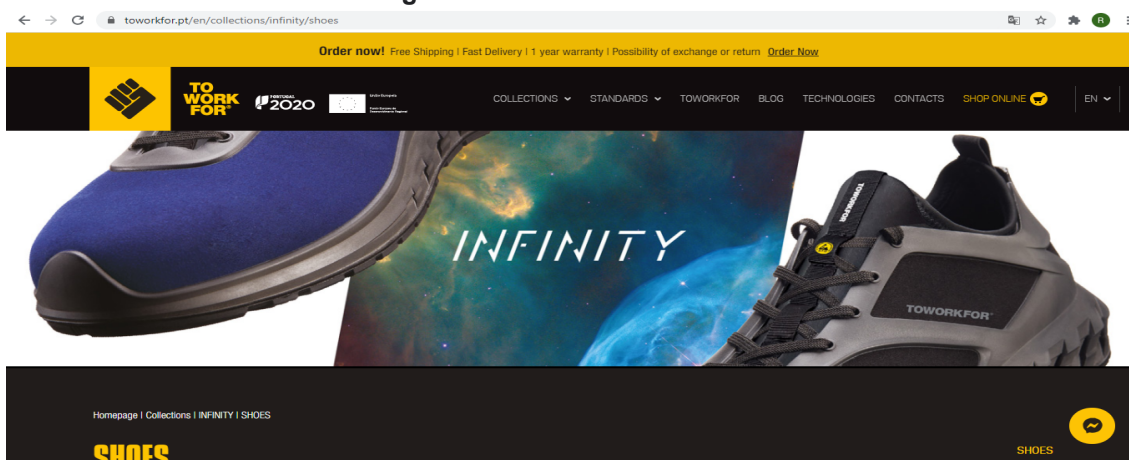
Therefore, the cost of production of a shoe made using 3d bonding technology is 14.03 USD. On the other hand, for the final consumer to purchase the product, the price in euros of a pair of this type of footwear is 74.90 euros, which is the price offered by the To Work For store.

### 2.1.2.8.3. Place.

The company, being very new, does not yet have physical stores, it only distributes its products online in a single store, which is an online shoe store of Portuguese origin that has the name of To work for. The activity of this store is the distribution of safe, resistant and comfortable footwear made by using the best technologies and raw materials. The product in the Portuguese store is the Infinity model. The company has also managed to reach an agreement and since January 2021 it has a production plant in Mexico where the manufacturer Berrendo produces safety footwear for international brands such as Caterpillar or Puma Safety. Berredo manufactures for large American brands and one of these brands is going to launch a model made with 3D Bonding.

Therefore, a **level 1 channel** is used, since the product goes from the manufacturer Simplicity Works, to the distributor that is To work for, and from the distributor to the final consumer.

Image 3. Online store To work for.



Source: To Work For website.

### 2.1.2.8.4. Promotion.

Communication is crucial to make 3D Bonding technology and footwear produced using this technology known to both end consumers of footwear and potential footwear retailers.



Simplicity Works by offering a product that is in its early stages on the market, in this case 3D Bonding technology, makes use of advertising for informational purposes as it seeks to publicize the existence of the new product on the market which is a radical innovation and therefore, it seeks to achieve a primary demand.

To publicize its product, the company makes use of **Public Relations** in order to build an image of the product by holding **special events**.

An event that the company has attended to publicize its product is the House Fair 2018 event, which took place in Germany and organized by the footwear technology development company Desma (Check in annex 4).

During the event, the director Adrian Hernandez presented this new technology that replaces the seams of the footwear with an injection that joins all the parts of the footwear, providing a product with greater impermeability and flexibility. Attendance at this event has made it possible to publicize the product to industry experts and also establish contact with manufacturers interested in using 3D Bonding technology in their factories.

Another event where 3D Bonding was presented and selected as a finalist was Hello tomorrow Global Summit 2019 in Paris. It was an unique event where brightest entrepreneurs and change-makers meet to build the future. As a global finalist Simplicity Works were invited to pitch on the Challenge Stage where the CEO Adrian Hernandez presented the vision of the future of manufacturing.

Next Simplicity Works was also invited to present 3D Bonding in the famous New York Stock Exchange on Wall Street, Manhattan. The appointment called Sourcing & Sustainability was organized by the FDRA. Adrian Hernandez and Ezequiel Sanchez presented Simplicity Works's vision of the future of manufacturing focused on positive change in footwear factories worldwide through the development and execution of shared standards driving continuous improvement in working conditions, health and safety, and environmental stewardship.

And the CEO Adrián Hernandez and Mr. Johan Van Dyck, Global OEM Business Development Manager from HUNTSMAN, Belgium, presented the idea of rethinking the manufacturing process with three-dimensional bonding of materials in Berlin too.



## **2.2. External analysis.**

### **2.2.1. Macro Environment.**

The macroenvironment is made up of all those external elements of the environment, outside the company, and should always be taken into account, since they can affect the situation of the organization. It is essential to analyze these two elements in a meticulous way since from them there are opportunities and threats that the company, in this case Cruzcampo, will have to take advantage of or avoid in the face of market exchange.

One of the most useful tools to analyze and help describe the general environment is the so-called PESTEL, through which political, economic, socio-cultural, technological, ecological and legal factors are analyzed.

In this case, an analysis of the environment of the technology industry to produce footwear and specifically of the company mentioned above will be carried out.

#### **2.2.1.1. Pestel analysis.**

##### **2.2.1.1.1. Political Environment.**

A massive confinement of the population or closure of footwear stores as a preventive measure for the spread of Covid-19 promoted by the government causes a stoppage in the acquisition of footwear.

The footwear industry is subject to laws, since footwear must provide safety and comfort to its users, these laws are present both in production, labeling and distribution.

Thanks to the policy that allows having a second child per couple in China, the birth rate has increased and this has allowed an increase in the demand for children's footwear.

##### **2.2.1.1.2. Socio-cultural Environment.**

One of the most important variables that affects footwear consumption are changes in lifestyle, since fashion is always changing and companies in the sector have to



continuously adapt to the tastes and new preferences of consumers. A clear example would also be the changes in needs that the World Pandemic has produced, since thanks to this the consumption of high-heeled shoes has decreased in women and the use of sports shoes has increased.

In China there are three types of consumers:

- **Demanding consumers:** They are those with greater purchasing power, but have little free time. They prefer to spend more on a higher quality product. They represent 23% growth in spending in 2019.

- **Smart consumers:** They are those who are interested in the quality of the products but are not willing to pay more to purchase them. They represent 6% of the annual growth in 2019.

- **Economic consumers:** They are consumers who have low purchasing power, they are people who are more interested in low prices and savings, more than the attractiveness of the brand or quality.

The consumer trends in the Chinese market in women are comfortable shoes, with thicker heels, sandals and flat shoes. On the other hand, men opt more for classic shoes, to go to the office and with sober colors.

Generation Y and Z consumers have contributed 33% of luxury shoe purchases and account for more than 47% of total luxury shoe consumers.

On the other hand, the consumption of footwear in China per family unit in 2019, for couples with children, was 838 euros at home. For couples without children it was 531 euros per household. For the single parent family it was 528 euros and for the single family it was 380 euros.

### **2.2.1.1.3. Economic environment.**

The crisis caused by the Covid-19 Pandemic has been one of the reasons why the purchase of footwear has decreased, since people spend more time at home, without having the need to buy new footwear.



Footwear exports from Spain between January and May 2019, according to the page of "El Economista" had a figure of 414.5 million euros, and it is proven that they have an annual increase of 6.54%.

Footwear production according to "WorldFootwear" between 2010 and 2019 has increased worldwide by 21.2%, reaching an average annual growth rate of 2.2%.

China is the leader in the annual production of footwear, reaching a figure in 2019 of 13,750 million pairs ahead of countries such as India, Vietnam, Indonesia, Brazil, Turkey, Pakistan, Bangladesh, Mexico, Italy and Spain, according to "The yearbook of the world footwear sector of the year 2019".

China and India are the largest footwear consumers in the world, reaching in 2019 according to "The yearbook of the world footwear sector of the year 2019", a figure of 4,143 million pairs and 2,560 million pairs for being one of the countries with the greater number of population. On the other hand, if per capita consumption is observed, the United States and Europe are the ones that consume the most pairs of shoes per person, since in the USA the per capita consumption is 5.6 pairs while in Asia it is 2.6.

In 2019, 62% of all footwear produced in the world was exported, that is, 15,000 million pairs.

The United States is the largest importer in the world with a figure in 2019 of 2.47 billion pairs according to the page of the "Yearbook of the world footwear sector: year 2019".

#### **2.2.1.1.4. Technological environment.**

Thanks to technological advancement and investments in R&D, new technologies are discovered that help the company to introduce new forms of production, such as 3D Bonding technology in footwear, and thus manage to innovate and improve its products, also reducing their costs.



On the other hand, an example of technological innovation in product distribution has been the introduction of online stores that has favored cost reduction for many companies and at the same time providing greater convenience for consumers when purchasing products since they hardly need to leave the house.

On the other hand, an innovation in product communication has been advertising through social networks.

#### **2.2.1.1.5. Legal environment.**

There are several legal requirements that companies in the footwear sector have to fulfill. It is mandatory for all companies in the sector to label footwear, since this provides information on the materials that have been used to make it, for this, the labeling must provide information on the three parts of the footwear that are: the upper, the lining and the insole and the sole. On the other hand, the composition of the footwear must be represented either by pictograms or textual indications that can be leather, coated leather, textile or other materials.

On the other hand, the footwear market must go through various legislative controls in force in the European community, which are:

- ❖ Commission Decision (EU) 2016/1349, of August 5, 2016, which establishes the ecological criteria for the award of the EU ecological label to footwear.
- ❖ Regulation (EU) 2016/679 of the European Parliament and of the Council, of April 27, 2016, regarding the protection of natural persons with regard to the processing of personal data and the free circulation of these data and by which repeals Directive 95/46 / EC (General Data Protection Regulation).
- ❖ Regulation (EU) 1007/2011, of September 27, relative to the names of textile fibers and the labeling and marking of the fiber composition of textile products and by which Directive 73/44 / EEC, of the Council and Directives 96/73 / CE and 2008/121 / CE, of the European Parliament and of the Council.
- ❖ Regulation (CE) N° 66/2010 of the European Parliament and of the Council, of November 25, 2009, relative to the ecological label of the EU.



On the other hand, in Spain, the footwear sector must comply with the following standards:

- ❖ Royal Decree 293/2018, of May 18, on reducing the consumption of plastic bags and creating the Register of Producers.
- ❖ Royal Decree 234/2013, of April 5, which establishes the rules for the application of Regulation (CE) no. 66/2010 of the European Parliament and of the Council, of 25-11-2009, regarding the ecological label of the European Union.
- ❖ Royal Decree 1619/2012, of November 30, which approves the Regulation that regulates billing obligations.
- ❖ Law 22/2011, of July 28, on waste and contaminated soils.
- ❖ Law 29/2009, of December 30, which modifies the legal regime of unfair competition and advertising to improve the protection of consumers and users.  
8. ANNEX II. 39 8. ANNEX II.
- ❖ Law 25/2009, of December 22, modifying various laws to adapt them to the Law on free access to service activities and their exercise.
- ❖ Law 17/2009, of November 23, on free access to service activities and their exercise.
- ❖ Royal Decree 231/2008, of February 15, which regulates the Consumer Arbitration System.
- ❖ Royal Legislative Decree 1/2007, of November 16, approving the revised text of the General Law for the Defense of Consumers and Users and other complementary laws.
- ❖ Royal Decree 1801/2003, of December 26, on general product safety.





- ❖ Law 60/2003, of December 23, on Arbitration.
- ❖ Law 17/2001, of December 7, on Trademarks.
- ❖ Royal Decree 3423/2000, of December 15, which regulates the indication of the prices of products offered to consumers and users.
- ❖ Royal Decree 1507/2000, of September 1, which updates the catalogs of products and services for common, ordinary and generalized use or consumption of durable goods.
- ❖ Law 7/1996, of January 15, on the Regulation of Retail Trade.
- ❖ Royal Decree 1718/1995, of October 27, which regulates the labeling of the materials used in the main components of footwear.
- ❖ Law 3/1991, of January 10, on Unfair Competition.
- ❖ Law 34/1988, of November 11, General Advertising.
- ❖ Decree 2807/1972, of September 15, which regulates advertising and price marking in the sale of retail items to the public.

#### **2.2.1.1.6. Ecological environment.**

Every time the footwear industry feels more committed to taking responsible actions with the environment during the performance of its activity.

For this, the footwear institute has started the CO2Shoe project, with the aim of developing a tool that manages to quantify greenhouse gas emissions from the manufacture of each pair of shoes. Through a study that has been carried out with the CO2Shoe tool in which it has been tried to study the life cycle of 36 models of pairs of shoes from 16 different companies from four different countries that are Spain, Italy, Poland and Portugal.

Just by putting the amount of materials and the consumption of resources such as water or light used in each pair of shoes, the application already provided a quantified

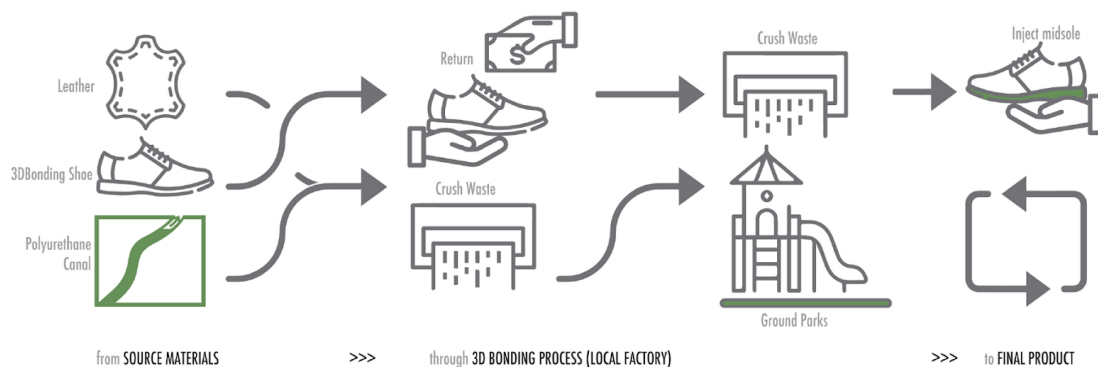


result in the form of CO<sub>2</sub>. This result varies depending on the type of shoe, the figures range from 1.3 to 25.3 Kg of CO<sub>2</sub>.

The study shows that of all the carbon dioxide produced, 58% correspond to the manufacture of components such as the tongue, leather, insole or sole, 16% to manufacturing packaging, 11% to assembly and finished and only 6% to the distribution of the final product.

On the other hand, a responsible initiative in which many companies in the sector have currently taken part is the Eco Challenge Project. This project consists of recycling and reusing the waste material and also collecting the old shoes that are shredded to reuse the material for the midsoles of the shoes and are also used for the terrestrial parks.

**Image 4. Eco challenge project.**



Source: *Simplicity Works website.*

## 2.2.2. Microenvironment.

### 2.2.2.1. Demand.

The consumption of footwear due to the current Pandemic has been affected, since according to a global survey of the commercial conditions of footwear carried out by World Footwear in the first half of 2020, it extracts that most of those interviewed thought that footwear consumption was it would decline by at least 20% by the end of 2020, and one in four interviewees thought it would drop by more than 35% globally.

On the other hand, the Pandemic has made high-heeled footwear lose its place in the sector, this being gained by flat, comfortable and practical footwear.



In addition, according to the data published in the yearbook of the world footwear sector that contains data from World Footwear, in the year 2019 before the Pandemic, the world's largest producer of footwear was China with a figure of 13.475 million pairs.

**Graph 3. Ranking of the largest footwear producers in 2019.**  
**Ranking mayores productores mundiales de calzado 2019 (mill. pares)**

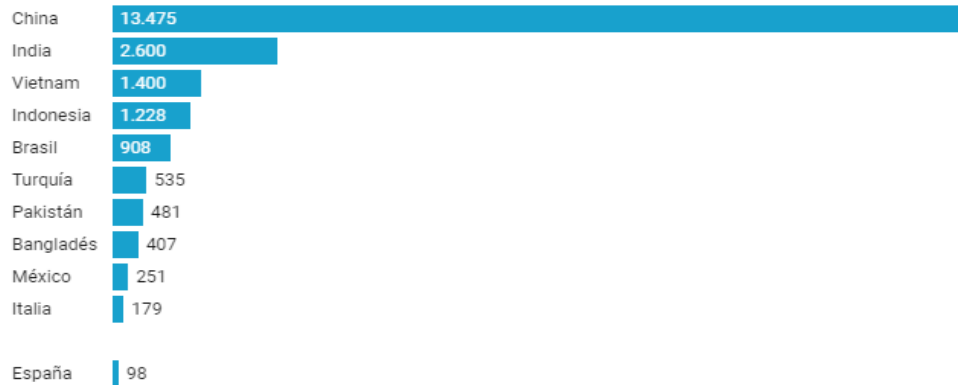


Gráfico: Revista del Calzado • Fuente: [WorldFootwear-Apiccaps](#) • [Descargar los datos](#) • Creado con [Datawrapper](#)

Source: World Footwear website.

On the other hand, China also leads footwear consumption worldwide, consuming 4,143 million pairs in 2019. Followed by other Asian countries, this continent being where most of the consumption in the world is concentrated, representing more than half of all the shoes in the world. On the other hand, Europe and North America each have a consumption of 15%, Africa consumes only 6% and South America 9%. On the other hand, Oceania only concentrates 1% of consumption.

China and India are the largest footwear consumers in the world, reaching in 2019 according to "The yearbook of the world footwear sector of the year 2019", a figure of 4.143 million pairs and 2.560 million pairs for being one of the countries with the greater number of population. On the other hand, if per capita consumption is observed, the United States and Europe are the ones that consume the most pairs of shoes per person, since in the USA the per capita consumption is 5,6 pairs while in Asia it is 2,6.



Graph 4. Ranking of the largest footwear consumers in 2019.

### Ranking mayores consumidores mundiales de calzado 2019 (mill. pares)

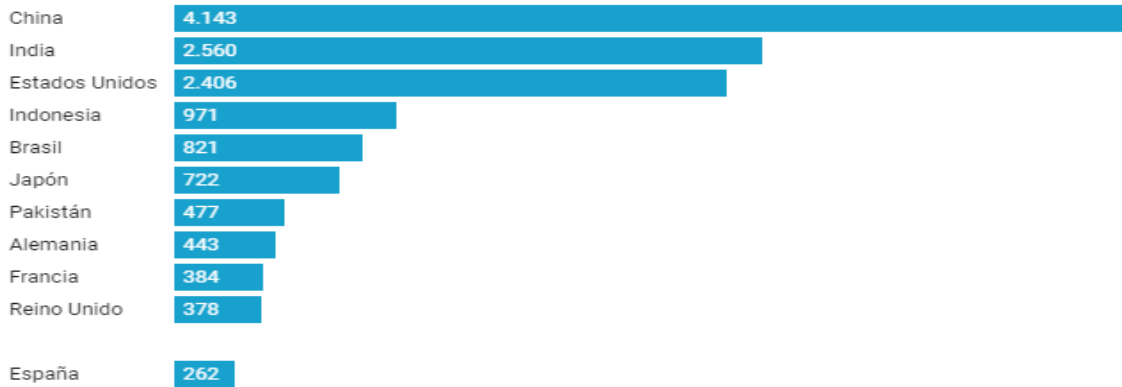


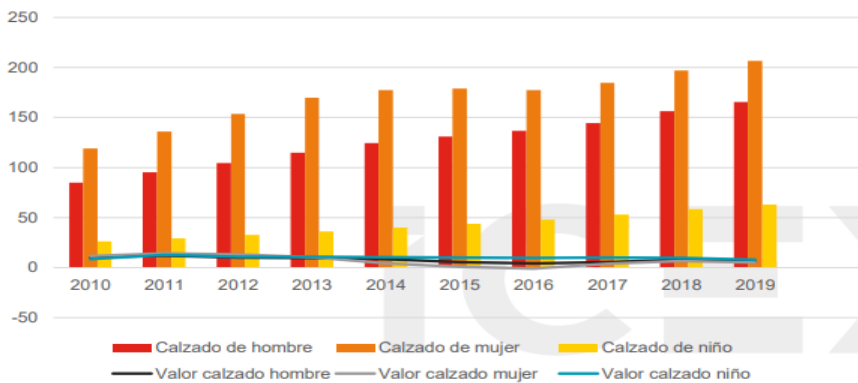
Gráfico: Revista del Calzado • Fuente: [WorldFootwear-Apiccaps](#) • [Descargar los datos](#) • Creado con [Datawrapper](#)

Source: *World Footwear website.*

According to ICEX, which analyzes the Chinese footwear market, it is observed that women's footwear is the most consumed, followed by men's and children's.

Graph 5. Evolution of footwear consumption in China by category.

### GRÁFICO 10. EVOLUCIÓN DEL CONSUMO DE CALZADO EN CHINA POR CATEGORÍA Millones de RMB



Fuente: Euromonitor

Source: *ICEX.*

On the other hand, if the growth in demand for footwear in China is studied by category (men's footwear, women's footwear, children's footwear), it is observed that the category that has experienced the most growth is that of children's footwear. In 2019, a figure of 63.1 billion GNI of retail sales has been achieved and the figure is expected to continue growing until 2024. This increase in demand for children's footwear in China has been the result of the abolition of the policy in which it was allowed to have only



one child per couple. This fact has increased the country's birth rate and therefore the demand for children's footwear. Another cause of the increase in demand for children's footwear has been the trend that couples want to dress their children like them.

**Table 2. Growth in demand for footwear in China by category.**

**TABLA 16. CRECIMIENTO DE LA DEMANDA DE CALZADO EN CHINA POR CATEGORÍA**

Crecimiento			
	Calzado de hombre	Calzado de mujer	Calzado de niño
2010	10,4%	11,7%	8,7%
2011	12%	14,2%	12,7%
2012	10%	13%	10,8%
2013	9,8%	10,5%	11%
2014	8,4%	4,3%	10,5%
2015	5,3%	1%	10%
2016	4,2%	-1%	9,7%
2017	5,6%	4,1%	10,2%
2018	8,2%	6,7%	9,8%
2019	6%	5%	8%

Fuente: Euromonitor

Source: ICEX.

### 2.2.2.2. Customers.

Footwear is a product intended for everyone of any age, both for children, adolescents, adults and the elderly. Customers are segmented into three categories: children, women and men. The footwear industry has several consumer segments. There are customers who want to dress well, children's shoes and slippers, sandals, women's shoes, sports shoes for sports customers, orthopedic shoes, boots for skiing, skating and horse riding.

On the other hand, customers of footwear manufactured using 3D Bonding technology are people who seek quality, comfort and safety, are concerned about sustainability and are passionate about innovations. At the moment the company only offers a line of products that is safety footwear for workers who seek comfort at work and therefore only reaches one segment of the market.



### **2.2.2.3. Vendors.**

Simplicity Works collaborates with great partners like Desma and Huntsman. Desma provides state-of-the-art machinery and molds for manufacturing. Desma's values are the production of smart footwear, an innovative, sustainable and automated production and that is what has contributed to making the company one of the main partners of Simplicity Works. Huntsman, on the other hand, is responsible for producing the necessary chemicals, such as the injectable material that is required to carry out the technology patented by the Simplicity Works company and also provides a molding machine.

### **2.2.2.4. Sector Analysis.**

The footwear technology sector is currently made up of companies that produce personalized footwear to the needs of each client, such as footwear that adapts to each of the two feet offering the customer greater comfort, they also offer a more comfortable footwear, safe and flexible and at the same time manufactured in the most sustainable way possible using resources in a more efficient way.

### **2.2.2.5. Analysis of the competition.**

#### **2.2.2.5.1. Levels of competence.**

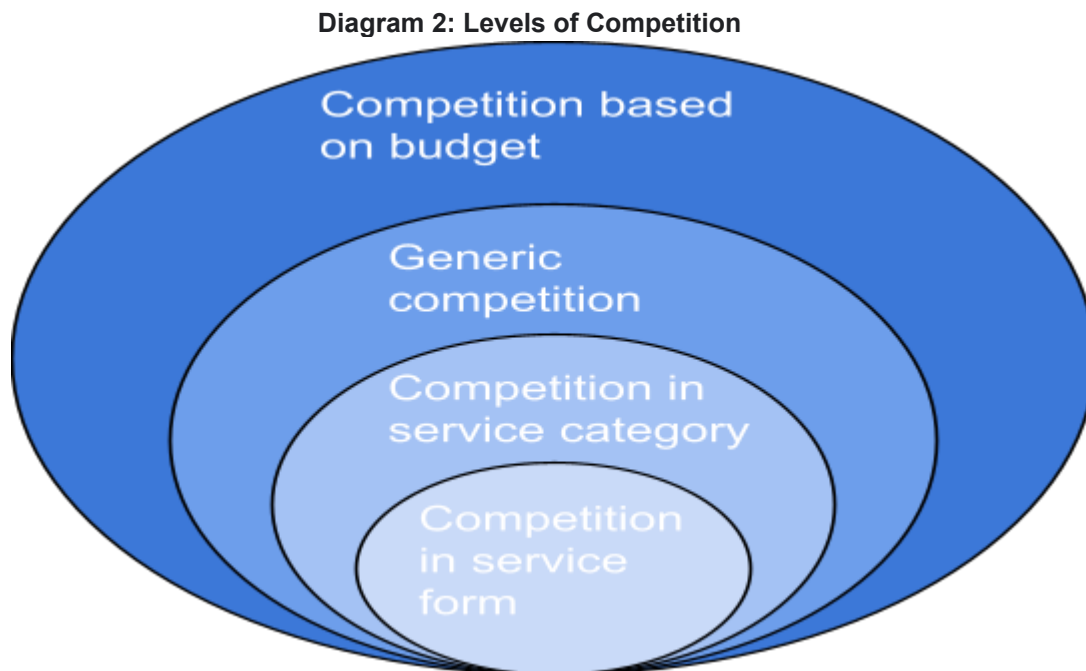
Simplicity Works' competition is made up of all those innovative footwear technologies that are on the market.

As 3D Bonding technology is unique and there is no other company in the market that is using it, the company does not have such direct competition, and therefore, the competition is made up of all those technologies destined to produce footwear.

Next, we proceed to analyze the different levels of competition that the company faces.



The following diagram shows the different levels of competence:



Source: Own elaboration.

First of all, there is a competition in **product form** in which there are products that satisfy the same need and are aimed at the same market segment, which are the main competitors of Simplicity Works, in this case it is Air Tubeless, since it offers a product that satisfies the same need as safety footwear and is aimed at the same segment and with practically the same price, distributing its products even in the same store that is To work for.

Secondly, there is competition in the **product category** where you can see those competitors who offer products and brands that satisfy the same need but with a different presence, in this case, safe footwear made with superior technology.

On the other hand, there is the **generic competition** that is formed by those competitors who satisfy the same need, in this case offering comfortable footwear for the consumer. An example is the Fluidform technology and Futurecraft 4D.



Finally, there are all those products and services that the consumer can give higher priority when distributing the **budget**, like clothes, jewellery, electronics, etc.



### 2.2.2.5.2. Description of the main competitors.

(Check in annex 5)

Table 3. Competition summary.

Company	Product	Price	Place	Promotion
	19	74,70€-80,50€.	-Online store.	-Fairs and special events.
<b>FLUIDFORM™</b>	More than 100 products.	80€-220€.	-ECCO physical and online stores. -Amazon.	-Social networks.
	1	220€.	-Confirmed application. -Amazon and Ebay. -Physical adidas stores and other physical sports stores.	-Social networks.

Source: Own elaboration.





### **3. OBJECTIVES.**

After carrying out the Swot analysis of the company, it is necessary to establish marketing objectives that allow correcting the weaknesses of the company and enhancing the strengths, taking advantage of the opportunities offered by the market, but always taking into account the mission and strategic objectives of the company. These objectives are intended to be achieved from January 2022.

The objectives that have been defined for the company, in order to improve its weaknesses are:

#### **1. Increase the number of visits to the corporate website by 20% in one year.**

One of the main objectives that companies have to have is to publicize their brand and their products or services. Therefore one of the goals for Simplicity Works is to increase its investment in communication as the brand has not yet become known to many consumers. For this, the objective of increasing the number of visits to the website is set, through the use of social networks, which is one of the means of communication where people spend most of their time nowadays. This will increase the number of consumers and position the brand in the minds of consumers.

#### **2. Increase the company's sales by 5% in one year.**

Simplicity Works is a new company and it is the creator and the only one that uses 3D Bonding technology to produce footwear. The company does not offer a product for many consumer segments and only offers its product through a single point of distribution. As for any company, one of its objectives is to increase the company's sales since only then can it grow and survive in the market.

#### **3. Attract 15% of new Chinese customers in one year.**

Through this marketing plan, the Simplicity Works company is going to target the Chinese market, therefore, one of the objectives that the company is going to set is to get 15% of Chinese customers in one year.



## **4. STRATEGIES AND ACTION PROGRAMS.**

### **4.1. Strategies.**

To achieve the objectives mentioned above, a series of strategies will be taken into account.

On the one hand, the company to follow a path towards growth will be guided by the strategies offered by the Ansoff's matrix.

**Image 5. Ansoff's Matrix**



*Source: Google images.*

#### **4.1.1. Market development strategy.**

Through this marketing plan, the company wants to target a new market, which is China. Therefore, the company seeks to expand its market both with the existing product portfolio and with the new product that is developed in the actions carried out in this marketing plan. Therefore, the market development strategy can be defined as an expansion strategy that deals with the growth of a company from the conquest of new markets. It is used when a company tries to offer its products to other niches or existing markets different from the ones it is generally targeting.



#### **4.1.2. Diversification Strategy.**

The diversification strategy can be defined as a business strategy that consists of expanding the potential market with the objective of expanding and achieving greater growth. That is, it is about discovering new market niches in which the company can penetrate and achieve success by creating new products, developing a new approach to existing products or services or looking for other profiles of consumers with new needs and desires to attend.

With this strategy, the company is targeting a new market but also with a new product that it did not have in its portfolio. In this case, the company is going to go to the Chinese market with a new line of footwear that consists of a line of sneakers for women and another for men.

#### **4.1.3. Differentiation strategy.**

On the other hand, regarding competitive strategies, the company follows a differentiation strategy. Since it seeks to position itself with an innovative product that is 3D Bonding technology, being the only one in the market that offers this technology, it also positions itself as an environmentally sustainable company, an efficient company and with a superior quality product. And as the mission of the company says: "Achieve change in the industry for human well-being."

Therefore, the differentiation strategy consists of the development of an action plan to ensure that a product or service is positioned in the market and stands out from the competition. Through this strategy, the brand manages to capture the attention, recognition and loyalty of its customers.

#### **4.1.4. Communication or loyalty strategy.**

In order to increase visits to the company's website, it will be necessary to resort to publications on social networks, it must be emphasized that the most important thing is the quality of the publications and not the quantity, since, if the publications have a



attractive design and are aimed at your target audience, the "likes" will increase, also the comments and the number of people who share it.

To publish quality content, it will be necessary to find out what the tastes and interests of the public are, through surveys on the networks, and thus find out what would be the best content for the publications. In addition, through surveys, the target audience can also be detected. These surveys are to find out information about the type of footwear that the potential consumer usually acquires, what preferences they have, etc. For this, it will be necessary to hire the services of a Social Media Manager to take charge of the company's social networks.

#### **4.2. Marketing plan.**

In the Marketing plan, the objectives have been set based on the weaknesses that the company has and thus subsequently establish the action plan, the budget, timeline and finally the control, by means of which it is a matter of checking if everything is being carried out in the best possible way.

##### **Action 1: Restructuring of the corporate website.**

###### **Objective to which it contributes:**

2. Increase the company's sales by 5% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 1 month.

###### **Description:**

To carry out the objective of increasing the number of visits to the corporate website, one of the actions that must be carried out is to improve the design and content of the company's website. Through this action, the option to buy the company's products through the same website will be introduced, since the website does not offer this option and it would be much more convenient for many of the customers to purchase the products directly from the website of the company without having to search and access the only online store that currently offers the product that is To Work For.



## **Action 2: Launch of the service of the new corporate website.**

### **Objective to which it contributes:**

2. Increase the company's sales by 5% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 12 months (Since August 2021)

**Description:** Once the structure that makes it possible to carry out the distribution through the corporate website has been implemented and it has also been verified that the website meets the technical requirements and legal to be able to enter into operation, the service will be started.

## **Action 3: Creation of accounts in social networks.**

### **Objective to which it contributes:**

1. Increase the number of visits to the corporate website by 20% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 1 month

**Description:** To achieve the first objective, as already mentioned, content will be published on social networks in order to attract consumers to access the website. To do this, the first thing to do is create accounts on social networks, which are the ones used in China as Wechat, Sina Weibo and Ren Ren. A Facebook, Instagram and Twitter account will also be created to be present in other markets as well.

## **Action 4: Hiring the services of a social media manager.**

### **Objective to which it contributes:**

1. Increase the number of visits to the corporate website by 20% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 12 months



**Description:** Once the company already has accounts in social networks, it is necessary to customize the profile in each of the accounts and hire a person, which in this case is the Social Media Manager who has between 15,000 and 50,000 followers of Chinese origin. The main task that the Social Media Manager has to carry out is to design and publish quality content about the company on their social networks. In order to reach more consumers, content will also be published on the social media accounts that have been created for the company itself.

**Action 5: New product line.**

**Objective to which it contributes:**

2. Increase the company's sales by 5% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 3 months.

**Description:** An action to increase sales is the development of a new product that the company does not have in its product portfolio.

After having carried out a market research and having studied what the needs and tastes of the Chinese market are, it has been possible to highlight the search for comfortable footwear by both men and women. For this, a line will be created for women and another for men, of sneakers that are comfortable both for sports and to dress well or casually, a line will be created consisting of 2 models for men and another also of 2 models for women.

The price of the product will be the same as that of the Infinity model products, which the company already offers, that is, a price of 74.90 euros. In other words, the company sets its price based on the competition, since it takes into account the production costs and the prices of competing companies that produce footwear without the use of this innovative technology, with the aim of producing at lower costs than Asia. A price adaptation strategy will also be implemented, a 15% discount on the acquisition of the new line of sneakers will be offered to the first 100 customers who access the physical store in the capital of China.



Regarding distribution, the new product will reach consumers using the same level 1 channel, that is, a channel that takes the product from the manufacturer to the retailer and from the retailer to the final consumer. But now the product will not only be distributed through the To Work For online store, but it will also be distributed together with the product that the company already offered, through the corporate website itself and also through a physical store. which will open in Beijing and this marketing plan is aimed at the Chinese market.

The new product will be communicated both through special events and through publications on social networks, as mentioned before, a social media manager with between 15,000 and 50,000 followers of Chinese origin will be hired to publish quality content about the new product on his social networks and the company's social networks.

#### **Action 6: Open a physical store in China.**

##### **Objective to which it contributes:**

2. Increase the company's sales by 5% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 12 months

**Description:** Through this action, the aim is to cover a market segment in China that is more convenient for you to purchase footwear in a physical store, having a more direct contact with the seller. This action consists of opening a physical store in the capital of China in order to offer better customer service and showing them the product and solving all the doubts they may have about the product.

#### **Action 7: Discount 15% physical store.**

##### **Objective to which it contributes:**

2. Increase the company's sales by 5% in one year.

**Implementation period:** 1 month.



**Description:** A 15% discount will be offered on the acquisition of the first pair of the new footwear line to the first 100 customers who access the new physical store located in the capital of China.

**Action 8: Promotion of the new product on social networks.**

**Objective to which it contributes:**

2. Increase the company's sales by 5% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 10 months.

**Description:** The same social media manager who is also an influencer and has between 15,000 and 50,000 followers of Chinese origin will also be hired to publish quality content about the new product on his social networks, and at the same time he will be in charge of uploading content about the new product on the company's social networks.

**Action 9: Distribute brochures in physical store.**

**Objective to which it contributes:**

2. Increase the company's sales by 5% in one year.
3. Attract 15% of new Chinese customers in one year.

**Implementation period:** 10 months.

**Description:** Brochures will be distributed to potential customers who pass in front of the entrance of our physical store located in China.





#### 4.2.1. Summary Action Plan.

Table 4. Summary Action Plan.

ACTIONS	OBJECTIVES
<b>Action 1: Restructuring of the corporate website.</b>	2. Increase the company's sales by 5% in one year. 3. Attract 15% of new Chinese customers in one year.
<b>Action 2: Launch of the service of the new corporate website.</b>	2. Increase the company's sales by 5% in one year. 3. Attract 15% of new Chinese customers in one year.
<b>Action 3: Creation of accounts in social networks.</b>	1. Increase the number of visits to the corporate website by 20% in one year. 3. Attract 15% of new Chinese customers in one year.
<b>Action 4: Hiring the services of a social media manager.</b>	1. Increase the number of visits to the corporate website by 20% in one year. 3. Attract 15% of new Chinese customers in one year.
<b>Action 5: New product line.</b>	2. Increase the company's sales by 5% in one year. 3. Attract 15% of new Chinese customers in one year.
<b>Action 6: Open a physical store in China.</b>	2. Increase the company's sales by 5% in one year.



	3. Attract 15% of new Chinese customers in one year.
<b>Action 7: Discount 15% physical store.</b>	2. Increase the company's sales by 5% in one year.
<b>Action 8: Promotion of the new product on social networks.</b>	2. Increase the company's sales by 5% in one year. 3. Attract 15% of new Chinese customers in one year.
<b>Action 9: Distribute brochures in physical store.</b>	2. Increase the company's sales by 5% in one year. 3. Attract 15% of new Chinese customers in one year.

Source: Own elaboration.



## 5. BUDGET, TIMELINE AND CONTROL.

### 5.1. Budget

Table 5. Budget.

ACTIONS	DESCRIPTION	BUDGET
<b>Action 1: Restructuring of the corporate website.</b>	This action does not imply any cost as it is carried out by the company itself.	Free.
<b>Action 2: Launch of the service of the new corporate website.</b>	The price for the creation of an ecommerce store can reach a cost of 1500€ at most, depending on the amount of services that you want to introduce.	1500€
<b>Action 3: Creation of accounts in social networks.</b>	The company will create its own Wechat, Sina Weibo, Ren Ren, Facebook, Twitter and Instagram accounts.	Free.
<b>Action 4: Hiring the services of a social media manager.</b>	A Social Media Manager earns 1000€ per month, and will be hired for 12 months.	12.000€ yearly.
<b>Action 5: New product line.</b>	4000 pairs of the new line of footwear will be produced, the cost for each pair is 14,03€.	56.120€
<b>Action 6: Open a physical store in China.</b>	The annual rental cost of the commercial premises and the salaries of the two	32.000€



	people who are going to be hired as shop assistants are included.	
<b>Action 7: Discount 15% physical store.</b>	The company will offer a 15% cash discount.	Free
<b>Action 8: Promotion of the new product on social networks.</b>	The influencer will publish four publications during two months of the new product, the cost of each publication is 300€.	1200€
<b>Action 9: Distribute brochures in physical store</b>	10,000 units of brochures will be distributed over 10 months.	202€

Source: Own elaboration.

**Total budget = 120€ + 12.000€ + 56.120€ + 32.000€ + 1200€ + 202€ = 101.642€.**



## 5.2. Timeline.

Table 6. Timeline.

ACTIONS	J	F	M	A	M	J	J	A	S	O	N	D
Restructuring of the corporate website.												
Launch of the service of the new corporate website.												
Creation of accounts in social networks.												
Hiring the services of a social media manager.												
New product line.												
Open a physical store in China.												
Discount 15% physical store.												
Promotion of the new product on social networks.												
Distribute brochures in physical store.												

Source: Own elaboration.



### 5.3. Control.

Table 7. Control.

OBJECTIVES	MEASURING FREQUENCY	CONTROL METHOD
<b>1. Increase the number of visits to the corporate website by 20% in one year.</b>	Monthly	Counter tool on the website.
<b>2. Increase the company's sales by 5% in one year.</b>	Quarterly	Annual income is reviewed and are compared to him result of sales of last year.
<b>3. Attract 15% of new Chinese customers in one year.</b>	Biannual	This objective is measured by comparing the number of products sold to Chinese customers both through the physical store and online, with the sales results.

Source: Own elaboration.



## **6. CONCLUSION.**

At this point, through the analysis that has been carried out throughout this marketing plan, it has been possible to observe the importance of footwear for people. Consumers today look for the best possible comfort in footwear, they are willing to pay more for better quality and they are also much more concerned about sustainability and the environment. For this, the Simplicity Works company is the perfect solution, since with its technology it can offer quality footwear, manufactured in a very fast, efficient and environmentally sustainable way.

Therefore, a market study must be carried out to find out what their needs and preferences are, in this case the Chinese market, since it is very important when introducing a product to the market.

Another important aspect to study is the competition of the sector. There are several companies in the market that offer technologies to improve efficiency and quality in footwear production, for this you have to be aware of the behavior of these companies and above all you have to see how they are positioned in the market and observe their 4 variables of the marketing mix.

And also it is important to mention the role of communication in reaching consumers, and today there is no better way to publicize a product or a brand than through social networks, since these are one of the media where people spend the most time during the day.

After the analysis carried out in this marketing plan, it is worth highlighting some recommendations that could improve the company's situation in the market.

On the one hand, the Simplicity Works company must increase investment in communication, especially through publications on social networks like Wechat, Sina Weibo and Ren Ren with the aim of positioning itself in the Chinese market, and also through Facebook, Instagram and Twitter to expand internationally and thus reach new markets.



On the other hand, it has to increase its product portfolio by introducing new lines of footwear and thus be able to cover various market segments, as already mentioned, a line of sports footwear will be introduced.

Finally, the company must create new distribution points, both physical and online, to be close to as many consumers as possible.





## **7. LIMITATIONS AND FUTURE LINES OF WORK.**

Coming to an end, it is important to mention some of the limitations that have been presented throughout the realization of this marketing plan.

This marketing plan has had two **limitations**. For starters, the Simplicity Works company is unique in what it does, there is no company in the sector that uses its technology to produce footwear, therefore, it is difficult to compare it or use a competitor company as a reference in order to benefit from what it is doing to improve its activity.

On the other hand, it is difficult to ensure that the objectives that have been proposed in this marketing plan are achieved through the actions that have been proposed in just one year.

Regarding additional research or **future lines of work**, with the aim of improving the results that are sought to be achieved with this marketing plan, it would be interesting to:

- Study other markets that could be potential consumers of footwear made using this technology.
- The global demand for footwear during the Pandemic.



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## 9. ANNEXES.

### Annex 1: Founders of the company.



3D BONDING | BENEFITS | BOND WITH US | TECH PARTNERS | COMPANY | SUSTAINABILITY | CONTACT

**ADRIÁN HERNÁNDEZ**  
Founder & CEO at SimplicityWorks

Founder and CEO @ Simplicity Works Europe SL @ Magus Kids Line and @ Novospain Design.  
Specialization in design, shoe technology and management @ Inescop.  
Strong background of 25 years in shoe industry in different areas of operations, product design, management and marketing.  
Inventor of new 14 patents for processes and tools in last five years.

**CHRISTOPHER BANUS**  
Founder & Investor at SimplicityWorks

Founder and CEO @Quatz Technologies, Founder and Investor @ Simplicity Works Europe SL. Chemical engineer @ Brown. Laws @ Fordham.  
Strong background as investor for 40 years developing new technologies.  
His patented processes are effectively used in leading companies worldwide in sectors with resins composite materials.

in last five years.

3D BONDING | BENEFITS | BOND WITH US | TECH PARTNERS | COMPANY | SUSTAINABILITY | CONTACT

**CARLOS PEREZ VIDAL**  
Chief Science Officer at SimplicityWorks

Chief Science Officer @ Simplicity Works Europe SL. Director @ Bio Inspired Robotics and member of the Miguel Hernández University staff. Received B.Sc.  
Degree in Industrial Engineering in 1998, and the M.Sc. Degree in Control Engineering in 2000, both @ Technical University of Valencia and the Ph.D. Degree in Industrial Technologies in 2008 @ Miguel Hernández University in Elche (UMH).

**EZEQUIEL SANCHEZ**  
Chief Strategy Officer at SimplicityWorks

Chief Strategy Officer @ Simplicity Works Europe SL. Founder & CEO @ Binomio Ventures. Former CEO @ Tempe (Inditex-ZARA). Professor @ IE Business School, Fundesem Business School and University of Elche. Former consultant @ Arthur D. Little. Master in management @ ESCP Europe.  
For ten years Ezequiel led the footwear company division of Inditex - Zara that today sells 100 million pairs of shoes as a new model efficiency of fashion and logistics.





## **Annex 2: Description of Swot analysis.**

To begin with, one of the **weaknesses** of the company is the distribution of products through a single channel. The company distributes footwear manufactured using 3D Bonding technology only through a Portuguese online store called “To Work For”. This does not allow accessibility to all consumers since it is not adapted to the needs of each one by distributing their products in a single store and also online, since there are consumers who prefer to purchase their products offline. Another of its weaknesses is its low product portfolio. At the moment, the company only manufactures one type of footwear using this technology, which is safety footwear, offering a range of 6 models. Therefore, the segment you are targeting is very small and in order to expand your target audience you will have to expand your product portfolio. On the other hand, another weakness is the lack or little communication by the company of its brand and product, which is 3D Bonding technology. The company only makes this technology known through attendance at special events or trade shows. Therefore, communication reaches a very small audience without having a presence in the minds of many potential consumers. To improve your presence, you will have to invest in more media, such as advertising on social networks, television ads, etc.

On the other hand, one of the **strengths** of the company is being the creator of 3D Bonding technology, this allows it an advantage over other possible competitors that may appear in its sector, since the company is the expert and the leader with its technology and at the moment there is no other company in the market that uses the same technology to produce footwear, it is unique in its activity and therefore does not have a competition that offers the same product. Therefore, the company takes the entire market. Another strength is the savings in production and distribution costs, the company uses natural resources such as leather, fabric, water and electricity in the most efficient way possible to produce its footwear. In addition, as the distribution is carried out locally, that is, the products are distributed in the same region where the plant is located, many logistics costs are saved. On the other hand, the production process is simpler and faster, since through an injection all the parts of the footwear are joined without having to sew one by one, this allows to save many steps during the footwear production process. On the other hand, another strength is the local production, as mentioned before this allows to save many transport costs and allows us to be closer to the customer. Finally, the company has created the Eco challenge Project, through which the company shows its concern for sustainability. Through this



project it aims to produce without waste by recycling and reusing the material already used to produce soles, land parks and use it as thermal insulation material in the construction industry. Also through this project it collaborates to help with climate change by reducing carbon emissions. This project also aims to reduce the consumption of energy, water and other materials from animals such as skin or fabric.

Regarding **threats**, the crisis caused by the global pandemic would be a threat, since all sectors have been affected by confinement, business closures and layoffs of workers. In addition, thanks to the fact that people leave their homes less, the demand for footwear has been affected and so has production. Another threat is having higher costs than the competition when producing footwear, this would be a disadvantage for our company, since the company would be less efficient than the competition and would have to offer higher prices to end customers and As a consequence, they would be willing to choose more in acquiring the products of the competition. Another threat is the entry barriers to access new markets, both international and national. For any company, entering a new market in which there is already established competition can be complicated, since they will already have an image in the minds of consumers and an acquired differentiation, they can also have greater access to distribution channels, have lower costs, economies of scale, if you enter an international market it may have certain government policies, etc. And the last threat would be the high number of footwear brands that are already very well positioned in the market. Competition with these well-known brands in the market can make it difficult to capture customer interest in footwear made using 3D Bonding technology.

And regarding **opportunities**, an opportunity would be to be the first and only company in the world that uses 3D Bonding technology to manufacture footwear. This is an advantage that the company can take advantage of to attract customers, since with its technology it accesses the entire market because there is no other company that is using this technology, and therefore, as long as there is no other company in the market that uses the same technology and that surpasses Simplicity Works, this is going to be the leader in the market. On the other hand, achieving lower costs than the competition, in addition to being more efficient for the company, can be a disadvantage for companies in the sector, since it will be more difficult for them to access the market and as a consequence they will also have to raise the prices of your products, and therefore the Simplicity Works offering will be more attractive to customers. Another opportunity is the greater awareness of people towards sustainability, people are


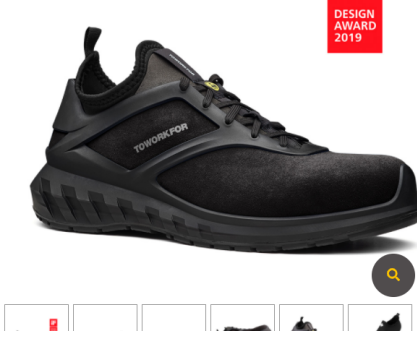
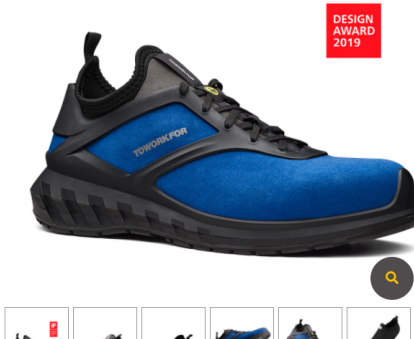


increasingly concerned about respecting the environment and the resources it offers. For this, the Simplicity Works company, as mentioned before, has created the Eco Challenge Project, through which it tries to reduce the impact on the environment as much as possible, reusing and recycling resources. Another opportunity is also the lack of direct competitors, as previously mentioned, the company for the moment is the only one to manufacture footwear using 3D Bonding technology, therefore, there is no company in the market that competes directly with Simplicity Works. It is also confirmed by the company itself, more specifically by Alica Kulichova who is responsible for Marketing of the Simplicity Works company. And finally, the continuous technological advance, also represents an opportunity for the company, since this allows the company to have the possibility of continuously innovating, introducing new resources, processes and ways of organizing itself that allow it to better adapt to the needs of customers and to be closer and closer to them.

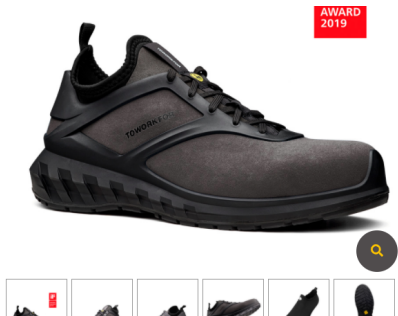
### Annex 3: Infinity product line.

<p><b>JUJO INFINITY</b></p> <p>Safety shoe with innovative 3D Bonding technology for maximum comfort with all the flexibility, support and breathability.</p>	
<p><b>JERS1 INFINITY</b></p> <p>Safety shoe with innovative 3D Bonding technology for maximum comfort with all the flexibility, support and breathability.</p>	



<p><b>KALPANA INFINITY</b></p> <p>Safety shoe with innovative 3D Bonding technology for maximum comfort with all the flexibility, support and breathability.</p>	
<p><b>JUNO INFINITY</b></p> <p>Ultralight microfiber composed of polyester fibers, resistant to water and highly durable. Allows natural respiration while still being a friendly animal material Carbonlight toe cap (200 J, according to DIN EN 12568)</p> <p>Q-Flex: Non-metallic anti-perforation midsole with a resistance of up to 1,100 newtons.</p> <p>COMFORT measure removable and washable, for maximum comfort.</p> <p>BioRelax: Antibacterial, breathable, absorbent, electrostatic insulated and recycled insole for maximum comfort.</p>	
<p><b>SPUTNIK INFINITY</b></p> <p>Ultralight microfiber composed of polyester fibers, resistant to water and highly durable. Allows natural respiration while still being a friendly animal material Carbonlight toe cap (200 J, according to DIN EN 12568)</p> <p>Q-Flex: Non-metallic anti-perforation midsole with a resistance of up to 1,100</p>	



<p>newtons.</p> <p>COMFORT measure removable and washable, for maximum comfort.</p> <p>BioRelax: Antibacterial, breathable, absorbent, electrostatic insulated and recycled, for maximum comfort.</p>	
<p><b>THEMIS INFINITY</b></p> <p>Safety shoe with innovative 3D Bonding technology for maximum comfort with all the flexibility, support and breathability.</p>	

Source: Own elaboration

#### Annex 4: Adrián Hernández in The House Fair 2018.



#### Annex 5: Description of the main competitors.

##### Air Tubeless.

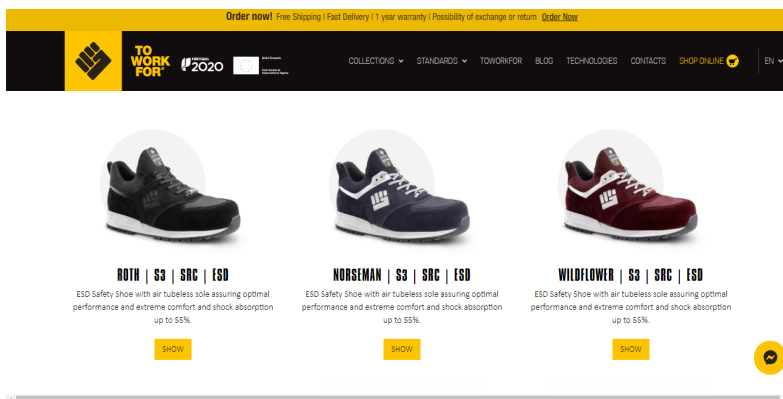
Air Tubeless is a patented technology also used in running shoes. A new exclusive sole technology biomechanically tested by INESCOP, providing the following benefits: 30% reduction in peak plantar pressures. This could avoid or prevent foot ache, produce a smoother walking pattern potentially protecting our joints. This technology



also produces a 24% reduction in lower back muscle activity and may contribute to preventing low back pain. Impact forces are reduced by up to 55%, enhancing comfort perception. 31% to 52% improvement in thermal insulation. ESD Safety Shoe with air tubeless sole assuring optimal performance and extreme comfort.

The company at the moment has a line of products that is the line of electrostatic insulated safety footwear. The company has a length of 19 products that it offers to consumers and has a fairly high consistency since the products have very similar characteristics.

Some of the products in its portfolio are:



Regarding the price, this round is between 74.70 euros and 80.50 euros. On the other hand, the company distributes its product through the Portuguese online store To work for, and makes its products known through participation in fairs such as the Lineapelle components fair that took place in Milan and also the new line of shoes with air tubeless technology has been presented at the A+A Dusseldorf security trade fair, where the assistants tested by themselves the benefits and feeling with this new line of shoes.



### **Ecco Fluidform.**

Fluidform is the technology that transforms fluid materials into soft and solid soles. This technology stands out for adapting to the human anatomy of the feet using 3D molds around which the shoes are crafted. To adapt to the anatomy, an emphasis has been placed on posture and natural movement. This has led to a heightened sensitivity and acumen in the field of engineering anatomical lasts. ECCO manufactures these lasts in house from design to production. This technology results in a much more comfortable footwear adapted to the human anatomy thanks to the 3D shapes that stand in for the human foot and dictates how the final product will look and feel. The 3D lasts follow the natural contours of the foot, wrapping it from all sides, with the Fluidform process following these curves to create a flexible replica of the original. Our signature comfort comes from maintaining the anatomical integrity of the foot perfectly and permanently within the shoe.



This technology offers a range of products made up of 6 lines that are shown below:

**Experience Fluidform™ In Motion**



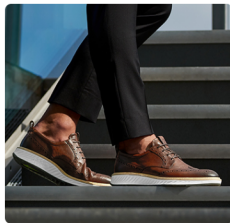
ECCO VITRUS



ECCO SHAPE



ECCO ANINE



ECCO ST.1



ECCO CREPETRAY



ECCO BIOM HYBRID 3

The technology produces comfortable footwear for both men and women, and has a wide range of products from dress shoes and heels to slippers and sandals.

The average price to acquire this type of footwear depends on the product line, the average price ranges between 80 and 220 euros.

The product is distributed in ECCO physical and online stores and can also be found in online stores such as Amazon.

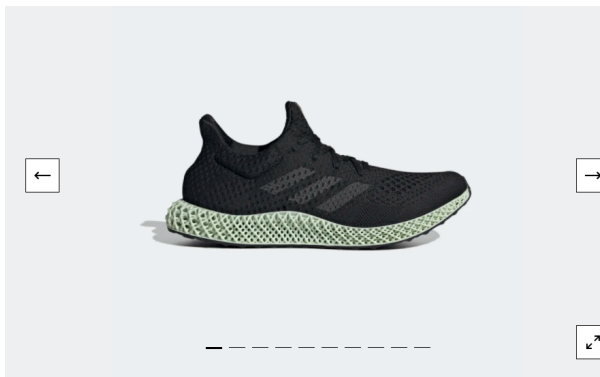
Finally, the company communicates its products through advertisements on social networks such as Facebook.





### **Futurecraft 4D Adidas.**

At the moment, technology only offers a single product: running shoes, consisting of an adidas 4D midsole manufactured using digital printing thanks to the collection of data from runners that provides comfort with each stride. The upper part of the adidas Primeknit fabric adapts to the movement of the foot while running.



The price of these sneakers amount to 220 euros. They can be purchased through the Confirmed application, as they are newly released and limited edition. It can also be purchased through websites such as Amazon or Ebay and in physical adidas stores and other physical sports stores. Communication is done through ads on social networks, on websites such as the economist.

### **Another competitor found is Fitstation.**

It is a technology that customizes shoes to fit each of a person's feet, since no two feet are alike. It is a technology based on the body of each person and the way it moves, to create footwear that provides the greatest comfort, performance and recovery.

A 3D foot and ankle scan is performed, capturing shape and volume to determine shoe size and other attributes of the shoe or equipment.

And then it captures your gait pattern, defines your body movement, and helps determine shoe attributes like density and torque.