

# Veja: Sneakers with a Conscience

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### VALUE CHAIN ANALYSIS



**Weaknesses**

- Limited production resources
- No advertising & no celebrity
- Limited marketing budget
- Higher production costs
- Limited distribution of the ethical sneaker market
- Limited distribution of the ethical sneaker market
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### STRENGTHS & WEAKNESSES



**Background**

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### VEJA: SNEAKERS WITH A CONSCIENCE



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### LONG-TERM SUSTAINABILITY

- ECONOMIC PERSPECTIVE:**
    - High Procurement Costs
    - High Labor Costs
    - Scarcity Of Raw Materials
  - SOCIAL PERSPECTIVE:**
    - Maintaining Strong Supplier Relationships
    - Gaining Popularity Within The Ethical Fashion Industry
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### COMPETITIVE DYNAMICS

**NEW COMPETITIVE ACTION:**  
New entrants in the sneaker market are likely to focus on sustainable and ethical production methods, which could challenge Veja's market position.

**THREAT ANALYSIS:**  
Major brands like Nike and Adidas are increasingly focusing on sustainable and ethical production methods, which could challenge Veja's market position.

**MARKET COMPARABILITY:**  
Veja's products are comparable to other ethical sneakers, but they are often more expensive, which could limit their market reach.

**RESOURCE SIMILARITY:**  
Veja's production process is similar to other ethical sneakers, which could lead to increased competition and lower prices.



### ENTRY STRATEGY

Entry Strategy - Pioneering New Entry First Ethical Sneaker Company

- Generic Strategy - Combination Strategy (Focus + Differentiation)
- Target Market - Cultural Creatives
- Veja Buys Their Raw Materials Directly From The Producers.
- Veja Primarily Uses Organic Materials In The Production Of Their Shoes.

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### RESOURCES & ENTREPRENEURS

**FINANCIAL RESOURCES:**  
Veja has a strong financial foundation, which allows them to invest in sustainable and ethical production methods.

**TECHNICAL RESOURCES:**  
Veja has a strong technical foundation, which allows them to produce high-quality sneakers.

**HUMAN RESOURCES:**  
Veja has a strong human resource foundation, which allows them to produce high-quality sneakers.

**ORGANIZATIONAL RESOURCES:**  
Veja has a strong organizational foundation, which allows them to produce high-quality sneakers.

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### OPPORTUNITIES

**Market Expansion:**  
Veja has the opportunity to expand into new markets, such as Europe and Asia.

**Product Diversification:**  
Veja has the opportunity to diversify their product line, such as by introducing new styles or colors.

**Partnerships:**  
Veja has the opportunity to partner with other ethical brands, such as by co-branding or cross-promoting.

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### EXTENT OF RIVALRY

The extent of rivalry is high, as there are many established sneaker brands in the market. However, Veja's focus on ethical production and quality may give them a competitive edge.

### The Essence of Veja

Veja was built on three main values: using ecological inputs, using fair trade cotton and latex, and respecting workers' dignity (pg. 6).



**SWOT ANALYSIS**

**Strengths:**

- High-quality materials
- Ethical production process
- Strong brand identity
- Unique design

**Weaknesses:**

- High production costs
- Limited marketing budget
- Limited distribution
- Limited production resources

**Opportunities:**

- Market expansion
- Product diversification
- Partnerships

**Threats:**

- New entrants
- Market saturation
- Price competition
- Changing consumer preferences

### STRATEGIC RECOMMENDATIONS (LONG TERM)

**Market Expansion:**  
Veja should focus on expanding into new markets, such as Europe and Asia, to increase their market reach.

**Product Diversification:**  
Veja should diversify their product line, such as by introducing new styles or colors, to attract a wider range of consumers.

**Partnerships:**  
Veja should partner with other ethical brands, such as by co-branding or cross-promoting, to increase their visibility and credibility.

Thank you for your time

# Veja: Sneakers with a Conscience

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### VALUE CHAIN ANALYSIS



#### EXTENT OF RIVALRY

The extent of rivalry is high due to the crowded market of ethical sneakers. The market is dominated by established brands like Allbirds, On, and Hoka, which have strong brand loyalty and marketing budgets. New entrants are constantly emerging, leading to intense competition on price and product differentiation.

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### The Essence of Veja

Veja was built on three main values: using ecological inputs, using fair-trade cotton and latex, and respecting workers' dignity (pg. 6).

- #### Weaknesses
- Limited Production of Ethical Sneakers
  - Dependence on Organic Materials
  - High Procurement Costs
  - High Labor Costs
  - Scarcity of Raw Materials
  - Limited Marketing Budget
  - Dependence on Suppliers
  - Limited Distribution Channels
  - Limited Customer Base

### COMPETITIVE DYNAMICS

- **NEW COMPETITIVE ACTION**  
New entrants are likely to enter the market with a focus on price and convenience, potentially eroding Veja's market share.
- **PRODUCT DIFFERENTIATION**  
Veja's focus on ethical and organic materials is a key differentiator, but competitors may offer similar products at lower prices.
- **MARKET COMPARISON**  
Veja's prices are higher than traditional sneakers, which may limit its market reach.
- **MARKETING SPENDING**  
Veja's marketing budget is smaller than established brands, which may limit its brand awareness.

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### RESOURCES & ENTREPRENEURS

- **FINANCIAL RESOURCES**  
Veja has secured funding from investors, including the French government, which has helped fund their expansion.
- **ORGANIC RESOURCES**  
Veja's use of organic materials is a key resource, but it is also a challenge due to the high cost and scarcity of these materials.
- **ENTREPRENEURS**  
Veja's founders, Matthieu Blazy and Sébastien Meunier, are key entrepreneurs in the ethical fashion industry.

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### OPPORTUNITIES

- **The Rise of The Ethical Fashion Industry**  
The growing demand for ethical and sustainable products is a major opportunity for Veja.
- **Expansion Into New Markets**  
Veja has the potential to expand into new markets, particularly in the United States and Europe.
- **Partnerships With Other Brands**  
Collaborating with established brands could help Veja reach a wider audience.

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Veja's success is largely due to its focus on ethical and sustainable practices. By using organic materials and fair-trade labor, Veja has built a strong reputation for being a responsible brand. This has allowed them to stand out in a crowded market and attract a loyal customer base.

### STRATEGIC RECOMMENDATIONS (LONG TERM)

- **Expand Production**  
Increase production capacity to meet growing demand.
- **Strengthen Supplier Relationships**  
Continue to build strong relationships with ethical suppliers.
- **Expand Marketing**  
Invest in marketing to reach a wider audience.
- **Expand into New Markets**  
Focus on expanding into the US and European markets.

#### Background

Veja is a French sneaker brand founded in 2013. The brand is known for its ethical and sustainable practices, including using organic materials and fair-trade labor. Veja's success is largely due to its focus on these values, which has allowed them to stand out in a crowded market.

Thank you for your time

## VEJA: SNEAKERS WITH A CONSCIENCE



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# Background

- Sebastien Kopp & Francois-Ghislain Morillion founded the company in the year 2005.
- Both graduated from a business school in Paris, France.
- Regarded as the First Ethical Sneaker Company in the world.



The small ecologically and socially responsible brand was more about social statements than fashion statements. Regardless, Veja shoes were fashionable.

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# OPPORTUNITIES

- In The Year 2008, The Ethical Fashion Industry Generated \$1,334.1 Billion In Revenue.
- The Ethical Fashion Industry Employed 26 Million People & Commanded 7% Of The World Exports.
- Target Market = Cultural Creatives  
50 Million Strong  
Spent \$230 Billion (Average Annual Figure)
- In The Midst Of The Financial Crisis, The Sales Of Organic & Ethical Fashion Were Growing By 50% Per Year.

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# RESOURCES & ENTREPRENEURS

- FINANCIAL RESOURCES:

- In Establishing Their Company, Kopp & Morillion Were Able To Secure A Bank Loan.

- HUMAN CAPITAL:

- They Hired A Shoemaker While Also Establishing A Brazilian-Based Team To Assist In The Running Of The Business.

- SOCIAL CAPITAL (STRATEGIC ALLIANCES):

- Atelier Sans Frontières Association (ASF)
- Amopreab (Association Of Rubber Tappers)
- Esplar (Non-Governmental Organization)
- ADEC (Association Of Rural Farmers)

- ENTREPRENEURS:

- Kopp & Morillion Are Business Graduates From Paris, France. They Also Studied Sustainable Development Projects In Various Industries Throughout The World.

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