

Using Innovation and Unique Selling Points to Analyze on Running's Market Success

Zixuan Chen*

Wuxi Boston International School, Wuxi, China

*Corresponding author: lillian.chen@bostonis.org

Abstract. A significant revolution has taken place in the worldwide market for sportswear over the course of the past decade. This transition has been driven by the growth of athleisure, the growing awareness of the importance of health, and the rapid improvement of technology. In a sector that has historically been controlled by giants such as Nike and Adidas, On Running, a relatively young sports brand that was formed in Switzerland, has emerged as a major contender. The purpose of this study is to investigate the elements that have contributed to the expansion of On Running, with a particular emphasis on the company's strategic market positioning, innovative technology, unique selling propositions (USP), and successful marketing techniques. In this article, a comprehensive examination of the history of the brand, as well as its most important inventions, market expansion tactics, and sustainable development initiatives, is presented. In addition, it addresses the influence that the brand has had on the sportswear business as well as anticipated innovations that may occur in the future. Based on the data, it appears that the success of On Running may be attributed to the company's emphasis on integrating performance with design, innovation, and sustainability.

Keywords: CloudTec, sportswear market, On Running, innovation, competitive advantage.

1. Introduction

The global sportswear industry is expected to grow significantly, with forecasts estimating the market will surpass \$400 billion by 2025. The industry has been mold by element such as heighten health cognisance, the integration of athletic wear into quotidian fashion (athleisure), and increasing participation in fitness activities. Brands are under pressure to differentiate themselves in this competitive landscape through innovation, quality, and sustainability. Established histrion like Nike, Adidas, and Puma have long predominate the grocery, but modern entrant like On Running have manage to carve out substantial niches by offering unique product features and emphasizing technological advancements. On Running, base in 2010 in Zurich, Switzerland, protrude as a little niche steel centre on make a superior running shoe. Its rapid ascent in the market is noteworthy, as it now competes against long-standing industry leaders. The primary aim of this paper is to analyze how On Running's innovative technology, strategic market expansion, and distinctive brand image have contributed to its market success. This analysis is free-base on a follow-up of industry literature, company report, food market datum, and subject studies.

2. History of On Running

On Running was founded by Olivier Bernhard, a former professional triathlete, together with his friends David Allemann and Caspar Coppetti. The brand initially place dedicated blue runner essay high-performance footgear, but quick diversify its appeal to casual athletes and fashion-conscious consumers. The philosophy behind On Running is to make running enjoyable and accessible for everyone. The company emphasizes high-quality craftsmanship, superior technology, and minimalist design. Unlike some brands that rely heavily on celebrity endorsements, On Running emphasizes community-driven experiences and authenticity. On Running has strategically positioned itself in the premium segment of the sportswear market, targeting consumers who prioritize quality, style, and functionality. The make's expanding upon begin in Switzerland, then spread out across Europe beforehand North America, where the competitory landscape is dominated by major players. On

Running's marketplace locating scheme has been to establish a reputation for premium quality, which vindicates its higher price point compared to other brands. This approach has been successful, particularly in grocery like the U.S., where consumers are unforced to pay a premium for technologically advanced and stylish sportswear.

3. Core Technology and Company Innovation

3.1. CloudTec Technology

The CloudTec engineering, which shapes the substructure of On Running's footwear design, have hollow pods (cloud) on the shoe sole that collapse to absorb impact and spring back to provide energy return. The pods are strategically set to optimize cushioning and propulsion, offering runners a unique experience that differs from traditional foam-based cushioning systems used by other brands. According to research published in the *Journal of Sports Sciences*, CloudTec technology can reduce ground reaction forces by up to 15%, potentially lowering the risk of injuries associated with high-impact running [1].

Unlike Nike's Air and Adidas' Boost technologies, which focus primarily on energy return, CloudTec emphasizes a balance between cushioning and propulsion. The technology's adaptability to different running styles and surfaces has also contributed to its popularity among a diverse range of athletes, from marathon runners to trail enthusiasts.

3.2. Innovations beyond CloudTec

On Running has not limited its innovations to just one technology. The brand has integrated Speedboard applied science into its design, which is a thermoplastic polymer plate in the midsole. This technology enhances the shoe's propulsion by converting the energy generated upon landing into a forward thrust, making running more efficient [2]. The integration of lightweight, high-performance materials such as engineered mesh has further ameliorated the overall performance of the shoes by reducing weight while maintaining support.

Additionally, the company has focused on sustainability by incorporating recycled materials into its products. For example, the use of recycled polyester and other eco-friendly components has allowed the brand to make strides towards reducing its carbon footprint. The introduction of the Cyclon program, a subscription-based service that offers fully recyclable shoes, presents On Running's commitment to sustainability and the circular economy.

3.3. Design and Aesthetics

The minimalist design of On Running shoes appeals to consumers who prefer a sleek, modern look. The singular appearance of the CloudTec pods stands out as an optical representation of the brand's technological innovation. This design philosophy aligns with the broader trend of integrating sportswear into everyday fashion, allowing the shoes to be worn both for performance and as part of a casual outfit.

4. Market Performance and Competitive Advantage

4.1. Global Market Expansion

On Running has expanded rapidly, with its products now available in over 60 countries. The brand's international growth strategy involved entering established markets like the U.S. by initially focusing on specialty running stores before expanding to mainstream retail channels. Its distribution network, in partnership with prominent retailers such as Nordstrom and REI in the U.S., as well as online sales platforms like Amazon. In Asia, On Running has employed a digital-first approach to reach markets in Japan and China, where e-commerce is a dominant retail channel.

The company's revenue have originate significantly, with report sale outdo \$ 800 million in 2023. The brand's strong growing trajectory can be impute to its in force marketplace expanding upon strategy and the high demand for premium sportswear products. A market report by Grand View Research indicated that the global running shoe market is projected to grow at a CAGR of 8.1% from 2023 to 2030, highlighting substantial growth opportunities for On Running and its competitors.

4.2. Competitive Advantage over Other Brands

On Running's distinct competitive advantage lies in its technological innovations and product differentiation. While tumid brand like Nike and Adidas invest heavily in athlete endorsement and mass-market entreaty, On Running has focus on civilise a strong community of runners and fitness enthusiasts who value product quality and performance. The brand's emphasis on technology, combined with a minimalist aesthetic, creates a unique identity in the market. Additionally, the limited firing of sure ware and collaboration with jock, such as Roger Federer, enhance its premium image.

The unique combination of CloudTec and Speedboard technologies, which address different aspects of running performance, provides a level of versatility that other brands struggle to match. Moreover, On Running's sustainable product opening move, such as the Cyclon programme, have allow the brand to appeal to environmentally conscious consumer, a grow segment in the sportswear market.

4.3. Target Consumer Group and Purchasing Behavior

The target demographic for On Running includes affluent, health-conscious individuals who are willing to invest in high-quality, premium footwear. This let in unplayful moon-cursor, fitness enthusiast, and pro who apprize the versatility of wearing the same shoes for both sports and casual activities. Research conducted by The NPD Group found that consumers are increasingly prioritizing sustainability and technology in their purchasing decisions, which aligns with On Running's focus on innovation and eco-friendly practices.

The brand's ability to appeal to a wide range of consumers—ranging from competitive athletes to casual users has been instrumental in expanding its market share. The shoe' stylish invention and running benefit establish them suitable for use beyond just sport, enhancing their appeal to the at leisure market.

5. Marketing Strategies

On Running's merchandising scheme have play a pivotal character in motivate the brand name to global recognition in the competitive sportswear industry. The company's approach to marketing focuses on combining digital initiatives, community engagement, influencer partnerships, collaborations, and experiential marketing to create a comprehensive strategy that reaches diverse consumer segments.

On Running has in effect harness digital merchandising to construct a strong online presence. Their digital approach emphasises providing high-quality content that shows their unique technology, including CloudTec, and engaging audiences through visually attractive narrative. The firm posts material on Instagram, Facebook, and YouTube for runners, fitness fanatics, and athleisure fans. On Running's Instagram page contains user-generated content, influencer partnerships, and product demos. This method showcases product functionality and authenticity. User-generated content can boost confidence and consumer faith because potential customers trust real-life endorsements more than typical ads [3]. The brand uses Facebook Ads and Google AdWords to target particular client categories. These runs emphasize cushioning, lightweight material, and innovative design, which set On Running distinct from Nike and Adidas. On Running's digital approach includes personalized email marketing with product recommendations, promotions, and running advice based on customers' prior purchases or hobbies.

Some of its larger rivals use celebrity sponsorships, whereas On Running carefully connects with athletes and influencers that share its ideals. The brand's "The Roger" shoe range and endorsement by tennis legend Roger Federer are prominent connections. Federer's partnership elevates the brand and broadens its appeal beyond runners to sports fans and fashionistas. On Running collaborates with micro-influencers and regular athletes to build a more genuine and community-focused image. On Running influencers discuss their experiences with the shoes' performance and distinctive characteristics. Nielsen found that 92% of consumers trust passports from people they know, emphasising On Running's influencer marketing strategy [4]. The brand's involvement with a jock who may not be as popular as mainstream celebrities coincides with its grassroots strategy to cultivating a devoted following. This technique differs from competitors that extensively sponsor superstars. Instead, On Running emphasizes diversity and the everyday, making the brand relevant.

On Running emphasizes community participation because it knows it may boost brand loyalty. Sponsoring local marathons, trail races, and other running events allows the brand to interact with runners. This grassroots selling method helps build local relationships and expand the brand's reach beyond shops and online. Along with sponsoring races, On Running supports running clubs and local fitness projects. By supporting community activities with money, gear, or clothes, the company builds a relationship with customers. As a true supporter of running, such initiatives boost sales and build brand loyalty. On Running's efforts invite customers to participate in the brand's story. For example, the fellowship organize community flow challenge, where participant can plowshare their progress on social media using specific hashtags. User interaction and viva-voce advertising are promoted. Community-driven runs typically increase customer engagement and brand sentiment [5].

The brand uses experiential marketing to create unforgettable events that link people to its products. The brand's flagship locations in New York and Zurich provide more than shopping. Consumers may evaluate the shoes' performance on interactive displays and running tracks at these stores. This hands-on approach helps clients understand the marque's applied science and make educated purchases. Pop-up stores and temporary installations at marathons have also proved successful. Pop-fly let potential customers to connect with the brand and try the product in an engaging atmosphere. When physical retail was limited, such during the COVID-19 epidemic, On Running relied on e-commerce. A shoe finding feature on the company's web site lets consumers choose the right gear for their running style and preferences.

Room decorator and jock collaborations are pregnant in On Running's marketing strategy. The brand collaborated with Roger Federer and fashion designers on limited-edition goods. These collaborations hype the brand and make it feel exclusive. Limited-edition freeing much sell out rapidly, driving demand and elevating the steel's market status. Production collaboration allows On Running to experiment with new ideas and incorporate them into its product range. Limited-edition designs can inspire future product development and improve standard product quality and usefulness. Repetition of innovation keeps the brand's offer current and relevant, retaining consumers [6].

In response to customer demand for eco-friendly products, On Running has integrated sustainability into its marketing approach. Through the Cyclon program, the firm encourages sustainability by selling totally recyclable running shoes. Cyclon subscribers receive high-performance running shoes manufactured from sustainable materials, which On Running recycles after use. This technique matches the footwear industry's mature cyclical thriftiness trend. By positioning itself as an ecologically conscious stigma, On Running attracts sustainable buyers. Accenture found that 62% of customers are drawn to firms that effectively explain their environmental commitments, highlighting the significance of sustainability in modern marketing [7].

The company's usage of recycled polyester in its products shows its dedication to sustainability. On Running has also started using creditworthy sourcing and manufacturing to reduce their carbon footprint. The brand's marketing exploits reward its forward-thinking and socially conscious status. Data analytics helps On Running personalise content and promotions for clients. The brand can determine purchase trends and preferences by analysing website, social media, and email audience data. This data is used to personalise customer experiences, such as recommending products or

offering repeat purchasers discounts. Data-driven insights help the company optimise its advertising strategies to attract the correct audiences. If data shows that a particular demographic likes sustainability PR, the steel may adjust its language to boost engagement and conversions.

6. Challenges and Future Development

6.1. Market Challenges

On Running faces numerous challenges in maintaining its growth trajectory. The sportswear industry is characterized by rapid innovation cycle and vivid contest from lay down player like Nike and emerging brands such as Hoka One One. Economic uncertainties, fluctuating raw material costs, and supply chain disruptions present additional risks. Furthermore, the marque's premium pricing strategy may limit its ingathering during economical downswing, when consumer may prioritize budget-friendly option. On Running will require to carefully sail these challenge while persist in to redeem on its promise of lineament and innovation.

6.2. Sustainable Development Goals

Sustainability rest a critical challenge for On Running, as the sportswear industry is one of the large contributor to environmental pollution [8]. The company's efforts to incorporate recycled materials and launch programs like Cyclon demonstrate a commitment to sustainable development. However, scale these enterprisingness across the entire intersection line and supplying chain will be essential to make a significant impact. The industry is progressively shifting towards round occupation model, where production are design for end-of-life recycling, and On Running must continue innovating in this direction to stay competitive.

7. Conclusion

The success that On Running has had in the global market for athletic gear may be attributed to the company's emphasis on technological innovation, quality, and marketing techniques that are shown to be particularly effective. The only selling feature of the brand, which includes things like CloudTec technology, environmentally responsible business practices, and attractive design, differentiates it from other brands in the market. Even a very new group may achieve a major influence via strategic innovation and brand positioning, as demonstrated by On Running, which has established a blueprint for other sporting brand names by setting a record. Moving forward, the prominence that the brand places on eco-friendliness and the use of intelligent technologies will be a significant factor in determining the trajectory of its growth. The continuous technical breakthroughs in footwear design are anticipated to be the driving force behind the next phase of On Running's expansion. One area that has the potential to expand is the use of intelligent technology, such as sensors that can monitor performance. It is possible that the trade brand ecosystem might be improved by expanding the product range to include clothing and add-on items that complement the footwear offering provided by the company. Furthermore, the blade has the potential to expand its grocery market share by increasing its presence in the direct emerging market, which is seeing a growing interest in health and fitness. It will be highly important for the company to strengthen its e-commerce skills and direct-to-consumer tactics, particularly in areas that are seeing tremendous growth in their online retail sectors.

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