Could indie sports shoe brands Hoka and APL become the next Nike?

By Roxanne Robinson - June 30, 2022

Disruptors have been a buzzy fashion word just about as long as these two indie athletic shoe brands —Hoka and APL—have been around. The athletic performance sport brands, launched in 2009, have each grown a following of devotees who swear by both the technical abilities and look of these athletic shoes.

The gold standard of sports shoe success in the U.S. is synonymous with one name, Nike, which was founded in its present name over 50 years ago by Phil Knight and his University of Oregon coach Bob Bowerman. In the past fifty years, the brand has risen to capture 39.1 percent of the global market share for shoes (Adidas falls directly behind with 26.8 percent). In the 1980s, they were temporarily dethroned as number one by Reebok during the fitness craze.

Nike has had its ups during the journey: being the number-one global sports shoe; iconic, award-winning ad campaigns; birthing sneakerhead culture; and as the official uniform gear for the NBA, NFL, and MLB. It also had some very public downs: controversies ranging from overseas child labor law practices; teen deaths surrounding the Air Jordan craze in the nineties; discriminatory practices towards female employees and female athletes under contract; and its stance on the controversy especially concerning Colin Kaepernick. In each instance, these latter situations end up boosting sales.

In the apparel category, in which Nike is heavily courting the female customer, its already faced some fierce competition from brands such as Under Armour, Outdoor Voices, Bandier and Rhone. Similarly, Hoka and APL could start to chip away at that 33 percent. APL shares a similar dubious honor with Nike as both brands have had shoes banned from professional competitions, and like Nike, Hoka is sponsoring professional training groups. FashionNetwork.com looks at these two American sneaker brands vying for household name status here and abroad.

Hoka
While founded in Annecy, France, in 2009 by Frenchmen Nicolas Mermoud and Jean-Luc Diard, Deckers acquired the company in 2013. The former Salomon Group employees set out to make a shoe to help them run downhill faster. They developed a shoe with an oversized outsole and extra cushioning that was soon adopted by ultramarathon runners.

The name “fly over the earth” in the Māori language is sworn by its wearers to propel one forward while running. Hoka carries a somewhat hokey philosophy that sums up its raison d’etre as anything is possible if you strive for it. According to Norma Delaney, the brand’s VP of global brand marketing, Hoka is the “most human performance athletic brand of all time. One that has heart and soul and believes in humanity’s power to change the world. It’s grounded in the belief that movement changes us physically and emotionally.”

She asserts the aim of its products is to make moving easier. “Whether you are an elite athlete like Jim Walmsley running in Chamonix at UTMB, or Sam Holness, who turned to trail running to manage his symptoms from Autism, Hoka lets athletes of all levels take flight,” Delaney added.

Moving forward, the brand is looking to increase its international presence. This month they released their first-ever global campaign, ‘Fly Human Fly’ with the tagline “When I run, I change my world. When I run, I fly.” This campaign will be shared across all platforms and consumer touchpoints globally. Currently, the website is available in 60 countries with physical stores in China and the U.S. There are eight across China and four U.S. locations: West Hollywood, Venice, New York, and Chicago. Typically, pop-up stores have short-term leases and have been a proven way for the brand to test markets. There are plans to expand the brand presence globally.
Whether the pandemic-related spikes in fitness or comfortable footwear is responsible or not, the company has experienced healthy growth in the past few years. It’s become a significant asset to the Deckers portfolio, which includes Ugg and Teva. Hoka represented 22 percent of the portfolio in 2021 and 17 percent in 2020. This year, the aim is to bring that number to 28 percent in the fiscal 2022 year, growing the revenue 56 percent to nearly $900 million. According to a company spokesperson, Hoka currently holds a 24.3% market share in the specialty running space as of May 2022.

Hoka has also teamed up with professional runners in ultra-road and trail running, track and field, and triathlons, such as track star Laura Galvan Rodriguez, triathlete Jan Frodeno and ultra-trail runner Adam Peterman. It sponsors professional training groups such as the Hoka Naz and the Hoka Aggies.

**APL**

Athletic Propulsion Lab or APL was founded in 2009 by twin brothers Ryan and Adam Goldston, who had patented a technology that would make the wearer jump higher.
“Our initial focus was basketball because we had created our patented 'Load 'N Launch' technology. This laid the foundation for the luxury performance category, and basketball made the most sense as we had the most authenticity there. We believed that running/training/lifestyle would eventually be the largest part of the brand, but we knew we had to build our performance house one pillar at a time,” said Ryan.

APL is the only performance brand to be a member of the CFDA, an achievement that stems from a belief that they could create a performance brand with a fashion lens.

“Traditionally, you could only occupy one category authentically. We believed in keeping performance in mind as we grew; we could develop APL to encompass both. Our consumers gravitated towards this as well.

“When we became the first two members ever inducted into the CFDA from an athletic brand, that was the ultimate stamp of approval because the fashion community finally acknowledged that we were the first American brand that made performance both beautiful and fashionable,” said Adam.

Their innovative Lock ‘N Launch technology used in the Concept 1 was deemed to give an “undue competitive advantage over their opponents,” by the NBA and banned on October 19, 2010. “It was the best thing that ever happened to us because it truly propelled our basketball shoes and solidified our heritage in performance, which allowed us to build in the fashion angle over the years,” recalled Ryan.

Additionally, their proprietary 'TechLoom' and 'AeroLux' uppers helped propel the possibilities of the footwear, becoming both performance anchors and visual staples of the APL identity.

“As a brand, we say that we make the product the hero so that you feel like a hero in our product,” noted Adam.
APL is a unicorn for funding as its been self-funded for the last 13 years, with the brothers retaining 100 percent of the business. In 2020, the brand shot up 102 percent year-over-year and followed that by 70 percent in 2021, presumably partly due to the athleisure style that prevailed throughout Covid-19. The brand doesn't see many direct competitors because APL created a new category.

The business is 70 percent direct-to-consumer to include the website and flagship store in The Grove in Los Angeles, with the remainder through the top luxury stores.

“We’ve built a very profitable business model that has scaled and will continue to scale,” affirms Ryan.