



A brand case study

Adidas; History of the brand

- In July 1924, 2 brothers, Adi and Rudolph Dassler joined together to found the company 'Dassler Brothers Shoe Factory', after Adi (the designer of the two) had started to hand make sports shoes in their mother's washroom. The company grew, making specialist shoe for different sports.
- **THE BIG BREAK.** The company grew and grew, seeing Rudolph leave the company to start his own brand which would later become Puma. The innovative design of Adi's shoes began to grow, and got their big break when the great Jessie Owens competed in the 1936 Olympics, being endorsed by and wearing track and field shoes of Adidas.

History cont.

- The next 50 years saw 4 different owners and seeing the death of Adi, his wife and his son. There was time of trouble after the shipment of products to Asia was a flop and money was a problem, but the next owner Dreyfus, perfected the brand's stability, and changed it's guidance as company, bringing back Adidas' original 3 Stripe design.
- The Rap Group Run-DMC gave Adidas it's big fashion based break, rather than sportswear, by wearing the brand profusely in music videos, interviews etc.

Brand Values

- Adidas claims that, "the brand values of the company – authenticity, inspiration, honesty and commitment – are derived from sport."
- This is demonstrated constantly and in the past all through endorsements of olympic athletes and the games themselves, along with the World Cup, and making it's name and innovation prominent in all different kinds of disciplines, from Track & Field to swimming.
- It's products reflect this, being insistent on keeping one step ahead of the competition regarding shoe and equipment technology. Buying Adidas has become buying the most premium and up to date sportswear possible.

Product life Cycle

- Rising Stars (referring to the Boston Matrix) – the ‘rising stars’ of adidas are its high-end, most expensive of the lot footwear. This footwear is mostly the customizable sports shoes worn by celebrity status sports men and women. People see these idols wearing custom made Adidas footwear and think ‘If I customize my own pair of shoes, I can maximise my performance like my idol eg David Beckham.’ As soon as these are seen being worn, sales will grow (with those that can afford them)
- Cash Cows – the biggest sellers that are the cheapest to make and buy, but keep the money flowing in. For adidas, this includes the low end fashion trainers, the standard sports shoes, and apparel such as shorts, jumpers and jackets.

Life Cycle Cont.

- Question Marks – Where Adidas produces such a wide spectrum of goods, it's hard to specify one area that isn't getting enough attention. I'd say the 'question marks' of Adidas products were the expensive products they make for other sports other than football eg. Their TaylorMade adidas golfwear (because football boots and apparel is the biggest earner of Adidas). These products have a lot of potential to have a much higher market share, which because of performance technology, people will see as worth the money.
- Dead Dogs – This section includes the products made by Adidas that are specifically for fashion, that will ultimately end up in the bargain bin, like this one here ...



Dead dog Cont.

- Shirts like this are Dead dogs, as they are not made by Fashion designers, they are made by Sportswear designers. Leave the



fashion for someone who knows what they're doing!

Target Audience

- The main target audience for Adidas is of around 13-30 year old consumers who are involved in any given discipline or sport. Adidas makes high end. High quality products for all sports, so this will interest this audience at it's affordable price, especially if their discipline is football as a teenager (teenagers go mad for the new pair of Predator football boots released just about once a year). Mostly male based, and mainly working-middle class families or individuals.
- Along with this audience, there is also the smaller audience of those who aren't into sports. They shop at Adidas for the big logo's and the look of the shoes for a fashion statement. These are between 16-25, working-middle class both males and females.

Pricing strategy

- Adidas adopt a premium pricing strategy in contrast to it's competition. This premium pricing gives consumers more incentive to buy over it's competition like Nike, Puma etc. This is because the higher priced tells the consumer that it's better quality, and has the performance technology that Adidas is forever promoting. It can charge premium prices as it offers a different, higher-end 'lifestyle' than it's competitors (an endless cycle caused by it's high prices).

Marketing and PR

- “adidas – the performance brand and multi-sport specialist

adidas’ mission is to be the leading sports brand in the world. One major lever to achieve this is the brand’s broad and unique product portfolio spanning from apparel and footwear for professional athletes to premium fashion. It allows adidas to address multiple consumer needs, exploit market opportunities from various angles as well as be less affected by one-dimensional market risks. adidas’ commitment to product innovation and its rich heritage differentiates the brand from competitors and provides a solid platform for future growth.

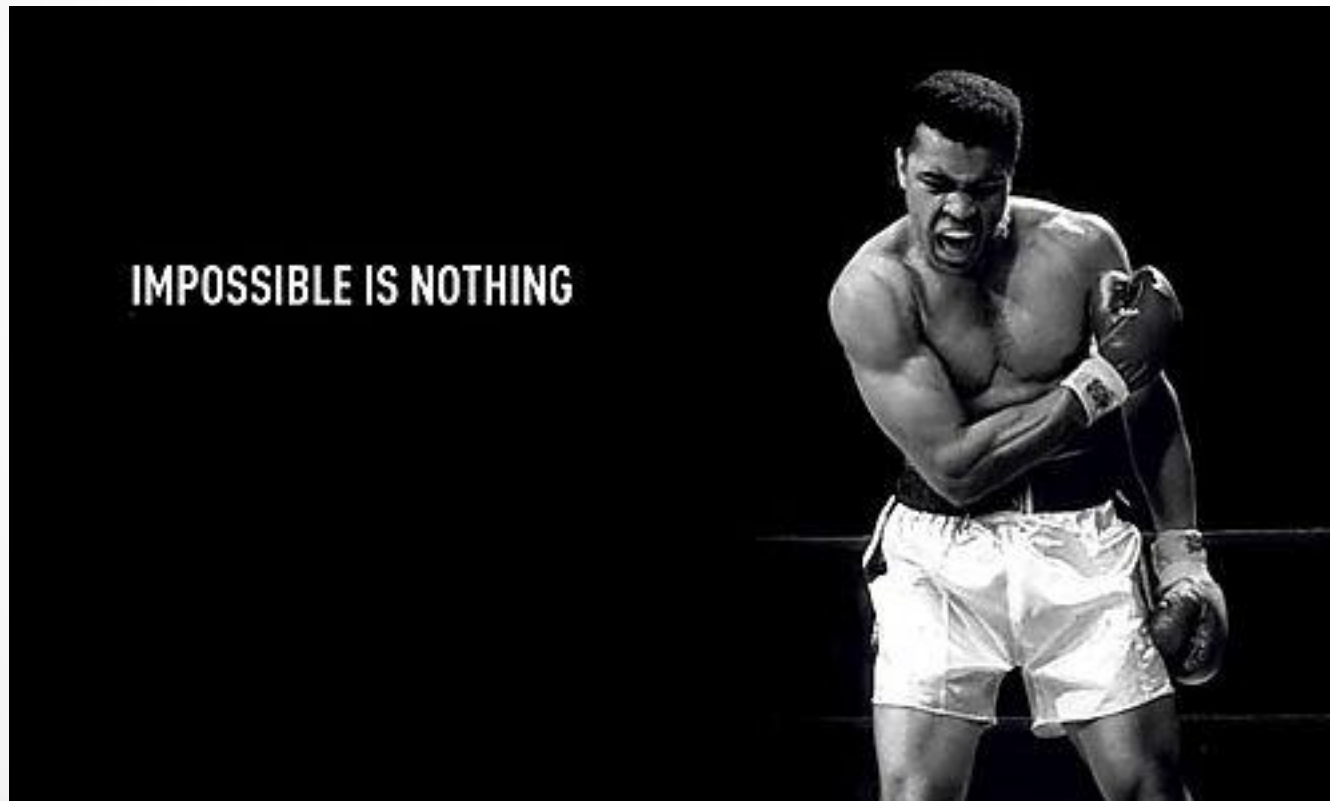
- **adidas Sport Performance – play to win**
- No other brand has a more distinguished history or stronger connection with sport than adidas. ...”
- Source:
<http://www.adidas-group.com/en/investorrelations/strategy/adidas/default.aspx>

Marketing and PR

- The adidas group are intent in sticking to founder Adi Dassler's spirit – make athletes perform better. This is the technique they have been using for years to reach out to the consumer – by being up to date, and almost in the future compared to the performance technology of competitors.
- The campaign, ongoing today reflects this. The 'Impossible is Nothing' campaign has a long speech about reaching or achieving the impossible, selling the IDEA of this to the consumer.

Impossible is Nothing

<http://www.youtube.com/watch?v=9rTttFOWJV4>



PR and Sponsorships

- Sponsorships and endorsements are where Adidas spreads, the biggest celebrity endorsements being David Beckham and Lionel Messi of Football fame.
- Rap Group Run-DMC released a song about Adidas called 'My Adidas', which expressed the groups love of their clothing (trainers and hoodies mostly). This sparked an idea in the owners, who struck a 1.6 million dollar endorsement partnership. They went on to design shoes and tracksuits for the company, becoming more and more linked to the brand, and helping expand the brand into rap fashion, building on it's already booming sports industry.

Place and distribution

- Adidas aren't as picky and specific about what outlets distribute their clothing, and can be found in any good high-street in a range of shops.
- Main outlets stock the whole range of Adidas products, broken down into spacious and specific sections (fashion, Football, Swimwear etc.).
- Other than the specific 'Adidas' outlets, products can be found in different shops depending on what the product is. For example, the fashion trainers (the Cash Cows) will be found in shoe and fashion shops such as Schuh, Footlocker, Republic, tReds. Whereas you'd find the sports trainers placed in specific sections of sports outlets such as JJB Sports and Sports Direct (the displays of which are always the same)

Place Continued...

- Adidas also distribute to online outlets such as Asos, based on it's fashion premise. Here you would find products such as the hoodies, tracksuits and trainers that are the Cash cows of the company.
- Overall, the 'Cash cows of the company are widely distributed through internet and high-street outlets, where its less successful and upcoming products would only be found in the named outlet and the online store.

S.W.O.T Analysis

- Strengths –
 - Effective celebrity endorsements from David Beckham, Lionel Messi and Run-DMC
 - Strong, Effective marketing techniques, focussing on the sports technology, promoting that if you buy Adidas, you'll be better at sports
 - Knows it's Target Audience well, and delivers what they want/need.
 - One of the leaders in sporting technology (Football boots one of it's main incomes.)
 - Extremely recognizable Household name and logo.

Weaknesses

- Focuses heavily on bringing out an extremely wide range of football boots. Too wide of a selection.
- Good marketing techniques let down by small showing and distribution of advertising.
- History. The links of the brand with Nazi's in world war 2 are likely to put off some customers from buying.
- Links with Sweatshops and unethical working conditions.

Threats

- Nike's growing market share in sportswear, mainly footwear.
- Some endorsements going wrong. Basketball star Kobe Bryant has been in the tabloids for illegal activity, giving the brand the wrong sort of image they want to put across.
- Growth of global and international sales and outlets could cause problems in inducing different marketing techniques to suit these differing demographics.
- Cheap knock offs. 'Two stripes'.



Opportunities

- Growth of differing technologies gives the brand more platforms and mediums on which to expand their advertising.
- Opportunity to always stay at the forefront of sports technology.
- Expand fashion marketing through more fashion based endorsements rather than sports.