

Puma marketing report assignment

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“ I’m Going” Campaign [pic] ADVERTISING AND MEDIA INDEX ABOUT PUMA2
AD CAMPAIGN3 SITUATION ANALYSIS3 SWOT ANALYSIS3 MARKET
RESEARCH5 POSITIONING5 SEGMENTATION5 One of the most important
things is to have a proper market research. 5 MESSAGE OF THE CAMPAIGN6
8 laws of design6 MESSAGE STRATEGY7 MEDIA STRATEGY8 CONSUMER
BEHAVIOUR8 RECOMMENDATIONS10 INNOVATION10 QUANTIFICATION10
ORCHESTRATION11 DOCUMENTATION11 CONCLUSION12 BIBLYOGRAPHY13
ABOUT PUMA Puma is a sport brand created in 1924 In Germany by Rudolf
Dassler the brother of Adolf “ Adi” Dassler who founded the competitor
ADIDAS.

The company is specialised in Sports Goods, Puma makes Footwear, Apparel
and Accessories. Right now PUMA has a big structure around all over the
world, they have stores in 80 countries, like Spain, Mexico, Germany, USA
(only 18 in US)... and Puma counts with more than 9000 people employed.
Puma has an outsourcing manufacturing facilities in over 40 countries. PUMA
is characterized for sports lifestyle fashion, because at the same time they
make good quality products and very modern, according to fashion moment

Between 1993-2002 Puma had a lot of problems, the mistake of PUMA was
the massive segmentation that made this brand get into a hard crisis. To
recover the situation of 8 years with losses, Puma started working with
products destined to small groups, and started with the homosexuals and
their accessories that were really successful. Then they centralised in young
people from 15 to 35 years old. The revenue in 2006 was footwear 66%,
apparel 27% and accessories 7%, By 2009 they want the apparel to be 50% .
Their most important product are sports shoes.

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Inside the market there are many companies that do the same as puma. Puma is situated the in the fourth position behind Nike, Reebok and Adidas Puma is dedicated to Football, Running, Golf, Formula 1, and cricket has become very The strategy and the goals of PUMA During the last 12 years they have worked very hard in Advertising, they have made the most effective advertising. They have focused their media in Internet. Because of this Puma got out of the crisis. They usually use famous sport celebrities like Serena Williams and Pele to announce their products.

The objective was to make a solid brand profitable, with a mix of sports, lifestyle and fashion 2006 has been a good year for the Producers of sport shoes, the World cup celebrated in Germany in that year made the producers rise their investments to get more benefits, that was happened to Puma, Puma has accomplished an increase of 93 million Euros in the first three months of last year. This results are quite better than last year, 2, 5% and better than what Puma expected. The previsions of the company were wrong but even with that they expected a decrease of the benefits between 10 and 15%.

The income has rised up to 29, 5% and more than 600 million Euros. The evolution as been very significant since the increase in appareil products and accessories has been up to 20% each. Puma has focused in other tendencies that have made the brand get those results. The benefits are higher than 52% and even being better than what was expected, it is worst than last year? s. The results have been awesome for this brand that is improving so much in advertising, and in campaigns like the world cup that helped so much the company. AD CAMPAIGN

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The main purpose of the “ I’m going” campaign was to change their brand strategy and image. They wanted to turn their image from basically sportswear to a combination of sport lifestyle and fashion. They wanted to define sport as an active lifestyle and not a traditional category. As the advertisement was not focused only to a selected group of customers, this involved broadening their target market. The purpose was to convince all the different consumer groups, which had different expectations and bought the brand for different reasons. SITUATION ANALYSIS

SWOT ANALYSIS Strengths – Targeting PUMA with a different approach (sport lifestyle) than normal differentiates them from the other major sport companies (Nike and Adidas). It gives the consumer an alternative to buy products that have still not saturated the market. – PUMA spends a huge amount in Research and development. In 2003 it doubled its spending from 2% to 4%. The company based its innovative marketing concepts (used for the advertisement) on the latest trend research. This was previously ignored which in part caused PUMA’s failure. The advertising strategy is based on international level. The same advertisement can be used in many markets as it doesn’t deal with traditional aspects of sports. For example, football in Europe and basketball in USA. The “ I’m going” campaign can be used in both markets; Europe and USA. Opportunities – In future PUMA can broad this campaign and also focus more on sportswear, rather than the combination of sport lifestyle and fashion. This could be more profitable as it could combine other combine campaigns such as “ Running” and “ Moto”, which are trendy. If they are successful in the fashion industry, it will help their brand image and improve sales in their sporting goods department.

This could give them an opportunity to compete with Versace Sport, and PRADA Sport. Weaknesses – Since PUMA has such a diverse price range in its products, their high end products might not be successful because of the image of the lower end products. – Distribution channels are not controlled directly by PUMA. They sell to retail chains such as Foot-locker, which control their own prices. Threats – If they are successful in the fashion industry, a lot of resources might be taken off sportswear.

This will hurt their image of specialized sport products, because of an inaccurate balance between sportswear and fashion. – Luxury brands such as PRADA, are launching new fashion lines (PRADA Sport) which can compete with PUMA's sport lifestyle products. MARKET RESEARCH POSITIONING With this advert PUMA wants to be the most desirable Sports-lifestyle brand, not only in a fashion term, but a way of life. The advert is for individuals that seek freedom and independence, people that like sports but want to look fashion too. PUMA wants its customer to identify themselves with a PUMA lifestyle. (Ries and Trout, 2001) SEGMENTATION One of the most important things is to have a proper market research. “ You can't hit a target unless you know where to aim.. ” Once you segment, it is important to identify only consumers who have the potential to respond and whom they can reach most effectively. Using different categories of segmentation, our target or potential consumer was found for this specific advert. ??? Geographical: Puma targets both urban and suburban/rural areas all around the world because we are talking about fashion and sports. Demographic o Age: 16-40 (Core Target 21-28) o Sex: Women and Men o Culture: Worldwide ??? Economic: middle ' high class (this is because although PUMA is not a very

expensive brand, actually is quite affordable, the brand has exclusive or limited collections with higher prices. MESSAGE OF THE CAMPAIGN ? Innovation ? Design ? Trendy ? Sophistication ? Individuality They successfully combine different trends in sports, fashion and technology to convince people of their distinctive style The message of the campaign is simple, distinctive and memorable. laws of design (Planning an advertisement) If you have a look at the ad, you can clearly see that all 8 laws of design apply here. For example: ‘ Law of unity: all parts of the layout unite to make a whole. The ad is made of separate and different images that where put together to create the ad. ‘ Law of variety: due to the colours and the movement in the pictures we can see that there is lots of contrast, so the advert doesn’t look monotonous. ‘ Law of balance: The most important part of the ad is the image, which occupies the whole ad. Law of rhythm: We can see a sense of movement in the ad so the eye is carried down through the ad. ‘ Law of harmony: In this ad there are no sharp, annoying or jerky contrasts. The ad is simple and clear. ‘ Law of scale: visibility depends on the scale of tones and colours, some appearing to recede, others to advance. ‘ Law of emphasis: all emphasis is not emphasis. In this case is not the people, but the shoes and clothes which have been emphasised in the ad. ‘ Law of proportion: type sizes used for different widths of copy.

The ad appeared in the internet and many magazines around Europe and the US, depending on where the ad was shown different widths were used and the bigger the image of the ad is the bigger the writing that goes along with it. MESSAGE STRATEGY The “ I’m Going” campaign expresses movement, athleticism, and progression, combined with explosions of neon color. The

idea of the pictures frozen in time and the color adds an intensity and power to the highly composed and sophisticated images. Ultimately the campaign is about the combination of energy and elegance.

The series of images abstracts the idea of being active in a way that is both visually arresting and sophisticated. The I'm Going campaign is consistently about innovation and emotion – you open a magazine and the ad literally jumps out at you. The illustration is the first thing the reader notices so this ad was a good choice cause it is strong enough to draw readers attention. Moreover, the ad is quite effective cause it is totally different to what we are used to by comparing this ad to other ads of PUMAS competitors. In this case, the photos are about bodies, products, and colors — rather than pretty faces. MEDIA STRATEGY

PUMA announced the “ I'm Going” Campaign all around Europe and the US through three main communication channels: ??? Magazines o Maxim is a magazine for young men o Elle is a style magazine for women o Stuff is a magazines that talks about techonology and the latest innovations, normally is a magazine focused for men to. ??? Internet: was probably one of the best tools used as it is the unique tool to expand advertising all over the world. it's easy to reach many people and its cheap. ??? Advertising at point-of sale: It is a very easy and cheap form of advertising and it is always good to advertise as much as possible.

The more people see the ad, the easier it is that the consumer reminds it. CONSUMER BEHAVIOUR There are many factors that make it difficult for companies to attract their target audience. A person is exposed to over 20,

000 products of different colors, sizes, and shapes throughout the day and yet they only notice a small portion of them. They are exercising selectivity in perception. Selective exposure occurs when consumers actively seek out messages that they find pleasant and avoid painful or threatening ones.

The I'm Going campaign is trying to portray a message of Pumas new image which is an independent/free lifestyle. They are hoping young adults will identify with it. Also selective attention happens when consumers exercise a great deal of selectivity in terms of the attention they give to commercials. They have a heightened awareness toward the ads that meet their needs or interests and minimal awareness toward the ones they find irrelevant. So with the new I'm Going campaign Puma seems to be catching the attention of consumers who are actively seeking new and trendy attire.

First impressions tend to be lasting. That is why introducing a new product before it has been perfected may prove fatal to its ultimate success; subsequent information about its advantages, even if true, will often be negated by the memory of its early performance. Motivation is the driving force within individuals that makes them take action. Puma wants to target the emotional buyers; who make purchases for subjective reasons. When a person buys a Puma product, it is because they find it trendy and fashionable which is not rational motivation.

Arousal of Motives the fact that you need to wear shoes would be a physiological arousal, however when the customer decides to buy an expensive brand, it becomes an emotional arousal. There are five main ways in which attitudes can be formed. First of all, by personal experience (by

trying the product); second is being influenced by family or friends, third is by direct marketing, fourth is mass media: television, magazines, and finally marketing from the internet. It is clear to see that Puma uses most of these channels in order to develop a specific attitude towards its brand.

Some people seem to be more open to and prefer the written word as a way of taking in information, whereas others are more likely to respond to visual images. The Puma advert targets more the visualizer's readers. It is not only for this advert, but for the general campaign. The company is showing a collision of lifestyle fashion, color, and bodies in motion. The ads express movement and athleticism combined with explosions of neon color.

Perceptual mapping can help to visualize the positioning of one brand according to its competitors.

We took two axes: one being price and the other being fashion. We placed Puma and its three biggest competitors to identify their positioning in the sports market. In this perceptual mapping, Puma's positioning is "high fashion- high price". The positioning is based on specific benefits the consumer feels when they purchase the product; in Puma's case the benefit is a pair of fashionable shoes that can also be worn for sporting activities. When assessing the four companies and where they lie on the map you can see that Nike and Puma are competing to a high fashion-high price shoe.

Adidas and Reebok's positioning is an affordable sneaker whose purpose is to practice sport. (Schiffman and Kanuk, 2006) However on the clothing map it is easy to see Puma has made great strides over the past few years to dominate the sports apparel market. RECOMMENDATIONS There are a

number of Basic fundamental that everyone needs to know in order to generate attraction , desire interest and action among prospects. But to be successful in today's competitive environment we need more than just a basic understanding of an AIDA model or the 4 P's.

Basically it has to be a plan comprised of four elements which combined is going to be the formula that will allow our marketing to improve considerably; innovation, quantification, orchestration and documentation. INNOVATION If Puma does what everybody else is doing, they surely will get the same results so it is very important to find a way to be better than the other ones. Most often those who excel in any market are those who are continually trying new things, creating new methods of business or standing for something unique.

The example of innovation in marketing sense gives you the ability to try something new. This something can take a variety of different formats but most importantly it is something that can move you towards ROI.

QUANTIFICATION To be truly effective with our marketing we must measure results so this is why quantification is mentioned for. The key is to measure each independent element that could possibly influence our result. The most successful programs are always working to improve their ROI. Using the example of a retail establishment, we wouldn't want to ask all the sales reps. to start using a new pitch and change their dress code because doing so might dilute our ability to measure the effectiveness of a new sales script. Additionally, we wouldn't want to change other elements in the marketing campaign because doing so would make accurate measurement next to impossible. ORCHESTRATION After trying something innovative and
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measuring the result, we know what works and what doesn't. The key is to keep innovating in small ways, continually testing and evaluating the results. Once we have our successes identified, we need to roll them out in a systematic fashion.

We should implement the latest innovation. Improving our process of orchestration is also extremely important. The faster we implement our innovation across the business, the better the result will become. So at the end the result is innovation on a massive scale which has a direct and positive influence on ROI. DOCUMENTATION It is the development of a guide, procedure or system that allows consistent implementation of the innovations we develop. Because what we want at last is to make sure that the innovations and enhancements we have made to our marketing practices are fully implemented.

CONCLUSION If we are trying to enhance our marketing programme we have to keep this methodology in mind; I, Q, O, D. So that it will ensure constant growth and improvement in our marketing results There are two possible steps that we could follow once we have done the previous steps. The first step is to position PUMA as the luxury brand for healthy sport lifestyle, taking advantage of the trend in the sport lifestyle and specially healthy and introducing PUMA as the first and most powerful brand in this sector because of its luxury image.

The step number two would be to concentrate Puma's image into a wheel of integrated marketing communication. Focusing on corporate advertising more than product advertising; how? Providing PUMA's image in one single

way and strengthening its positioning as the sport lifestyle in the clothing and footwear market. BIBLYOGRAPHY RIES, Al and TROUT, Jack (2001) “ Positioning” KOTLER, Philip and ARMSTRONG, Gary (2006) ” Principles of Marketing” JEFKINS, Frank (2000) “ Advertising” SCHIFFMAN and KANUK (2006) “ Consumer Behaviour” www. puma. com [pic][pic]