

# Under armour

Business



Under Armour Q1 The Adidas Group and Nike have proved to be very strong competitive forces confronting Under Armour in terms of resource and market base. Firstly, they have a stronger supplier power compared to Under Armour in the market. The Adidas Group has 1,355 Adidas and Reebok concept stores which are company-owned and franchised, 734 outlets and 312 stores with varying formats. Nike on the other hand boasts over 40,000 retail accounts, over 470 company-owned stores and 19 distribution centers. Under Armour has only two distribution facilities in North America, two third party locations in California and in Florida, 80 factory outlet locations in 34 states, and 2,500 retail stores in the world (Thomson, 2012).

The fact that Under Armour has fewer retail stores it means that it has fewer powerful buyers who can often dictate terms. In terms of competitive rivalry, the two companies do not pose a serious threat since Under Armour itself offers unique products. However, all the competitors have allocated a sizeable budget on research, meaning that they are likely to offer undifferentiated products and services that may reduce attractiveness of Under Armour. Under Armour doesn't pose the threat of new entry since the other two corporations have the advantage of the economies of scale, and considering their budgetary allocations on marketing, Under Armour is less likely to capitalize on the threat of substitution.

Q2

Yes it has the core competency of designing and merchandising three lines of apparel gear: HeatGear, ColdGear and AllSeasonGear, which are very unique in the market.

Q3

Yes it has a significantly growing fan base on social media and a unique <https://assignbuster.com/under-armour/>

advertising strategy of 'Protect this House' and 'Click-Clack'.

Q4

Under Armour has a major strength of manufacturing the most unique brand in the market. However, the weakness of fewer retail stores and the threat posed by other corporations like Nike and Adidas Group gives it a lesser advantage in the market.

Q5

Broadening the company's product offering to all athletes and increasing its sale, designing kits that can be worn under different weather conditions, marketing and product promotion (Thomson, 2012).

Q6 Under Armour is employing differentiation strategy.

Q7 The company's stock that climbed to \$ 102. 70 per share.

Q8

All the three companies are engaged in sponsorships and endorsements for product promotion and marketing. They have also allocated sizeable amounts of resources on research and development of new products. On one hand, Under Armour has the advantage of its unique products in the market, and on the other hand, it has a disadvantage of unfavorable competition in terms of capital against the other two.

Q9

He needs to address the issue of the growing number of individual items produced, uncertainties surrounding consumer demand that affects accurate projections of items to order (Thomson, 2012), and how to acquire the lion's share of the market.

Q10

Carrying out proper survey in the markets to find out what customers really

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want and producing items according to consumer needs. Lastly, he should engage in more sponsorship activities of tournaments like Olympic, World Cup, top European leagues and most domestic leagues abroad to attract more customers and, or to increase customer loyalty.

#### Reference

Thomson, A. A. (2012). Under Armour Challenging Nike in Sports Apparel. Alabama: The University of Alabama.