

Strong brand since
the 1950s marketing
essay



**ASSIGN
BUSTER**

Brands are of high importance to companies since they have the ability to bring attributes and associations to consumers' minds and add value to the producing company and the product itself (Kotler, 2003).

Adidas is a globally very strong brand since the 1950's. Adidas manufactures products that cover a wide spectrum of the total global sport market. Their products are divided in three main categories which are: Adidas Sport Performance, Adidas Sport Heritage and Adidas Sport Style. The wide variety of products that Adidas manufactures is the core problem since it is difficult for the company to establish full communication with its potential consumers. As a result of adding value only to some of the product segments is the possible association, in the mind of the consumer, of the brand with only some of the segments.

Adidas in the eyes of the consumers is mostly associated with football which as a sport is by far known as a men's' sport. Women on the other hand the previous years weren't prioritized for the communication and sales promotion strategies.

But the last decades women are involved in sports in a much higher percentage equally to the one of men. This has led the female sportswear market and industry to grow rapidly in order to cover the gap. In many households women are making the final decisions for the products that will be bought. This has led many companies to change their advertising position and make their advertisements more attractive to women.

Advertising and communication strategies are the power to create associations and perceptions to a brand and enhance its brand image so that

the brand will be more attractive and interesting in the mind of the consumer (Nilson, Torsten, 2000).

In order to succeed in reaching out to women Adidas followed the changes, adapted to the needs that modern women have and came up with a deal with world famous designer Stella McCartney developing a new product line extension known as Adidas by Stella McCartney.

STRATEGIC DECISIONS

Question 2

Prepare positioning maps and perceptual maps for the chosen-appointed subgroup. Present appropriate explanations in order to support your proposals.

Positioning Map

Male

Innovative

Classic

Adidas

Female

Adidas by Stella McCartney is generally positioned in the positioning map as a new innovative stylish top collection designed for women. Sportswear apparel for women exists as a product line in Adidas' product categories for many decades. The new top line collection by Stella McCartney is an innovative new collection in women's sportswear that combines performance and functionality with high quality.

Perceptual Maps

High School Graduate or more

Some High School or less

Economically strong

Economically weak

Adidas

Adidas by Stella McCartney collection is mostly addressed to women who are educated and in a way wealthy because of their personal success in business environment as a result of personal achievements. By being economically strong women can buy this collection rather searching for products which are best value for money, or for special discounts and offerings; the Adidas by Stella McCartney does not have discounts or special offers.

Big Spender

Out of Fashion

In Style

Stingy

Adidas

Adidas by Stella McCartney new top line collection targets women who spend a lot of money in cloths and shoes and in sports apparel in general. They usually look to purchase sportswear by famous designers to fulfill their need and desire to be attractive, different and stand out in the crowd.

Sport Active

Expensive

Cheap

Sport Inactive

Adidas

The new top line collection Adidas by Stella McCartney is addressed to women who are sport active and are willing to pay more money to purchase sportswear designed by a famous designer.

Big City

Income 15000-30000 \$

Income <15000\$

Rural

Adidas

Adidas by Stella McCartney is addressed to women living in big cities and having an average income of 23000\$. In big cities the trends are a daily phenomenon and economically strong women want to be in the trend and always look stylish because of the competition that exists sometimes in big cities. Every successful woman likes to be different and attractive because of her stylish and famous designed outfit.

ANALYSIS OF THE PROMOTIONAL MIX

Question 3

Critically present the advertising and sales promotion objectives of the specific subgroup.

Through advertising companies try to attach certain values to a product and make it more attractive to the needs of the consumer. Advertisements are paid announcements which usually target a specific “ market target group” and are made or designed in a way to influence the consumer to buy the product or service being advertised. For that reason advertisements can be promoted by television, radio, newspapers, magazines and internet (Cohan, 2001).

The last years Adidas has launched a new collection which is released every six months and is designed especially for women; it is called the Adidas by Stella McCartney. Adidas by Stella McCartney new collection is communicated and advertised through some types of media and the Adidas Group itself and both sides hope to increase the brand awareness and enhance the brand equity.

Adidas believes that the most suitable way to communicate with women that their target group consists of is through women’s magazines. For that reason every woman’s magazine in Greece has ads of the Adidas by Stella McCartney collection. These ads are published at the magazine issue that is around the date of the new collection release, before and during major holidays such as Christmas and Easter. The collection’s distribution on the other hand is limited. The head offices in Athens Greece control the places where the collection will be available for purchase. Such cities are the centre
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of Athens, Thessaloniki, and Larissa. But also in those cities only some selected stores have the permission to sell Stella's collection and that occurs after being very carefully chosen complying with a number of criteria. The image of Adidas and Stella McCartney can not be risked by having stock products.

This new top product line is targeting people in large cities; on the other hand the Woman Indoor classic line is available in Adidas stores all over the world and is addressed to general women consumers.

Because of the fact that Adidas is planning on spending a bigger budget every year on the woman segment the company looks for spokespersons that can promote their new line and add value to it. Of course Stella McCartney can be considered as the first but some other agreements have been made too. Such spokespersons who can also be considered are among other world famous athletes, tennis player Maria Kirilenko, and 400 meters hurdle runner Fani Halkia from Greece. Both of these athletes have signed not only to model but also to wear Adidas by Stella McCartney collection in every athletic event or major training day.

Adidas does not prefer television ads to advertise the woman's collection. The company uses the female magazines to organize events and festivals in large department stores and promote its woman's collection through direct marketing communication. Also Adidas has never used discounts on Stella McCartney's collection. Instead the company prefers to organize fashion shows with runways, competitions and snack and beverage happenings to promote their top line collection for women.

Question 4

Present the market segments that you propose to be targeted. The target group(s) shall be reported in demographic and mental-psychographic and purchase motives terms.

Adidas' main target group for their women's collection should be consisted of 20 and 35 year old women, maybe 37. Such a woman should live in a city or in a suburban area near a big city. She can still be in college or she is older, independent and working in preferred position in a company. The targeted segment is able and spends a large amount of money on clothes, shoes and apparel.

In mental - psychographic and purchase motive terms she can be characterized as " sexy and seductive" for the group of 20 to 27 and " economically independent and successful" for the group 28 to 35. She believes that by purchasing and having a world famous label in her cloths and shoes she improves her image, which is the reason why she buys world famous designers' expensive brands for cloths and shoes, because by that purchase she believes that her well known cloths make her being perceived accordingly by her environment. That targeted woman is very stylish in a peculiar way sometimes but likes to capture attention and glances of the people around her, she likes giving stylish and purchase advises and generally she likes to be unique in a crowd.

Sports on the other hand play a very important role in her everyday life. She wants to be perceived as an athlete for her leisure time but she takes the chance every time there is a competition. She wants her clothing to be

functional but by all means they have to be stylish as well so that she can feel secure. She usually spends her time on training in different kinds of sports 3 to 4 times per week and simultaneously she can also have a subscription in a gym or even a fitness center for relaxation, because staying fit and being healthy is among her priorities.

Question 5

In brief present your sales promotion (of any type) proposals, in order to support marketing communication program and help to succeed the 2010 sales goals of the specific Adidas subgroup.

Since 2004 Adidas has decided to spend more and more economic resources every year to increase its brand awareness towards women. As result a business agreement, more like collaboration, was established with word famous designer Stella McCartney. The Adidas by Stella McCartney collection is more stylish and fashionable including each year's new fashion and style trends and separating from the previous collections designed for women which were targeted more into sport type women.

Having TV commercials is not suitable for the advertising of the new collection. TV advertisements cost a lot and are a difficult task to try communicating efficiently with the company's target group in all countries; plus if TV ads are not controlled effectively can lead to an overexposure of the collection and as a result to the negative perception of the brand. On the other hand special discounts and offerings are in a way forbidden because they could lead in negative perception of the brand. The new top line

collection for women should increase the brand equity and enhance the company's and designer's brand image.

What Adidas can follow is a direct marketing strategy, which is already being followed. Adidas by Stella McCartney collection is currently advertised in the majority of the women's magazines in Greece. Also Adidas can benefit from the fact that its collection is offered in the country's most known shopping centers and malls and with the collaboration of each magazine separately can organize fashion shows with models wearing and promoting that top line collection.

Also happenings can be carried out in the shopping malls and departments with free snacks and drinks during the introduction of a new season collection. With such events Adidas promotes not only its brand and new collection but also the shopping store that distributes and sells its top line collection avoiding in that way overexposure.

Another sales promotion activity which can be introduced in a more premium way is the organizing of special events especially for the women subscribers of the female and fashion magazines. Adidas can benefit from the magazines readers' databases and invite them in a cocktail party for example with famous fashion models, artists and designers. In that way Adidas promotes its new collection, establishes better communication with women from its target group and enhances its brand image and brand equity.