

Marketing plan for adidas bold



**ASSIGN
BUSTER**

As mentioned earlier, Adidas brand segment has 3 divisions: Sport Performance, aimed at athletes at all performance levels; Sport Heritage, which targets trend-setters seeking sport-inspired streetware with an authentic origin; and Sport Style, which focuses on young cosmopolitan consumers looking for exclusive, fashion-oriented sportswear products. Adidas said this three-divisional approach helps us to best develop and market innovative products, meeting the needs of today's diverse consumers. (Datamonitor, 2004)

In the Sport Performance, the top five priorities are running, football, basketball, tennis and training. Accordingly, in the year 2004, Adidas' major initiatives include: the Group's first ever global advertising campaign, entitled "Impossible is Nothing"; further commercialization of Adidas' key technologies, special attention to the running and basketball categories; and, strong participation in the UEFA EURO 2004 European Football

Championships and the Olympic Games in Athens. (adidas-Salomon, 2004)

Other major strategy approaches include: "Impossible is Nothing campaign", which is Adidas' attitude drives year-long brand campaign; further commercialisation of ClimaCool, Adidas' 360° ventilated technology and a3, Adidas' energy management footwear technology. (adidas-Salomon, 2004)

Regarding Sport Heritage, strategies include: limited distribution to prevent dilution of the brand plays a major role in the success story of this division; future broadening its attack on the whole lifestyle market with fresh new products inspired by our brand's unique heritage in football, Olympic sports, tennis and basketball; future expansion of Adidas' fashion distribution. At present, Adidas have a business relationship with the NBA. There are NBA

superstars that endorse the products of Adidas like The Houston Rockets, Dwayne Wade, Chauncey Billups, Tim Duncan and Tracy McGrady, Gilbert Arenas of the Washington Wizards. Adidas believed in “ Basketball is a Brotherhood.”

Marketing Objectives

Adidas is a global brand in sporting goods industry with sports brand established on a love of sports and lifestyle (Aaker and Joachimsthaler, 1999). The company’s attention is focused on the consumers, thus they continuously develop the look, quality, image and feel for their organizational structures and products to integrate and achieve the expectations of the consumers and in order to give them excellent value. The company is synonymous to innovation and leaders in design that would want to help athletes of all levels of skills that attain the top level performance with every product they sell to the market. Adidas does not only focus on being a global leaders in sporting goods they are also a company that is environmentally and socially responsible, provides financial reward to both shareholders and employees and most of all creative. Since Adidas is committed to strengthen their products and brands in the competitive market of sporting goods, they have created the Adidas Bold 2009 shoes. This new product is for both men and women athlete that can be used for training in all kinds of sports (Aaker and Keller, 1990).

Adidas developed a marketing plan and created strategies which would help in the attainment of the marketing objectives of the firm which are:

Market penetration- achieving market shares across the globe in which Adidas compete.

Market development- increasing into new business markets and reacting to consumer segments.

Product awareness- developing visibility and consciousness of all brands giving consistent and clear support and messaging product inventiveness at point-of-sale.

Market Segmentation

Market segments are group of people who share the same set of wants (Stone, 1998). The company like Adidas wants to make sure that they create the appropriate segments for their new products. It is their marketing department's responsibility to identify the proper segments and choose the specific target.

GEOGRAPHIC SEGMENTATION: This segment divided the market into different units of location like neighbourhood, states, regions, cities and countries. Adidas Bold 2009 will operate in urban and semi-urban cities of India.

DEMOGRAPHIC SEGMENTATION: The market is divided into different segments based on the variables of family size, family life cycle, income, gender, age, religion, generation, occupation, social class and nationality. The demographic segmentation of Adidas Bold 2009 is as follows:

Age 15-36

Income level: \$15, 000

Social Class: Upper middle, upper class and lower upper.

Gender: Both male and female

BEHAVIORAL SEGMENTATION: This segment divided the consumers according to their attitude, knowledge, response and use of the product. Like many firms Adidas believe that behavioural aspects like benefits, occasions, user status, loyalty, usage rate, consumer readiness and attitude are the excellent variables for creating market segments (Lancaster, 2003). Below are the behavioural segmentation for Adidas Bold 2009:

Benefits

Gym regular users

Sports lovers

Athletes

Image seekers

Brand freaks

PSYCHOGRAPHIC SEGMENTATION: In this segmentation, consumers are divided according to the personality, values and lifestyle. Consumers within the similar demographic segment can present very diverse psychographic profiles. Maintaining the aforementioned in perspective of special focus on the interests, activities and attitudes and furthermore the analysis of the

different personalities of each consumers (Lancaster, 2003). The only key is to be different.

Achievers

Well-experienced

Hard workers

Goal achievers

Target Market

The target market of this new product is the urban youth and adults with the proposition of the brand in competition to lifestyle (Stone, 1998). The main objective of this is to focus the principle consumption to the cities and urban areas to reach the prospective target market.

Product Differentiation and Positioning

The objective of this strategy is to be original in ways that are important to the consumers and that can be maintained (Sharma, 2004). It is a motivational method whenever consumer needs to be diverse and satisfied by a standard product:

Create a premium cost/price for the product.

Market and sell more products at the greater rate and raise the market share.

Despite the dominant share of Adidas in the sporting goods industry, they still have to maintain their market competition as other companies like

Reebok and Nike. Adidas is implementing their strategic positioning using the Porter's Generic strategies in the market in order to get larger market share.

Marketing Mix

Place

Unfortunately Mumbai as structure is disorganized leading to cramped up spaces in the city (Bradnock, 2004). With city's weird expansion longitudinal instead of horizontal, many companies have realized the need of spreading the city out of its small area location and hence brought out the development of new areas like Navi Mumbai & Bandra -Kurla region Apart from these Andheri and Lokhandwala also bring in attractive places to start such a type of product.

Firstly with economy booming and with consumers responding to this boom by becoming more interested onto sporting goods , setting up operation could bring a variety to the whole scheme thus giving it an early advantage (Bradnock, 2004). Secondly with the motive of style being targeting to different strata of people in the society, India could be good option due to its multi lingual, multi cultural environment. Thirdly India as country and Mumbai as a city has moved great strides in technological advancements making it a logical place for a company like Adidas to improve its position in the world market (Lancaster, 2003). Finally style plans to improve both the company and location position and Mumbai being a pivotal city on the west coast of the country makes it an ideal location for setting up of the store since the items like food, clothing and souvenirs can be sold in places which

is economically growing and which contains some important tourist places and Mumbai perfectly fits the bill.

So a logical short term goal for the company would be to set up a store in Mumbai in next few years and then expand the India operations to other different cities like New Delhi and Bangalore and in process also increase the number of stores locations in Mumbai. Factors to consider while setting up a retail outlet in India (Sharma, 2004):

Restriction to foreign Investment

Indian culture favors saving, not spending.

Price

Adidas with its goal to expand operations should target the high population percentage of middle class consumers and hence it should adopt a smart pricing technique in order to attract customers, while bringing the product's value thereby increasing the local tourism prospects and in the process improving its fortunes (Bosworth, 2004).

A city like Mumbai has different varieties of market – most of them cater to large population of middle class people. These markets have large number of goods available with wide variety of choices available (Bosworth, 2004). For such markets, pricing is done at medium level that is they are priced not too costly so that customers will shy away from them or not too cheap where customers will fail to understand its value, but at a median level where the value is shown and also pricing allures the product allowing customer to buy.

Promotion

Adidas has to make an impression in the market which is unknown to the company. We need to consider the target consumers which we will be dealing with. As per the demographics of the country most of the people belong to the middle class and so target audience for the products will be them (Lancaster, 2003). So we devise strategies like promotional campaigns, festival offers, free gift coupons and various marketing schemes to attract the customers. Also lot of advertising stunts is provided so as to make an impression to the regional market.

Shopping in Mumbai can be an exhilarating experience for a local citizen as well as foreign tourists (Sharma, 2004). Mumbai boasts of some of the greatest shopping bazaars in India. Some of the well known bazaars where you will find souvenirs are Crawford Street, Chor bazaar, Mutton Street, Zaveri bazaar, world trade center market at cuff parade. Some of the well known industries are Central Cottage Industries Emporium and Khadi Village industries Emporium. Apart from this fashion street, kemps corner and bandra also houses some of the best souvenirs markets. These constitute the local market and style should house a collection of all goods sold at these places in order to gain prominence.

Marketing Strategy

Since the Adidas Bold 2009 will be launched globally and specifically in India, it is just appropriate to implement global marketing strategy or international marketing strategy.

Global marketing is one of the fields of marketing that have attracted the most focus of some research in the international marketing research (Maddox, 1993). A general theoretical framework in international marketing has been that a company's strategy should be appropriate to its external environment like the industrial firm perspective and its internal environment, the resource-based perspective. Therefore, when the market conditions required a company to attain economies of scale and cross-market integration, the company needs to push a global marketing strategy.

While it has been known that global marketing strategy should be seen widely and that global marketing strategy does not have significant effect on company's performance in international industries, the company's structures, processes and cultures that are needed for successful implementation of international marketing strategy have not been sufficiently studied (Peterson, 1993). More widely, there is a big gap in the understanding of the forms of internal company resources that are incline to implement global marketing strategy and that can result to sustainable competitive edge in the international market. One of the perspectives and issue in international marketing is the process of global integration. In penetrating an international market there are two issues that will emerge, these are: political and cultural conflict (Samiee and Kendall, 1992). These two conflicts share the image of flows when it comes to international marketing. This is a feature of negotiation, zone overlap and other present issues in global marketing.

Since global integration and local responsiveness pressures are connected to international strategies, it also determines the global strategies of Adidas

BOLD 2009. Global marketing strategies are action plan for enhancing core competencies in order to achieve long term marketing objectives in order for companies like Adidas BOLD 2009 achieves competitive advantage globally. Global integration determines the specialized resources for core competencies such as organizational resources, coordination skills and functional international marketing. International marketing create value and attain competitive advantage in order to create business, functional, corporate and global levels. Reaching global competitive advantage is the objective of Adidas.

Local responsiveness can affect the international marketing strategy of Adidas Bold 2009 because the culture also affects the consumers buying behavior. Local responsiveness affects the two business level methods of the global marketing strategies of Adidas Bold 2009 in the sense of differentiation and costing (Peterson, 1993). In this way, Adidas Bold 2009 have to adjust to their, product development, market penetration and diversification. For example, Adidas manages their international environment through implementing multi-domestic strategy because they believe that requirement for integration is low. On the other hand, they believe in centralized and suitable international marketing strategies. In the industry that Adidas Bold 2009 play, the global environment is uncertain, the management should foresee the value established from a marketing strategy appropriate to both global and local responsiveness (Kay, 2008).

In their operation and corporate strategy, Adidas Bold 2009 have gone through the process of performing taste tests as it is part of the promotional strategies in order to introduce their products to these developing countries.

Adidas Bold 2009 have gone a long war in establishing their brand globally (Kay, 2008). Adidas Bold 2009 decided to continue to the stable international marketing concepts which is the real thing is friendship and family, the real thing is Adidas Bold 2009 campaign. Adidas Bold 2009 depends on their brand name and logo as their selling factor. Through numerous transformations for their product, they continued their image as being the choice of the new generation and being a new and innovative product.

In the age of globalization, both Adidas Bold 2009 were compelled to formulate their own international marketing strategies according to the changes between global integration and local responsiveness (Schlosser, 2008). During the last 10 years, both brands have their own strengths attached to their brand names, locally and globally. The local responsiveness of Adidas Bold 2009 in the last 10 years of global marketing is successful because the local brands of sodas cannot compete with them. Adidas Bold 2009 attracts their consumers with their consistency and stability while it appeals to their consumer for change and adventure. Therefore, the diversity for both brands is dominating the global market regardless of global and local responsiveness.

The strategy of Adidas in India has been consistent in the past five years. The wide variety of elements of the strategy targets the brand to urban and semi-urban communities with the proposition of “sporting in style.” In employing the original sports platform in establishing and reinforcing the reliability and value through valuable brand ambassadors in sports marketing programs, furthermore, it would target the major consumption areas specifically the cities and establish significant independent and

exclusive Adidas boutiques in some locations (Sharma, 2004). This strategy would be responsible to the strengths of the new product.

Return of Investment

Firms perform marketing strategies in order to achieve benefits like growth, profits and enhanced customer loyalty (Lancaster, 2003). The implementation of these strategies needs allocations of funds. Adidas is capable of providing the funds for marketing communications; the results should be able to produce the return of investment. In this marketing plan, the expected return of investment is one full year.