

Under armour: shoe marketing analysis assignment

[Business](#), [Marketing](#)



In this paper, I will be explaining the marketing approaches that Under Armour shoe division is taking in competing against rivals competitors in the shoe division, its approach and initial take on expanding into the field, also some key factors in different marketing approaches and the direction it's heading in.

I will be discussing concepts used regarding corporate image and brand management and integrated marketing communications, finally, researched articles and data in reference towards the marketing approach Under Armour has taken in the questions provided by the professor. 4A. The market share of each running shoe manufacturer on the bottom of page 15 was generated in November 2006. Based on your research, why do you think the marketers from Under Armour, a company started in 1996 with tight financial resources, decided to enter the running shoe market and compete the Nike and New Balance?

All marketing is about effectively communicating product ideas or information to a target audience. Businesses cannot operate in every single market to satisfy every customer needs, instead, a business targets a market of people most likely to be interested in their initial product. In this case, Under Armour did an in-depth research by using feedback, and analyzing their respected competitive marketing competition. First, they reviewed what their target audience wants and needs were and how they could support this.

At first look, some companies held a dominant position in the foot ware department, but looking closer at their marketing ads, you can see that each

company is representing a selected image and statement on their brand. Under Armour felt they could take away from both Nike and New Balance sales, by taking a different route with their marketing campaign and competing effectively against each brand. In addition, Under Armour already held a dominant brand in the -athletic gear department. — Even if they were entering into a heavy competitive field, this market push played well into their overall sales and disruption.

Even by taking away a small percentage of sales in the foot ware department, Under Armour can still turn a profit and easily make this expansion, with their overall brand that is already established in the athletic department. Key factors like disruption, contracts, and channel power have already been forged with their initial original brand in the athletic gear— hence making this a worthwhile investment. 4B. Based on your research, how does Under Armour's product, price, distribution, and promotions compare to Nike and New Balance in the running shoe market?

Fully explain your answer. After researching all three companies, I really didn't see a huge difference in the marketing mix, except a few key elements. Nike, being the leader of footwear, promotes their brand to all ages, and on a global scene, they are a dominant force on the international market. 3 However, New Balance does not really have a strong marketing presence in the international foot ware scene but do hold a strong US market presence and this also reflects Under Armour as well.

A key difference is Under Armour's main target is focusing on a younger generation, due to their biggest customer base is coming from a younger

crowd and their international expansion. Another big problem that Under Armour has is their limited distributors, and going off of a good faith policy. For example, 31% of their sales came from Dicks Sporting Goods and Sports Authority. If any other company were to establish sales contracts with the main distributors of their product line, it could greatly affect Under Armour's profit margin. Another interesting note is on the distribution and E-Active marketing side.

Under Armour is able to easily transition their brand in the e-commerce world. However, both Nike and New Balance focus mainly on brand loyalty, and using channel power and offering promotions and incentives to attract customers, and keep their loyal customers. In other words, the key differences between Under Armour, New Balance, and Nike are the distribution and promotional approach to their marketing objectives. 4C. In 2009 what was Under Armour's key strengths and weaknesses in the running shoe market? Strengths: Corporate Image, Consumer Brand Loyalty, Investing more in breaking into new markets and dealing with distributors.

One key thing that is supporting the running shoe market of Under Armour is their established brand in the Athletic gear department. It was also seen that Under Armour is investing more in breaking into new markets and distributors for their product lines, which will be seen by reported 2011 date. The VP of Under Armour's marketing stated that he believes their brand apparel will speak for itself, and loyal customers will try out their new running product line because of their deliverance in performance in

everything they do. Weaknesses: Limited Amount of Distributors, International Expansion, Brand Equity.

Ultimately, the running shoe market isn't doing great overall as sales are lagging in a fourth quarter in 2009 going from 9. 2m to 8. 2m. Almost all of their sales were in the US provenience, as most of their sales have been, although, Under Armour is attempting to push more into an international brand especially in China. Another key problem Under Armour's running shoe department is having is establishing brand equity for their product line, especially doing this effectively against powerhouses that already have a strong foothold in the market like Nike.

Their main distributors being Sporting Goods and Dicks Sports Line; however, they are expanding more into creating better distribution channels and are breaking into new areas that fall into the athletic gear category. 4D. Review the " elements of a corporate image" in Figure 2. 1 on page 27. Analyze these elements for Under Armour, Nike, and New Balance. What three elements are the most and least competitive for Under Armour? 4 Most Competitive: 1. Factories where the product is produced. 43% of their products are produced in Central America and Mexico, both very unstable regions.) 2. Advertising, Promotions, and other forms of communications (Does not pursue contracts with distribution chains, only with affiliations like NFL.) 3. Retail outlets where the product is sold (Limited amount of Distributors) Least Competitive: 1. Packages and Labels (Already established prior to the expansion.) 2. Employees (More people looking for work, then vice versa.) 3. The culture of Company and Location of Company. (91% of

the current sales are US based. 4E. Analyze how effective Under Armour is in building brand equity. Discuss the five steps outlined in Figure 2. 7 on page 36 as it relates to Under Armour. Under Armour is basically following the traditional route in representing brand equity. The way they are trying to distinguish themselves from other Shoe companies is creating unique footwear solutions that concentrate on both the upper and midsole sections of the foot. Most brands focus on or the other, never both. Their goal is to deliver the most unique and functional upper fit solution to date.

Then, Steve Ballisto the Senior VP of marketing for Under Armour went on to say that his brand will deliver better fit, better ventilation, and better moisture management. Finally, he will add special underfoot, thusly creating cartilage, which will enable precision handling. This overall is giving two unique innovations for the launch of their running shoe in this competitive market. The company is continuing to come up with innovative ideas that separate their brand for everyone else's. Third, they are moving fast by releasing continually new product lines every quarter.

They are also expanding into other categories besides running shoes. Next, they are focusing on all forms of media and using their IMC plan to effectively produce the best results by basic principles of accountability for a failed product. Finally, they are attempting to dominate their specific target market of the younger generation. 4F. Analyze and discuss the primary product positioning strategy (base on the seven positioning strategies listed in Figure 2. 16 on page 46 that Under Armour is using in the running shoe market.

How effective do you believe it has been competing against Nike running shoes? Why or why not? 5 Attribute: Under Armour's main attribute is creating intuitive and distinct running gear that sets it apart from the competitor's brands based on specific genres. Competitors: Under Armour doesn't really use competitors to compare its brand against, it relies on its already established brand name. Use of Application: Under Armour's running shoe products are mainly focused towards the running group persona, however, they have crossed into all forms of versatility in it like hiking, walking, running, etc.

Price-Quality Relationship: Under Armour's prices are geared towards the same price zone that Nike values their brand at. (Between 80-120\$) Each running shoe is priced within this template, which is focused on the middle-end buyer to the premium end buyer. Product User: Although the running shoe brand itself is pretty straight-forward, Under Armour uses its publicity on fields like their recent NFL contract signing to help represent that the very best are using their products.

Product Class/Cultural Symbol: Under Armour doesn't really distinguish itself as a cultural symbol for their brand name, also the only versatility it has shown is between targeting "sexes" and, once again, showing that their running shoes are great for any outdoor event. The company Under Armour has been doing well competing against Nike and has been successfully penetrating the shoe market with their 2008 cross trainer shoe that sold a million pairs and cut into Nike's profit expectations for their own new cross-trainer release.

They also released a variety of running shoes in 2009 during the super bowl, the same time Nike released their own—forming the “ sneaker war”—between the two established companies. Overall, it has done well with the initial release and new releases. Although, as of late their running shoe line has had a lackluster performance, and they are planning on taking out the more of the “ running shoe” out of their product mix, they do plan to re-invent their overall product line and release multiple categories of athletic shoes, expanding from just running shoes into tennis, basketball, football, and other sport-related shoe equipment. G. How successful has Under Armour been in the global running shoe markets and why? Do they seem to be using an adaptation or standardization strategy to globally market running shoes? Under Armour has not been very successful at all in the global running shoe market. Only 4. 6% of their net sales came from outside of the U. S and Canada. Comparing their international sales towards Nike and Adidas who hold strong footholds in both the US and international global shoe—they are far behind.

However, Under Armour is soon expanding into other categories of shoes like basketball, tennis, football, which will help diversify their product line. As for the global strategy, they seem to be pursuing a standardization strategy for their running shoes.