

Example of strategic marketing plan for adidas research paper

[Business](#), [Company](#)



Adidas is a German-based, multinational company that design, manufactures, and sells clothing, sports shoes, accessories, equipment, and luxury items for women and men. It has its headquarters in Herzogenaurach, Bavaria, the locale where the progenitor of the company, Adolf Dassler, worked as a German shoes manufacturer. The company has shown noteworthy growth in the sporting goods industry to become the second biggest in the world. Moreover, Adidas offers luxury items for any and all consumers who want name brand items but not specifically for athletic purposes. Adidas has made significant initiatives to maintain its global placing within the very competitive market (Buffoni 19). For the company to make its impact through capturing a bigger share, it has to set out a diverse strategic management plan. The company has made an objective of attaining roughly \$25 billion by the end of 2016. It has formed the following aims and objectives that will guide its marketing decisions. There are strategies that associate with the goals to make them attainable within the specified time while observing budget constraints.

Assumptions

The sales goal for the company within 2016 is projected to increase by 20% so that the profits will range at around \$1. 24 billion. The market share that the company has determines its ability to generate revenue. It has thus outlined an objective of attaining an increase of about 20% of the world`s market share. The industry is competitive, but this target is very much achievable in consideration to the rising demand for the products.

The company has committed to new geographical channels to future in its sales regions. Among these places include Shanghai, New York, and other

countries where it has not established its stores.

New products that Adidas has chosen to venture in within 2016 include a variety of basketball shoes, shorts, jerseys, and sweatshirts. The rising market in accessories and fun products such as watches, sunglasses, socks, and hats offer a bigger market that the company wishes to capitalize on.

There are new prices for some of the products. The company will reduce the prices of some shoe makes due to the reduced cost of producing them. This should align with the aim of capturing more clients. Few products may rise in prices to adjust to profit maximization objective.

Strategic alliances with advertising media and social media interaction will be included in the marketing program. The company will further sponsor sporting events around its market. Promotions will occur during major sporting events such as soccer championships.

Goals and Strategy

The company has set some goals that align with Adidas mission of improving the quality of sportswear across the globe while also becoming the most popular athletic brand, beating out competition such as Nike. It will have to work on means of increasing its profitability to allow it to venture into new markets. The primary goal for the company is to increase revenue generation. Increased profitability will depend on the company`s ability to utilize the potential within the market it has already captured. This goal will involve strategies that aim at maintaining clients from diverting to competitor products.

Another goal that has received great consideration is increasing the

company's market share. Adidas is currently the second largest, and to become the best, it has to capture more client base. The goal set for 2016 is attaining a 15-20% increase in market share. This market will be distributed in various regions depending on the business viability that the company has determined.

The third goal will be to increase the brand's global presence in sporting activities. This will improve the image of the business and subsequently give it a better placing in the industry. The brand's presence will be measured on its ability to future in promotions and sponsor the events. Adidas will work on this goal by a variety of means that will make it desirable to the global market.

Adidas has set a very ambitious goal that pushes through to 2020, where they aim to expand the e-commerce business. The targeted value for electronic commerce is 2 billion euros by 2020.

Strategies that the company has planned to work around to attain these milestone goals will be diverse depending on the particular target market.

The strategies and related action plans include:

Diversifying the brand portfolio

Adidas is a global company that serves a market that poses different needs. It is upon the management of the company to come up with modern strategies of increasing the variety of choices amongst the customer base. The plan will check on particular needs posed by individual segments as a means of increasing consumer satisfaction. Adidas should further its multi-brand strategy to offer products that match the customer's individual

desires. Fashion lovers and athletes within the sporting profession differ in needs, fitness levels, habits, and motivations for playing the various sports. It is upon the company to ensure that they enjoy their sporting lifestyle with the best quality products. Diversification is a great marketing strategy since it will help the company set and at the same time respond to trends in a more efficient way. Adidas has a plan to continue strengthening the brand portfolio within 2016 and future years.

Accelerating growth

The company has a growth strategy spreading from 2016 to 2020 that focuses on speed and open source. The choices above form the biggest component of the new business plan and are projected to capture a very significant market share. The speed pillar on the plan will involve reducing production time in a significant way and at the same time increase in-season creation. Drawing experiences from past successes, the company has an intention to roll out the active plan based on the 'speed' mantra. For this plan to work without posing challenges to the enterprise, they will have to incorporate a strategy that increases sales through controlled activities to above 65% of sales. To enhance the speed mantra, the company will improve production capability in a bid to expand the product customization options given to consumers (Maddock, Uriarte & Brown 112).

Increasing market penetration

The cities mantra revolves around the fact that the over 80% of the global GDP is continually generated by towns, and all global trends are shaped within the metropolis areas. Adidas has an aim of increasing its growth in all

the relevant geographic regions that compose its market. Within the year 2016, it seeks to capture a greater market share in cities such as Los Angeles, London, Shanghai, and Paris (Kaynak & Jain 37). This marketing plan will focus on local talent within the cities while observing the marketing spend.

Engage in promotions and form strategic alliances

The company will introduce a promotion that will involve all business stakeholders and visitors alike. Adidas will offer additional complimentary products to the clients who purchase specific products. This will mean giving incentives that will attract new customers into the company`s stores. When the company gives a pair of socks to any customer who purchases a pair of shoes, they will feel appreciated (Baeva& Natalia 67). This increases their chances of making future purchases of Adidas products thus a bigger market share for the company. Alliances will be formed with strategic partners who will improve the company`s position within the market (Gibbs & Humphries 32).

Investments that focus on high-potential markets

Adidas targets leading markets within the globe while focusing on markets that offer long-term or at least medium –term profitability and growth opportunities (Fifield, 26). The company will expand their activities within emerging markets such as China and Russia. There are those regions within the U. S. that are under-penetrated, and the company will lay emphasis on capitalizing on such market. For the company to achieve these goals, it has

to recognize consumer behavior within the targeted markets before making an approach.

Increasing awareness

In the competitive environment, the company will only meet its goal through ensuring that the people know of its activities. They will create worldwide adverts in newspapers, magazines, television, and radio (Moore, E., Dixon, C., Coast Learning Systems, Coastline Community College 47). Direct marketing will help the company retain its current customer base through using its customer database. E-marketing is the most modern method that Adidas can apply through websites and e-mail campaigns. The aim should be to present the brand as impactful to the betterment of their lifestyle. A coordinated approach will ensure that Adidas captures the bigger market and maintains current customers.

Adidas needs to reposition the company as a global brand that still caters to local tastes, one that is made for international athletes, in order to beat out competitors like Nike. Adidas has already triumphed in Japan, China, and India over Nike (The Economic Times). The company must devise a strategic partnership at the local level with other local businesses in order to enhance their market share and to succeed in markets according to local contingencies. Sponsoring local sporting events in various regions where the market is untapped would garner more exposure while also developing a particular brand association, thereby earning more customers. Adidas should also propel the consumers in untapped markets to believe that their prices for luxury sporting wear are quite low, thereby developing a new segment in

the marker that renders the products competitive with those sold by Nike. Adidas has hitherto cogently incorporated social media into its marketing strategy and used it in innovative and creative ways in order for the company to continue to grow and prosper. Social media is the primary avenue through which information about a product can get disseminated, which underscores the currency in leveraging various social media outlets and channels in order to spread the word about the shoes, apparel and accessories sold by Adidas. Ascertaining which sites consumers primarily visit and engaging the consumers in those sites is the first step for Adidas strategic marketing. Next, marketers deploy the apt social platform to sell the brand to people as a brand that people could not get any other place. As such, interaction through social media will focus on establishing a transparent, clear objective for what Adidas as a company wants to establish. Marketers then seek to understand who the consumers are and how the company can reach them. Finally, markers must create an interesting and compelling narrative about value in order to connect the consumer in the places they are online, such as Facebook, Instagram, Vine, Tumblr, and Foursquare. Live chats with athletes partnered with Adidas and other ways of engaging consumers on social media provides fans access to Adidas in a way they could never get any other place.

Leverage: Adidas recently created a mobile marketing playbook to boost its marketing score by helping guide marketers to the marketing strategy process on mobile devices. This application provides various ways to leverage a vast array of mobile vehicles, how companies can optimize and measure on mobile, and important insights into the efficacy of mobile

creativity. Adidas has adopted a multi-brand strategy in order to optimize its consumer reach, which enables Adidas to approach various opportunities from many perspectives. The company can act as both a niche and mass player by having a broad array of products in order to amplify its marketplace leverage.

With the above-chosen strategies, the company will work on accelerated growth to increase its profitability. The strategies will form a drive in brand desirability within the entire market. This will ensure it outperforms the competitors in sporting goods industry and increase its market share. The continued plan to build strategic competence will further see the success of the e-commerce initiative. Over this period, it will expand the company's ability to generate further attractive margins. The net income is expected to rise by about 15% annually until 2020.

Action Plan: Create a favorable interest and exchange rate by 2016 in order to positively impact the financial profits of the company. Adidas seeks to hike up profits by 15% by 2020 as it aims at assuaging growing concerns articulated by investors after the company abandoned its previously promulgated financial goals.

Execution, Timing and Budget

Division of responsibilities

In order to achieve the above goals and recommendation of the 2016 strategic marketing plan, we have made an ambitious schedule. All marketing communications will be integrated to drive towards a common

goal. The platforms used to communicate objectives of Adidas will include radio, television, billboards, and social media.

Plan Approval and Finalization

After finalization of the draft on proposed changes, final approvals of the action plans will be done within the first two months. The progress of each plan will be revisited regularly to identify progress and thus make necessary adjustments.

Internal plan application

After approval of this plan, the concerned staff will perform an analysis of the possibilities of the plan leading to the desired objectives. All personnel involved in executing the project will undergo training.

Alliances

Strategic partnerships are a major consideration by Adidas. The first two months of 2016 will involve competent analysis of possible partners. The company will involve them in professional discussion where each party identifies their part in the partnerships.

Budget and recommendation

In order to implement this detailed marketing plan by Adidas, the following allocations have to be made:

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