

Brand positioning

[Business](#), [Branding](#)



The following report will be based on the sports brand Adidas. This report will critically analyse the organisations brand positioning, create and evolve strategies as to how the company may reposition or improve its brand position.

Definition of Brand Positioning

The website On Point Marketing states that brand positioning is " when we identify where a specific brand is placed within the marketplace and its relationship to competitive brands, brand positioning is determined by defining the brand's benefits to the consumer, opportunities for which the brand is best suited, the brand's target audience, and who its main competitors are.

To achieve the benefits of brand positioning, it is necessary to research in-depth the market position of the brand. Brand maps and forms are created to profile the brand positioning, comparing the results with competitive brands.

In realising the benefits of brand positioning, it is important to recognise that not all brands are competitors. A consumer may be presented with six brands of one product and only consider two out of the six as a purchasing choice. The consumer may have encountered a pessimistic experience with a specific brand and may never consider purchasing it again, or there may be a brand that simply does not stand out to the consumer and it is passed up". (www. onpointmarketing. com)

Background information

<https://assignbuster.com/brand-positioning/>

The companies' website states that the brand was established in 1948 by German Adi Dassler. By taking two syllables from his first and last name, Adi Dassler created Adidas. A year later Dassler registered the three stripes as the companies symbol.

After being in the Dassler family for around 70 years, the family withdrew from the company in 1989 and the enterprise was now transformed into a corporation.

Since then the company has had two Chairmen including Robert Louis-Dreyfus, who was running the company from 1993 to 2001 and its current leader Herbert Hainer. Since 1997 Adidas has acquired the Solomon AG group and renaming its company as Adidas AG. It has also acquired its rival brand Reebok International LTD. (www.adidas-group.com)

The Brands Perception and Image

Adidas is a brand which is always changing its fashion image. In today's world the brand focuses on the retro look. It has brought back its old logo to replace its traditional three stripes logo.

This has been a tactical move by the companies' designers to bring back the retro look to lure more customers to buy their products. By linking the Adidas retro designs to such popular figures as Muhammad Ali and using clever advertising campaigns to show customers that the company has used Muhammad Ali who is well known around the world and by using him as one of their brands image. The company is stating that by having such a popular figure for their brands image, their potential customers will distinguish that

the company is a highly regarded brand. The company has also used other famous personalities such as hip hop artist Missy Elliot to reach out to the female target groups.

This isn't the only time where a brand or service has changed to get more attraction from consumers. The digital media channel Living TV dropped the TV from its name when it re-launched to attract more male viewers.

According to the online journal Marketing Week, The changes, which follow the re-launch of owner Flextech as Virgin Media Television, will include a new logo and on-air identity. The logo uses the word living as a cut out with stills from Living shows behind it. A series of celebrity-fronted indents, starring people from Living's shows, will launch in 2007. The new look has been created by Red Bee Media and Living's in-house creative team.

Living director of programmers Claudia Rosencrantz states " the new branding reflects a " seismic shift in perception and behavior" with men seeing the channel as something they can " unashamedly" enjoy.

A Living spokeswoman stated that it will remain a channel with feminine value. She adds, " Its new look is designed to reflect the fact that the channel is increasingly attracting a shared audience of both women and men."

The split between male and female viewers stands at around 45% and 55%. The channels key shows include Grey's Anatomy, America's Next Top Model, Most Haunted and CSI.

The re-launch of Living, which was led by Virgin Media Television creative director Alun Constable, is believed to be the first of a number of changes to channel identities following cable owner NTL Telewest's re-launch last week as Virgin Media.

Functional or Symbolic Brand

Adidas is a symbolic brand. The reason for this is because all of their products stand out from their competitors. It is difficult to separate the difference between the Nike and Reebok clothing. As both have their logos on the left side of their respected garments. As for Adidas in addition to having their logo on the left to their clothing, they also have three stripes going down their clothing, which makes it clear to people whether they are viewing the clothing from up close or from a distance.

Theorist such as Baker state that " A brand's emotional values are inferred from its design and packaging, along with other marketer-controlled clues such as pricing and the type of outlet selling the brand. However, it should be realised that particularly for conspicuously consumed brands, people form impressions according to the type of people using the brand and this is less easy for the marketer to control" (Michael J. Baker- The Marketing Book 2004).

By analysing the quote the theorist is stating that people do form opinions of what others are consuming. For a brand such as Adidas it is vital that its consumers and the company are having positive impressions as this will bring praise to the company and positive effect to the companies' revenue.

In some cases people's perceptions towards a brand can be negative. For example the Burberry brand has had a negative impression as a majority of people link the company with a 'Chav' social-cultural background. This has caused a slight decrease in the companies' sales.

Identifying the Brands Current Position

Theorist such as Kotler state that " marketers need to position their brand clearly in target consumer minds". (Philip Kotler- The Principals of Marketing 2005)

Adidas have positioned their brand by sponsoring major events such as The FIFA World Cup and sponsoring football clubs such as Real Madrid and Liverpool. By doing this they are making their brand aware to the target market.

Brand positioning has five levels of meaning according to theorist Phillip Kotler. They are Attributes, Benefits, Values, Culture and Personality. (Philip Kotler- The Principals of Marketing 2005)

Attributes is what a brand first brings to mind certain products. Adidas has the attribute of giving their customers footwear and clothing that professional sports personalities would use during their training regime. By showing this attribute in their advertisements it gives the customer the satisfaction that if athletes can use the brands clothing and footwear so can they.

Benefits are what a customer buys into. By taking the attributes and targeting the customer's psychological need, Adidas are stating in their advertisements that 'impossible is nothing'. By analysing this, the brand wants to state that if the customer has on their clothing, then there are no limits to what they can do.

The value of a brand states something about the individual. To other people a person who is wearing an Adidas garment is stating that they are wearing a highly valued and respected clothing brand.

A brand can also represent culture. For example the car manufacturer Mercedes-Benz represents a German culture high performance, efficient and high quality. This is what we expect from a German car and that's what the customer of Mercedes-Benz get.

For Adidas it represents a sporting and urban culture. The company just doesn't target athletes, it also targets the urban lifestyles of teenagers and young adults. By targeting the urban mainstream it makes clothing that will look good on and off the sports track and field.

The personality of a brand can represent what the company wants their customers to be. For example consumers would expect a BMW owner to be a wealthy business executive. So when consumers link Adidas to a personality, they would expect the Adidas consumer to be a young, sporty and with urban roots.

When looking at the brand's current position, you have to take in consideration that Adidas has two other brands competing for the highest

accolade. The companies' rivals are Nike and Reebok. Even though Reebok are now owned by Adidas-AG, customers still see Reebok a different brand to Adidas. Theorists such as Porter have five forces of industrial rivalry theory. The first force is about the rivalry is about the competition among existing players in the market. The second is about bargaining power, how suppliers include their power to set delivery schedules, quantities, prices and standards.

The third force is the threat of new entrants covers the possibility of companies entering the companies market. The final is the threat of substitutes and how it can possibly produce a product which can make the brands product superseded. (Lecture Hand Out- Creating Competitive Advantage)

By analysing the four forces the main possible weakness for Adidas is that one of the rival brands could make a similar type of trainer but at a cheap cost. This could result in a dent to Adidas revenue for that product.

An example of where a company have produced a product at a cheaper cost and have not competed with their rival brand due to not marketing their product is the mp3 player producer I-River.

I-River have mp3 products that are a cheap alternative to the mp3 player's market leader which is the I-Pod. I-River's products are more reliable and better designed than the I-Pod. Due to that the I-Pod is an Apple product and the company promote the I-Pod with extravagant commercials on the TV and using well known artists such as U2 and Eminem in the adverts, the company has done very well in sales of the I-Pod. If the I-River brand decided to

promote their mp3 players and use a well produced campaign to the air waves than the I-Pod will have a serious competitor.

Recommendations for alternative positioning strategies

Adidas at the current time have a main position within the clothing, footwear and sports equipment. Another area which they are also in is the watch market and men's grooming accessories such as deodorants and shower gels, even though this is not highly pushed by the company.

One recommendation for an alternative position is to start up a mobile phone company. Even though the mobile phone market is dominated by Nokia and Samsung. Adidas can target a distinctive market. They company can build a mobile phone which is based solely on the sporting aspects. The extras on the mobile phone will have such programmes as a walking counter, a running stop watch which measures the consumers speed and heart rate. This can be used during training or whilst at the gym and give the consumer results on how they are doing and how they can improve on their daily routine. This idea maybe out of the box, but at the moment there is only one mobile phone company that is currently doing this and that being Sony Ericsson, but that is part not Sony Ericsson's main marketing campaign. There main campaign is that there mobile phones are not just a mobile phones, but an mp3 walkman.

When it comes to brand positioning it's a good idea to create a name that can make an impact on the market. Theorist such as Kotler state " selecting the right name is a crucial part of the marketing process. A good name can

add greatly to a products success. However, finding the best brand name is difficult task. It begins with careful review of the product and its benefits, the target market and proposed marketing strategies". (Principals of Marketing- Phillip Kotler)

Kotler has five theories which a brand should take in consideration when picking a name. The first is that it should suggest something about the product, its benefits and its qualities. An example of this is Pro-Activ, which is a low cholesterol margarine. The second theory is that it should be easy to pronounce, recognise and remember. An example of this is Dove, the soap product and another example is Hula Hoops which is a snack that has a shape based around the name.

The third theory is that the name should be distinctive, examples of this are Virgin. The fourth theory is that the name translates easily into foreign languages. An example of when this has gone wrong is where the accounts firm Price Waterhouse was translated in Chinese as 'expensive water closet'.

The final theory is the legal side of a brand name. It cannot be registered if it infringes on other brand names. (Principals of Marketing- Phillip Kotler)

By taking on the mobile phone market, Adidas will have to take on the big names, but by promoting the fitness programme within the phone, it will have to target their preferred demographic and be very persuasive in their adverts. It maybe out of Adidas's product environment, but by looking at today's market any idea with a great promotional campaign behind can become a successful product with potential customers.

Before the mobile phone industry even had cameras and colour screen displays, it was very hard to think what the next step in the telecommunications sector was. By using state of the art technology for their new handsets it gave companies like Nokia and Samsung to promote their products and promote them so their target market could believe that if they purchased the latest handset they would prove to their peers that they are unique.

Adidas do have the right methods of promoting their products for example they used David Beckham to launch their Predator football boots and as soon as that advert hit the airwaves, every aspiring footballer and child wanted a pair just because Beckham used them for 90 minutes in a football match. The promotion power is there and it has been proven on many times by Adidas.