

# Article review and response (read full directions)

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



Adidas Table of Contents I. Introduction II. Discussion A. Kipling, Imperialist  
B. British Imperialism and Children C. Children and the Industrial Revolution  
in Britain  
III. Conclusion  
Works Cited

### I. Summary

The article reports the exit of Adidas from the NBA, as the league sponsor for jerseys, uniforms and league apparel, after its 11-year sponsorship contract worth \$400 million ends in 2017. The sponsorship agreement as it now stands will terminate at the end of the 2016-2017 season. The significance of the termination for Adidas is huge in terms of marketing its brand in the face of declining market position in the United States and the intense competition from traditional rival Nike and emerging brand superpower Under Armour. When the deal expires, Adidas will be left without a single high-profile league sponsorship, even as Reebok will continue to sponsor the NHL, Adidas swallowed up Reebok in 2006, but Adidas as a brand will be left out in the cold so to speak. From a marketing point of view, moreover, exiting the NBA would mean that Adidas is potentially ceding more mind share to Nike and Under Armour, even as financial considerations, marketing strategy, and marketing budgets went into the decision to end the NBA sponsorship arrangement. For those who will be left to compete for a new NBA apparel and uniform deal, the projections are that the price will be much higher than what Adidas paid for this current existing sponsorship contract, which

translates to amounts that are much greater than \$400 million (Tabuchi and Belson).

For Nike, what is at stake is extending its dominance of American sportswear, and preventing its emergent rival Under Armour from gaining market share. For Under Armour, the sponsorship deal can catapult its brand image and marketing reach beyond the US and towards other markets where the NBA has significant traction (Tabuchi and Belson).

## II. Reaction

While on the surface ending the sponsorship deal looks bad for Adidas, the company may have figured out that the NBA is not the best vehicle for its brand advertising, in terms of return on marketing dollars. To be sure, even with the current sponsorship arrangement in place, the article notes that the fortunes of the brand have been declining in the US for some time, and in certain product categories, such as shoes for instance, Nike has outclassed Adidas, and Under Armour too has come to achieve some success without the NBA. Moreover, in markets outside the US, Adidas may have enough marketing programs in place to compensate for the loss of traction from leaving the NBA (Tabuchi and Belson).

On the other hand, it may be that losing the NBA sponsorship will further erode Adidas' already dwindling market share and prospects in the United States. Maybe what is needed is to complement the NBA sponsorship with other marketing initiatives, rather than leave the NBA altogether. Only time will tell whether or not this is really a wise move, but the NBA is such a big marketing vehicle in the US and it is difficult to find a replacement for it (Tabuchi and Belson).

### Works Cited

Tabuchi, Hiroko and Ken Belson. "Adidas to Exit the N. B. A, Opening Door to Rivals". The New York Times. 16 March 2015.. Web. 16 March 2015.