

# Under armor case study essay sample

[Business](#), [Industries](#)



### 1. Competitive Rivalry Within The Industry Medium to High

Bargaining Power Of Customers (Medium) They have wholesale and end customers as well as independent salesagents in different countries Threat Of New/Potential Competitors Medium

Bargaining Power Of Suppliers Low to Medium

Threat Of Substitute Products Low

Some of Nike and Adidas products are patented, Under Armour does not have patent rights which means their products can be easily copied Nike and Adidas are both trying to get their market share in the apparel industry.

Compared to Under Armour, they have greater resources and it would likely be easy for both companies to penetrate the market. 2. Does Under Armour have any core competencies and, if so, what are they? YES,

CEO Kevin Plank was a former athlete

Product Development and Innovation

Performance and Marketing Campaign

3. Does Under Armour have any resource strengths or competitive capabilities that qualify as a distinctive competence?

YES

Product Performance and Brand Image

n-house Marketing/ Brand Promotion

4. What does a SWOT analysis reveal about the overall attractiveness of Under Armour's situation? Strength:

The innovation and technology behind Under Armour is a keydriving force to rapid expansion Under Armour's major strength was its products performance and strong brand image; these factors established Under

Armour as a well recognized and respected brand name Core competence in research development and innovation

#### Weakness

Limited product line that is mostly targeted to males.

#### Global Brand Recognition

#### Opportunities

expand its product line to various segments; thus, increasing both sales and product portfolio womens apparel

childrens apparel

running

outdoors

Exit Strategy (sell to Nike)

#### Global Expansion

#### Threats

Intense competition (Nike, Adidas, etc.)

#### Substitute Products

Changes in consumer trends/behavior

#### 5. What are the key elements of Under Armour's strategy?

Fabrics are engineered in many designs and styles for wear in nearly all climates which provides a performance alternative to traditional products

( product line strategy) Increasing market penetration especially in the

footwear department where Nike is the global market leader Securing of

additional distribution centers in the retail marketplace Expanding the sale of

Under Armour products in foreign countries and becoming a global

competitor in the world market for sports apparel, athletic footwear, and performance products

Growing global awareness of the Under Armour brand name

Strengthening the appeal of Under Armour products worldwide

Use of products to high-performing athletes and teams on the high school, collegiate, and professional levels Entering into outfitting agreements, selling directly to team equipment managers to promote on field authenticity of the brand.

7. What is impressive about Under Armour's financial performance during the 2006-2011 period (as shown in case Exhibit 1)?