

Under armor: industry and competitive analysis

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



Under Armor: Industry and Competitive Analysis

In order to conduct an industry analysis, Porter's Five Force analysis has been implemented (see Table 1).

Table 1

Porter's Five Force Analysis

Buyer's Power

In terms of Under Armor, the bargaining power is high due to the availability of several potential competitors and an intensive price war competition within the market place.

Supplier's Power

Supplier's power is moderate. The organization can choose suppliers depending upon their cost efficiency as there is a high availability of suppliers in the market.

Threat of the Substitute

Threat of the substitute is low. There is no substitute of the sports gears.

Threat of New Entrants

Threat of new entrant is low as the new organization has to face a huge competition from the existing competitors. Moreover, the new organizations have to face several legal barriers in order to enter this industry.

Industry Rivalry

Threat of industry rivalry is high due to the existence of several potential brands in the global market such as Nike, Puma, Adidas, and RBK.

Competitive Analysis

It has been identified that the global sports apparel industry is becoming potential and competitive. Under Armor is a popular US based sports apparel

brand. The organization is operating successfully in several developed and developing countries around the globe. Moreover, several athletes and sports people love to consume the products of this brand. A competitive analysis has been provided below for Under Armor (see Table 2).

Table 2

The Competitive Analysis for Under Armor

Brand

Core Competency

Strong/Moderate/Weak

Under Armor

Quality, Innovation, R&D.

Strong

Nike

Innovation, Brand Loyalty, Inspiration

Strong

Adidas

Technology, Sustainability, Technology

Strong

Puma

Value, Sustainability, International Football

Moderate

RBK

Distribution Channel, Customer Engagement

Low

Fila

Comfort, Quality

Weak

Brief History of the Company and Brand

Under Armor is one of the leading and popular sports accessories and clothing organization. The organization is one of the leading suppliers of the casual apparel and sportswear. The organization generally focuses on providing sportswear to the professional athletes and sportsmen. The organization is headquartered in Maryland. Moreover, in Europe the organization is headquartered in the Olympic stadium of Amsterdam. It has been evidenced that the organization has established its corporate offices in several leading places such as Toronto, Hong Kong, Guangzhou, and Denver.

The organization was founded in the year of 1995. The name of the founder is Kevin Plank. He was a well renowned football player and the captain of the Maryland University football team. Kevin Plank has started its business from the basement of his grandmother located in Washington, D. C. By the end of the year of 1996, the organization had sold more than 500 HeatGear shirts (Bennett, 2010). By this selling activity, the organization generated the revenue of 17, 000 US dollar. Then, the organization has slowly and gradually increased its productivity and business output. In the year of 2006, the organization has started to offer footwear and sport shoes for the target customers and sportsmen.

In the year of 1999, Under Armor was contracted by the Warner Brothers. The organization had to provide an outfit for the actors in order to cast them in two upcoming movies about football (Underarmour, 2013). The

organization delivered their outfits according to the object of the movie. The object was based on authenticity. After this significant exposure, the organization was able to increase its brand awareness. Moreover, the brand launched its first ever television commercial in the year of 2003. Nowadays, the organization is used to provide sponsorship to several sports teams such as baseball and football teams. The organization has chosen sports celebrities in order to endorse their brand in the global competitive market. Today Under Armor sports gears are popular and available all over the globe. Innovative organizational performance and branding promotion has increased the core competency of the brand within the competitive market place.

Target Market

The organization is popular for its casual and sports apparel all over the world. Various sports gears under this specific brand are available across the globe. It has evidenced that the design, quality, and various product ranges have increased the popularity and brand awareness of the company around the globe. The target market of Under Armor has been provided below considering several factors.

Lifestyle Category: Young college goers and sportsmen.

Age Group: Between 16 and 38.

Income Level: Middle and Upper Middle income Level.

Gender: Men and Women.

Target Area: Global Market.

The organization has implemented a reasonable pricing strategy comparing to other competitors (Tibbs, 2009). Moreover, they have a strong presence in

the global sports apparel market. Due to the effective product quality and effective product differentiation strategy the organization has created a strong and potential customer base around the globe.

References

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Tibbs, A. (2009). *Advertising: It's business, culture and career*. London: Routledge.

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