

# How hummel brand it self essay



**ASSIGN  
BUSTER**

The two biggest sports companies are Nike and Adidas Group.

The way they brand themselves is to sponsor major football teams and other major sports stars. Nike and Adidas spend a lot of money to sponsor the big teams, this includes big teams like Chelsea, Manchester United and Arsenal. By sponsoring these big teams the companies logo are viewed by a large number of people all over the world. Especially because it has become more expensive to watch the games live at the stadium, so more people watch the game on the TV. Hummel has not as much money as Nike and Adidas to sponsor football teams. Therefore, they must be more selective about whom, they choose to sponsor.

They previously sponsored the National Football team in Tibet and the Afghanistan Football Federation, teams that nobody else would sponsor. Hummel choose from the phrase " not only due to size and worldwide fame, but according to uniqueness, character and the will to win" instead of the worlds best. By sponsoring the smaller and more special countries, which are never going to get big sports victories, Hummel focus on character and the will to win. By supporting the small nations Hummel differentiate themselves from the other companies that sponsor sport. They do not use large amounts of money, as it would cost them to sponsor the best in the world, yet people will remember them to support small and slightly quirky sports.

In 2005 they sponsored the South African National Cricket Team, by sponsoring them, their brand displayed 115m times on TV. It would be a perfect way to exploit the 2012 Olympics Games in London. If you do not like Nike and Adidas sponsors high-profile sports, but choose the more unique

which is not so expensive, they are still shown and thus seen by countless people. In 1999, Christian Stadil Specimens of Hummel's new retro-style clothes to friends and acquaintances. Among those who received the clothes were British music stars like Robbie Williams and Arctic Monkeys.

Hummel did get "free publicity" when artists were seen with their clothes on and photographed in it too. The same method to brand itself did Hummel during the Olympics Games in Athens in 2004, when the Danish Royal was seen in Hummel's clothes. Another Market Things strategy is Corporate Social Responsibility (CRS), including support for Hummel, Save the Children, fight against HIV and AIDS among children in Africa, and support Sierra Leone, a country still effected by years of civil war. By supporting projects like these, given Hummel values and coming synergy between Hummel's and Christian Stadil message "spread good energy" and what they finally do. More people will be more inclined to choose their clothes, because you both get cool clothes and support some great causes. 2) Around the 18th century was Britain the first Industrial Nation.

There was therefore a rich history of producing in mills and factories. But as globalization has become easier and cheaper to transport the clothes to the West from the East many companies choose to use outsourcing. By outsourcing the money is saved on raw materials such as they are cheaper in the east, and the workers are more efficient compared to the West. The low cost of production makes it easier for Hummel to compete against the big companies during the Financial Crisis even though they are still a small company compared to Nike and Adidas.

As the Financial Crisis has come, and people therefore do not use as much money on clothing, outsourcing can be as a way for small businesses to become more competitive power compared to the large companies. Hummel has outsourced their production to subcontractors in Asia, where China and Vietnam accounts for more than 50% of Hummel production. And effectiveness can be viewed by Hummel have made an agreement with a Vietnamese-owned factory, which can deliver garments within 20 days. This also helps Hummel to be more talented competition. A problem may arise is culturally gabs but also communication problems and misunderstandings. Because it has become more expensive to produce in Britain, it has been forced to focus on other business that you can avail of.

Here, service is an important industry, because that is what people pay for. Knowledge is what is targeted rather than production. Man is thus in the West has gone from manufacturing community more as a service and knowledge society. A problem that may arise is culturally gabs but also communication problems and misunderstandings, but this problem can be corrected by sourcing offices, witch are located in Shanghai and Vietnam.

The sourcing Office manages the communication between manufactures and Hummel, and it is the sourcing Office that is Hummel's quality control. Another disadvantage of Hummel move production to Asia is, that it can come to fight against the spread of good energy. The chance is there, that companies in Asia are using child labor. If this happens, it appears to create conflict between Hummel's Corporate Social Responsibility philosophies, and how they really work. It may help to scratch consumers and jeopardize Hummel credibility.

For although they have Code of Conduct there may be cases where the rules are broken. By outsourcing production, Hummel will not be spending so much money into the production phase, as they would were located in the United Kingdom or Europe. VAT in the UK market will increase from 17.5% to 20% on 4 January 2011th.

It will have some effect on Hummel's producer prices, since they have outsourced their production. But for companies that still have their production in Britain is going to have an effect on their prices. Hummel shall not pay VAT on the goods they produce; they need only to pay VAT on the goods they sell in stores. Therefore, they will earn more money compared to their competitors, who still have their production in the UK. 3) Hummel makes its clothes in manufactures in Asia in a joint venture with a contract manufacturer. They produce so their products from a third country, and then exported their products to the British market.

It helps to bring the cost down, because you can supply the market directly without an intermediary. The big advantage of using a direct export strategy is that the products witch are being produced in Asia can be delivered directly to every sports retailer around in the UK. Initially they used a distributor as establishes Hummel as a football kit brand. And we focused a lot on making sponsorships in 1980s. In this period Hummel sponsored teams like Tottenham and Aston Villa. Hummel extended the sponsorship with Aston Villa from 2004-2008.

But in 2005 Hummel stopped their collaboration with distributor, and Hummel decided to bet on the British market by setting up its own Sales

Subsidiary instead. When using Subsidiary there will be focused on selling Hummel products rather than when you use a distributor who can have several different products. It is also easier for Hummel forward to keep their vision to customers, as their mouthpiece no longer comes from a distributor. One can already see that sales are steadily expanding, and are represented in more simply, 300 sports Retail and other sports specialists around Britain. Hummel could in future consider doing that in Germany and open mono-brand stores.

It should be in big cities to open them. But one must be sure, that Hummel's name is big enough to open such a store. It would be natural to make a launch of such a store up to the Olympics Games in London, were it also aims to sponsor various sports during the Olympics. The way Hummel is in favor of new large markets is therefore using the Subsidiary. When they must enter new markets using the distributor or a Licensee, or their own marketing subsidiary. The advantage of using one's own Subsidiary is to close the culture cap, and communication problems.

4) There has been a shift in the British market because of the Financial Crisis. The Consumer will be more confident about how they spend their money, and become more-value conscious when shopping for food, clothing and footwear. It has had an effect on which sports will be grown, and people have gone from competitive sport to more " pure gym" . It's sport, ally of swimming, running and gym, which costs less to grow. This is partly due to people because of the Financial Crisis were forced to economies on their expenditure.

And here was sporting activities saved away as one of the first. Therefore acting Hummel in line with the trend that may signal within the sports world by launching their “ Running” & “ Fundamentals” and “ Leisure” line. By focusing on these lines, it will be known to provide the people wishes, and therefore come to be stronger compared to competitive companies. If you can make a collection that would catch people and use the Olympic Games in London to show their collection forward, it is possible for them to sit heavily on just the leisure market.

The British are still those in Europe who spend the most money on clothes. The British population spends about 5 percent of average wages on clothes and shoes. One thing that geographical factors may also come into play when you have to launch and promote a product. An average salary of a citizen in London is higher than an average pay for a citizen in the country. Therefore it would be more appropriate to launch the product in the big cities first. Consumption Patten among young people shows, that they have high disposable amount, when they buy clothes.

Where young people are fashion-conscious and are more susceptible to regular changes in style, than the older segment is more concerned with quality and comfort. However, parents wallets are not as open as it previously was, because there is less money in the various households. Therefore, Hummel still try to capture this group of youngsters, who are very confident about fashion, as it is a way for them to express themselves through the clothes. They are also very influenced by the media, music, sports, and especially famous people.

Christian Stadil as mentioned, previously sent clothes to celebrities, which were subsequently photographed with Hummel clothes. Why does this leisure collection to match the young people a taste for design since Hummel have found much of their inspiration with them. That Hummel goes so much into the Corporate Social Responsibility and support a great many cases can also help to encourage young people to buy their clothes. Young people get more involved in the environment and support promotions. Therefore, Hummel exploit and show young people, that they can support a good cause by purchasing the Hummel clothing.

Another way that trend is spread among young people is through Internet and social media. Here it is Bebo, Facebook and MySpace websites young people are using. The youngsters also affect each other very often; it means that if the smart young people are using Hummel's clothing, others will start to use it too. 5) According to The Key Note Market Report, the market value of clothing for less than 15 years at ? 6. 44bn in 2006 and had increased by 11. % since 2002.

This increase may be due to people becoming parents later because of focused career, there are several who are divorced so that families become smaller and a greater focus on children. The Financial Crisis has also had an effect on children's clothing market. Since the crisis started, the price on children's clothes has gone down. The rise of discount retailers such as Primark and Matalan and the goring marked share held by supermarket, has extended a downward pressure on prices. In addition children clothes do not last for very long, often only one season. There is though a change in the marked, because of the greater media awareness of children, and you



experience that kids clothing products will continue to rise in the medium term.

Another reason for Hummel to look optimistic about the future is the number of babies and infants in the UK is expected to rise to 2. 221 million by 2015. In 2007 the number was 2. 17 million.

Although the future looks bright there have been a decline in the number of babies with 4. 25 % from 1997 to 2007. This has had a negative impact for volume sales of products like baby food and clothing. It was therefore a good time to launch their new Hummel Kids campaign in 2008, when the market was on to rise and the prospect of more babies in the future. In Another Key Note report it says, that online shopping is the segment, which clearly say best retail and this does not look set to change.

It is good for Hummel as no rates on traditional advertising. Hummel has never marketed its products on television. They market themselves online, and it is also here, that one can see their new collections. They even have a facebook profile as consumers can join.