

Case study under armour

Business



Now Under Armor compared quite favorably with Nike and Adidas. External Environment: there is a trend for more and more people to pay attention to the healthier lifestyle and most of customers start to focus on doing exercises during daily life.

(Culture) the customer group already spread to different aged, genders, nations. Those customers have different kinds of demands on the sports products. (Culture) female customer's number is increasing. They have more demand on the sports goods. Color, style, fitness and so on. (Culture) the global market on sport goods is booming.

For Under Armor, the business is still focus on domestically, its international easiness is still not as well as Nike, Adidas. Industry leaders, like Nike, Adidas or Reebok, they build up many factories in developing countries, which promote the development of their countries' sports goods, brands. China is an example. Now there are many brands appear in Chinese sports goods market. (International economic: market share- International) customer always like high performance (best- cost) goods.

(Consumer psychology) Under Armor build its company in a developed market, but it has its featured products. Economic: market share) once there is a liable good appear, other companies will try to manufacture similar product to compete with it. (Technology) 3 Internal Environment: Under Armor has a good brand image in his customers. Rely on its featured sportswear, Under Armor has already establish its reputation in those customers. (Brand power) as a younger brand, Under Armor is narrow to spread its market share. (Market share-domestically) since sports goods is a

mature market, under Armor has little possibility to be beaten by new entrants.

(New rivals) easy to be replaced.

Since there are so many different brands of sports goods, it is easy for under armor to be replaced by other brands. For example, if a customer cannot find the shoes he wants in under armor store, he will turn to other brands store for shoes with similar style or function. The supplier power is low. The pressure from leading brands, like Nike, Adidas, will influence the development and spread of under armor.

4 Financial Analyses: based on the Selected Financial Data for under Armor, the net income in 2008 has a slight reduce, but after that, the net income is increasing. So is it when we see the net income per common share.

It shows that the stock performance is not so good in 2008 like other years. Before AU change its name, in 2000, the operating income is The company stock was trading in the \$72 to \$78 range in January 2012. Following the announcement of better-than-expected first quarter 2012 earnings and management forecasts of full-year 2012 revenues of \$1.

78 to \$1.80 billion, Under Armor's stock climbed to \$102.70 per share in the last week of April 2012. 5 Economic Condition for Industry: Thanks to the increasing global demand of sport products, the Aqua's market share and the sales growth is increasing.

The modern technology and product's design let the sports companies' condition better than several years before.

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The competing between different companies are intensely than before. 6 Key Trending Factors: Lifestyle & Fashion (customer's demand) Technology on manufacture (product's design) New marketing (new market or new customer group) 7 soot Analysis: Strength: Innovation ability. Focusing on the sportswear's improving let AU become a famous brand. It offers various sports goods for different weather condition. Financial support.

Aqua's finance condition is very good.

The Exhibit 1 shows us that the net income of CIA is on the increase. As a developing company, CIA have many experiences to reference because many sports brands show how to manage a company. Weakness: Competitor: Nikkei and Aids became the leader for a long time, and it is really hard to exceed their market share. Aqua's other products are not so famous like its star product. The materials that the products using are not control by CIA.

Market share is still in a low level, which impact the sales of Aqua's products. Opportunity: Technology: internet's developing gives AU more chance to sell its products in different way.

Online order is easy to control and easy to follow. Open a website will deed to pay less than build a retail store. Globalization: many sports brands now choose to spread its store into other countries. AU can take this chance.

AU start to spread its products range, not just focus on football. It will give AU more chance to spread its market share. Threat: The cost: the materials' cost, the labors cost, the transportation's cost and other costs are big

problems. Imitation products from other companies let CIA become hard to deal with the sales issue.

Since the materials that the Aqua's products need are not control by the AU itself. Third parties control it and there will be a problem that the third parties has the possibility to enhance the price.

It is an Achilles' heel for Aqua's development. 16 Identify the processes needed from each of these critical functions for implementation: First of all, if the CIA wants to spread its market share in china, it will be helpful if CIA can manufacture the products by itself. Once the china market acknowledge the Aqua's products, the next step will be build plants in china.

Since Chinese labor price is not so high like it in America, it will be easy to control the cost of labor. Besides, build plants will help CIA reduce the cost of transportation and other cost.

Then CIA should control some materials that its products need. Like rubber. CIA should at least make sure that the materials they hold can make sure that they can manufacture products during the materials' suppliers didn't have so many materials. 17 Describe the Balance Scorecard metrics to measure the success of this implementation: Financial: if CIA can gain more net revenues in other countries' market, it will good for the shareholders.

Then we can say that the global spread is successful. Customer: for Chinese customers, if they accept the Aqua's products, and love it like they love Nikkei, Aids, rebook, then we can say it is a big success.

Learning and growth: The design and the manufacturing are cooperate with each other then it will be a success. Internal Dustless processes: For go into a different market, investigate the market, then try a little bit to go into this market, then check the net revenue, then make a design about whether go into this market or not.

If a company can follow the processes, the risk will became less. 18 Describe any ethical concerns with this critical issue and plan implementation: Help that country deal with the labor problem. If that country have the problem of labor surplus, then the Aqua's come in will help this country relieve this problem.

19 Describe any environmental concerns with this critical issue and plan implementation: While manufacturing the products, if some materials can replaced by environmental friendly materials, AU can try to use them.

At the same time, advertise this changing will enhance the positive image of CIA. 20 Describe any social concerns with this critical issue and plan implementation: Help the country to solve the employment problem, creating social value. Write a brief summary of your recommendation and the value you propose this organization may gain from this implementation. (One paragraph – keep this to approximately words) AU should antique its current strategy, spread the market share and spread into worldwide, focusing on using technology to improve products.

While facing the pressure of market leaders, like Nikkei, AU should keep its features, create more innovative products.

At the same time, CIA should spread its sports area from football game's sports products to other different sports products, like volleyball, running and so on. Besides, AU can develop products for daily life, just like New Balance did. If so, the CIA will spread its market share all over the world, it will help AU to compete with other brands. 100