

Performance asics over the last 5 years marketing essay



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Onitsuka served the army for years and worked for a company that sold and bought beer on the black market. In 1949 he decided that he could contribute to improve the confidence of the Japanese youth. He learned how to make shoes and he founded Onitsuka Co Ltd. This was the basis for a company that would become one of the five largest sport brand in the world.

The main coach of the basketball team of the high school in Kobe, Yukio Matsumoto, said to Onitsuka that he should produce basketball shoes. He thought that basketball would become a very popular sport in Japan. From that moment, Onitsuka came regularly to the training of the basketball team. He looked at the players and how they moved. He wanted to invent a shoe that enabled the players to start and stop directly. The inspiration he got was from an octopus. He used the idea of the suckers of the octopus to produce a new shoe. One of the players of the basketball team tried this new shoe and it was so good that he fell at the moment he stopped.

In 1953 Onitsuka expanded his field to running shoes. In cooperation with Tooru Terasawa he decided to produce shoes for long distance runners with a system that should prevent the runners from getting blisters. Terasawa was the first who tested the shoes, he ran 42. 195 kilometers without getting blisters on his feet.

Until 1957 Abebe did not wear shoes. Abebe won the Olympic marathon in Melbourne in 1956. When Onitsuka saw that, he worried about the future of his company because Abebe won the marathon without wearing shoe. When Abebe the year after that participated in the Marathon of Mainichi in Japan, Onitsuka asked him: ' Why did you not bring shoes?'. The answer was: '

Because I do not have shoes.' Onitsuka told him that it was dangerous to walk in Japan without shoes because the streets are full of glass. When he heard that, Abebe would like to try the Tiger shoes. The day after that, Abebe won the marathon.

In 1958 Onitsuka, who bought the brand name 'Tiger' one year before, celebrated the 10th anniversary of his company in an unusual way. He decides that Onitsuka should not be led by the family, but by the personnel. He divided 70% of the shares under the employees. Half of the capital was given to the most important employees. Besides this, younger employees could buy in total 20% of the shares.

When the Olympic Wintergames of Sapporo in 1972 came nearby, GTO (producer of sportswear), Jelenk (producer of knitting-wotk) and Onitsuka built a regional selling office nearby Hokkaido. The dream of Onitsuka came true: a company that offered a complete assortments of sport articles. In 1977 GTO, Jelenk and Onitsuka cooperated in a new, progressive and strong company. They searched for a good name and they came with a saying of the Romans: Anima Sana In Corpore Sano (sound mind, sound body). With this saying, the sports market had a new company: ASICS.

An overview of the company's activities (products and (geographical) markets), including its position in these markets, and cultural issues playing a role with these products

At the moment Asics belongs to the top 5 of the world's producers of sport articles and accessories. Since the founding of ASICS in 1949, ASICS

continually tried to improve its products in cooperation with scientists, top <https://assignbuster.com/performance-asics-over-the-last-5-years-marketing-essay/>

athletes and coaches. The evidence of this is the ASICS research centre for sport science that was founded in May 1990 in Kobe, Japan. The institute consists of several departments with specific tasks, such as the analysis of body movements, testing of materials and the development of new products.

The institute in Kobe has more than 16, 000m² of research facilities. The main activities of the 200 employees of the institute are analysing the movements of the human body and the testing of materials.

ASICS not only is involved in running, but their range also incorporates rugby and football. ASICS is the leader in the market for their technical superiority and their quality. ASICS will try to remain at this high position to keep developing their products in the 21st century.

<http://avantisport.nl/image/product/none/Asics-Gel-Flashfire-4-T20NQ-0159-3.jpg>

Performance Asics over the last 5 years

Figure 1

Nike and Adidas are worldwide clearly the biggest company's in sportswear. Asics can't compete with them concerning the market share, so they struggle to become the 3rd company worldwide in sportswear. In the last 5 years they made big steps to become the 3rd worldwide. They managed to achieve sustaining growth. The biggest growth they made in sportshoes. In 2008 their market share in sportshoes was 5. 2%. In 2009, because of the 10. 5% growth of their revenues from sportshoes, their market share in sportshoes grew to 5. 7%. With this market share the 3rd place was a fact.

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As you can see in figure 1, sportshoes have become the most important product of Asics. The growth sustained. In 2010 the total revenue grew with 4.9% to €2 billion. A year later, the total revenue was already €2.1 billion. In 2011 the market share in sportswear grew with 17.9% to 5.1%. With this market share in sportswear, they were worldwide the number 4 brand in sportswear. In figure 2 you can see the net sales of the last years until 2011.

Of the last 5 years, 2012 was the best year for Asics. Their value on the stock market grew with 50.7%. The most important factor of the growth of Asics were the sportshoes of Asics. Mainly because of this growth-factor, in the first half of 2012 the net profit grew with 13.8% to €57.5 million.

Figure 3

Figure 2As you can see in figure 2, Europe is the second most important foreign market for Asics. That's why it is worth mentioning the performance of Asics in Europe separately. Because Europe is an important market for Asics, much attention is given to this market. The results of this are properly. The total revenue in Europe grew with 8.4% in the first half of 2012. Especially the sales of running clothes (22.5%) and the sales of running shoes (10%) are contributing to a good result for Asics in the European sportswear market.

Description Marketing Activities ASICS

" ASICS Corporation has completed a new Five-Year Strategic Plan, ASICS Growth Plan (AGP) 2015. ASICS Group intends to use the new plan as its basis for continued global growth, and is targeting consolidated net sales of JPY400 billion in FY2015 (the yen conversion amount based on current foreign exchange rates).

In AGP 2015, ASICS organizational philosophy is now structured as ' ASICS SPIRIT'; this is the foundation shared among the entire Group. ASICS code of conduct, ASICS' Values, has been newly added to ASICS' Founding Philosophy, Corporate Philosophy and Vision, which were presented in ARP (ASICS Revolution Plan, announced in October 2001) and ACP (ASICS Challenge Plan, October 2005). ASICS has adopted a Vision of ' Create Quality Lifestyle through Intelligent Sport Technology.'

Based on the Basic Policy ' Thoroughly act with customer-centric mindset throughout the Group', the Products Strategy ' Provide innovative values and integrate them to address customer needs' and the Organization Strategy ' Establish a global organization' will be promoted as the Basic Strategy in the three Business Domains." [1]

ASICS spirit

Philosophy of Asics. The standard of Asics is called " A sound mind in a sound body". This is the relationship with yoga and the founded Philosophy. The Corporate Philosophy exist of four points.

1. Provide valuable products and services through sport for costumers

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2. Social responsibility and improvement conditions for communities around the world

3. Share profits brought by the sound services with the shareholders, communities and employees

4. Maintain a spirit of freedom, fairness and discipline, respectful of all individuals in our organization.

The vision of Asics is very short but clear; Create Quality Lifestyle through Intelligent Sports Technology.

What are the values for someone who does sport?

1. Respect Rules

2. Be Courteous

3. Be Persistent

4. Work as One Team

5. Be Prepared

6. Learn from Failure

There are some numerical targets in the growth plan of ASICS.

Group management targets;

Sales 400 billion yen or even more

Operating income ratio 10% or more

ROE (Return on equity) 15% or more

ROA (Return on asset) 8% or more

Business composition index

(Sales per product)

Footwear 290 billion yen or more (Composition Ratio 73%)

Apparel 85 billion yen or more (Same as above 21%)

Equipment 25 billion yen or more (Same as above 6%)

(Sales by distribution channel)

Directly managed sales venues 10% or more

Asics Strategy

3-1. Basic Policy

Thoroughly act with customer-centric mindset throughout the Group of ASICS. This basic policy reflects the purpose of ASICS.

3-2. Basic Strategy

(1) Business Domains

-Athletic sports business

-Sports Lifestyle business

-Health/Comfort business

(2) Products

- ASICS wants to identify potential needs based on trends in various markets around the world, various customers' opinions, product evaluations and sales result, and appropriately address these needs in product planning, and promptly provide such valuable products.

- Conduct R&D more advanced than competitors by developing the insight and awareness and provide technologically innovative products and values to customers.

(3) Organization - Establish a global organization

- By dividing the sales territory into five regions: Japan, Americas, EMEA, Oceania/Southeast and South Asia, and East Asia, promptly and appropriately address customer needs specific to each region.

- Strengthen interregional cooperation and promote the share of best practices in respective categories and promotion activities between regions with similar market environments.

- Start global headquarters to establish a global and seamless organization.

- Reinforcement of the global management through globalization and activation of the Board meeting and Executive Officer meeting in headquarters.

(4) Pricing Strategy - Lower price shoes

-Asics wants compete Nike and Adidas by offering more lower-priced running shoes.

-They want to offer running shoes from about \$60,-.

-Offering running shoes for a simpler entry to sports

3-3. Priority Strategy

(1) Global Focus Channel

- Accelerate the expansion of directly managed sales revenues to increase opportunities to sell ASICS products more directly to our customers.

- Establish a joint structure between product merchandising and product planning through directly managed sales revenues.

(2) Global Focus Products

- Establishment of a global sourcing and development organization to increase apparel sales and profitability on a global basis.

- Adequately delivery of products to customers with a short lead time, in each region around the world.

(3) Global Focus Category

1. Running

- Aiming to further expand the running business as the core business.

2. Athletic sports

- To create products that enable athletes' top performance by pursuing further technological innovation through this category that was the starting point of ASICS.

3. Onitsuka Tiger

- Take advantage of the intellectual properties and brand equity accumulated through the development of sporting goods, proposing advanced and sophisticated styles.

(4) Global Challenge Category

1. Outdoor

- Globally expand the outdoor business across the Group, by promoting Haglöfs brand and outdoor products from ASICS.

2. Leather shoes

- Investigate the opportunity of global expansion and form a foundation for expansion.

http://photos.hegebokko.com/blog/1316458722_1.jpg

3. New business

- Make use of the technological assets accumulated through the development of sporting goods, continuously create the following products

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and services that can help to improve and contribute to consumers daily lifestyle, and develop these into a next-generation global business.

- Products and services that contribute to people's everyday lives; maintenance of good health and nursing care goods in an aging society
- Products and services that improve youth development
- Products and services related to sports, which both the disabled and non-disabled can equally participate
- Products and services that contribute to global environmental stability and global warming prevention

Enhancement of business foundation

1. Information Technology (IT)

- Reinforce customer-centric IT platforms

2. Human Resource

- Strengthen training and recruitment of professional human resources globally and regionally

3. CSR and Corporate Governance

- Work on CSR activities by all divisions in all regions
- Enhance corporate governance based on internal control

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Miscellaneous topics

ASICS was founded with a strong will to make a positive impact on society by supporting the growth of youth through sport. Living up to our Founding Philosophy, we aim to contribute to the world's sustainable growth by creating a quality lifestyle for people. In our vision to implement our "Corporate Philosophy" stated in "ASICS SPIRIT", the entire ASICS Group shall respect and strongly commit itself to the following "ASICS CSR Principles" and strive towards fulfilling social responsibility. ASICS will respect all of the following principles in any business situation. Stakeholder engagement; that means that they understand and respect their stakeholders expectation and interests. ASICS wants to establish relationships of trust and reciprocity. Respect for human rights is also the basis of any relationship. Honesty, fairness and integrity are keywords in the organization of ASICS. It is the foundation of the business ethics. ASICS will report their decision-making and their business activities. Also the impact from these on society and environment.

ASICS aims to become a respected, accepted company by all people based on "ASICS SPIRIT" and "ASICS CSR Policy" which shows the fundamental views of Management. To achieve it, all directors, officers and employees of ASICS Group need to behave professional. "ASICS Code of Conduct" sets out the basic standards to be complied with by all members of ASICS Group during their daily activities and each decision. All directors, officers and employees in ASICS Group are required to review and understand this Code. ASICS wants to create innovative values and meet costumers needs. They

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will continue to create technological innovations and strive to create products and services for a quality lifestyle. The relation with society and environment is also important. That is why ASICS does not trade with any anti-social forces. ASICS respects regional culture, this means that they want to comply with laws and regulations of any country or region.