

Development of the adidas and reebok brands marketing essay



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In 2009, as part of the adidas Group's reorganisation, responsibility for all marketing functions and the long-term development of the adidas and Reebok brands was brought under one leadership - Global Brands. Global Brands comprises three divisions: adidas Sport Performance, adidas Sport Style and Reebok. The primary objective of the new set-up is to ensure these three divisions seize market and category opportunities through well-defined and coordinated go-to-market strategies. Each division is responsible for the execution of its strategic focus by creating a constant stream of innovative and inspiring products and generating communication strategies that represent each brand and category in an engaging and compelling way with their target consumers.

Global Brands to strengthen go-to-market strategies

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We acknowledge that to be successful with today's consumer, a strategy of mass production or mass marketing is no longer sufficient. Only by identifying and understanding consumers' buying habits, their fitness level, their motivations for doing sport, their goals for the season or the next race, or even the next party, can we create more meaningful products, services and experiences that build a lasting impression beyond product, price and promotion. In addition, as we operate under a multi-brand strategy, it is also essential that our brands act concertedly to fully exploit market opportunities. Therefore, in 2009, the Global Brands function was formed to guide and reinforce the go-to-market strategies for the adidas Sport

Performance, adidas Sport Style and Reebok divisions with a particular focus on long-term brand development. To achieve this, Global Brands defines a clear target audience and value proposition for each division, and subsequently coordinates the execution of go-to-market strategies to maximise the Group's impact in the market.

Each division is separately responsible for bringing its respective positioning to life, through the creation of products and communication tools that not only support the commercial functions in their day-to-day business activities, but also provide the platform and framework for long-term market share and profitability improvements.

While adidas and Reebok each have unique identities, heritages, technologies, designs and reputations, the strategic principles and methods for driving future sales growth and profitability improvements are common to both. These include:

Product innovation to inspire the consumer.

Activation and validation via a relevant set of promotion partnerships.

Extend brand reach and appeal through strategic partnerships.

Marketing and communication leadership.

Product innovation to inspire the consumer

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Through Global Brands, we are determined to address every consumer in a specific and unique way – with product initiatives that generate trade and consumer interest. We believe that technological innovation is essential to sustainable leadership in our industry. By leveraging the extensive R&D expertise within the Group, adidas and Reebok continuously challenge the boundaries of functionality and performance. In addition, innovation plays a significant role in differentiating the adidas and Reebok product offerings in the minds of consumers. For example at adidas, personalisation is one of the brand's lead innovation concepts, and it is an adidas goal to be the most personal sports brand by 2015. At Reebok, innovation focus is on fitness and training, where a current priority is creating products that provide a material benefit to the consumer in terms of muscle toning and conditioning.

By creating inspiring product and brand experiences, adidas and Reebok strive to enhance their positions as premium brands. This, in turn, is an important catalyst to sustaining and improving the brands' gross margins, therefore making continuous innovation an important enabler for future profitability improvements.

Activation and validation via a relevant set of promotion partnerships

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and an area to which the Group dedicates significant resources each year. This not only serves as a vehicle to showcase the credentials of adidas and Reebok products in the performance arena, but also to facilitate the extension of the adidas and Reebok brands in the sports-inspired lifestyle market. Both adidas and Reebok follow a partnership strategy geared to best reflect their respective positioning in the market.

One of the guiding principles of adidas is to equip all athletes to achieve their “impossible”. As such, adidas brings its passion for great products to the biggest stages in the world with sponsorship agreements for the FIFA World Cup™, the NBA, the European Rugby Cup and the upcoming London 2012 Olympic Games. In addition, adidas has an extensive roster of high-profile sports teams such as AC Milan, Liverpool FC, FC Bayern Munich and Real Madrid in football, the New Zealand All Blacks in rugby, American universities like UCLA and Notre Dame, as well as high-profile individuals such as FIFA World Player of the Year Lionel Messi, football icon David Beckham, basketball stars Dwight Howard, Derrick Rose and Kevin Garnett, marathon legend Haile Gebrselassie, athletic stars Tyson Gay and Allyson Felix and tennis stars Justine Henin, Ana Ivanovic and Andy Murray. To activate and validate its key concepts of ReeTone, ReeGym and ReeZig, Reebok is partnering with top women’s and men’s sport athletes. In Women’s, Reebok is partnering with some of the world’s top women’s fitness instructors renowned for their inspirational approach to fitness. In Men’s Sport, some of the world’s most recognisable athletes support Reebok, including Peyton Manning, Thierry Henry as well as Lewis Hamilton. In addition, the brand holds exclusive, long-term licensing agreements with the National Football

League and National Lacrosse League in North America, giving Reebok the exclusive rights to manufacture and market both authentic and replica uniform jerseys and sideline apparel.

Extending brand reach and appeal through strategic partnerships

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As the boundary between the sporting goods industry and the world of lifestyle and fashion continues to blur, adidas and Reebok have both successfully pursued design and co-branding strategies with complementary partners. For example, adidas has partnered with Stella McCartney and Porsche Design Sport, both designing high-end functional performance ranges. adidas Originals continues to engage in unique collaborations with well-known brands such as Diesel, Vespa and STAR WARS™, that ensure adidas is kept relevant to the style-conscious streetwear consumer. In Women's Fitness, Reebok and Cirque du Soleil entered into a strategic partnership, which has given rise to inspiring new workout experiences and product collections. In addition, as part of its Affili'Art collections, Reebok partners with artists to re-interpret the brand's most iconic footwear models. Examples include collections inspired by the work of artists Jean-Michel Basquiat, Rolland Berry and John Maeda, as well as famous make-up artist Feride Uslu. Taking this a step further, in January 2010, Reebok announced a global alliance with Giorgio Armani S. p. A. to create a special collection of

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footwear and apparel combining active style with sport and technology. The global style credentials of the EA7 and Emporio Armani labels combined with Reebok's fitness and training heritage and technologies fit together to provide a new perspective and concept in the global sports style marketplace.

Marketing and communication leadership

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To be competitive in the sporting goods industry, brands must have a clear profile towards their target consumer. To achieve this, adidas and Reebok are focused on creating inspirational and innovative brand marketing campaigns and communication techniques to build brand equity and support the achievement of the Group's commercial goals. A key tenet of our marketing and communication strategy is to harness the emotion of sport and the benefits of a sporting lifestyle across all communication channels. Both adidas and Reebok regularly bring new global marketing concepts to life, which can be easily leveraged to create simple and powerful brand messages and support an array of product offerings. For example, adidas will use the " EVERY TEAM NEEDS ..." platform to transcend its entire football offering ahead of the 2010 FIFA World Cup™. Reebok will launch its new global campaign which will use the motto " Ree" as a guiding theme for the brand's communication with consumers. The key message of the campaign is simple. Reebok wants to " ReeDefine" sport and style, bringing fun and joy back into consumers' lives.

In addition, Global Brands also endeavours to ensure all of its brands are at the forefront of new communication techniques, particularly as information flow becomes faster and faster. Through investment in digital marketing and technologies, both adidas and Reebok are empowering and encouraging consumers to interact in personal dialogues with the brands. Whether through in-store or online customisation platforms, digital social networks or digital broadcast mediums, these methods are providing a new scope of consumer experiences in a real-time and cost-effective way.