

80040MGT Operations Improvement Plan: Adidas Marketing Process

[Student name]

[Student number]

Word count: 2624

Executive summary

The marketing process involves a number of procedures that an organization takes in the process of recognizing the customer problems, analyzing the market opportunities, and developing the marketing materials for the aim of contacting consumers who have been targeted for acquisition. The process of marketing an organization's products or services is one of the most important factors to take into account when trying to establish a competitive edge for that organization. In this line of thinking, it is necessary to dissect the several essential stages that are involved in the marketing process in order to have a proper grasp of the process.

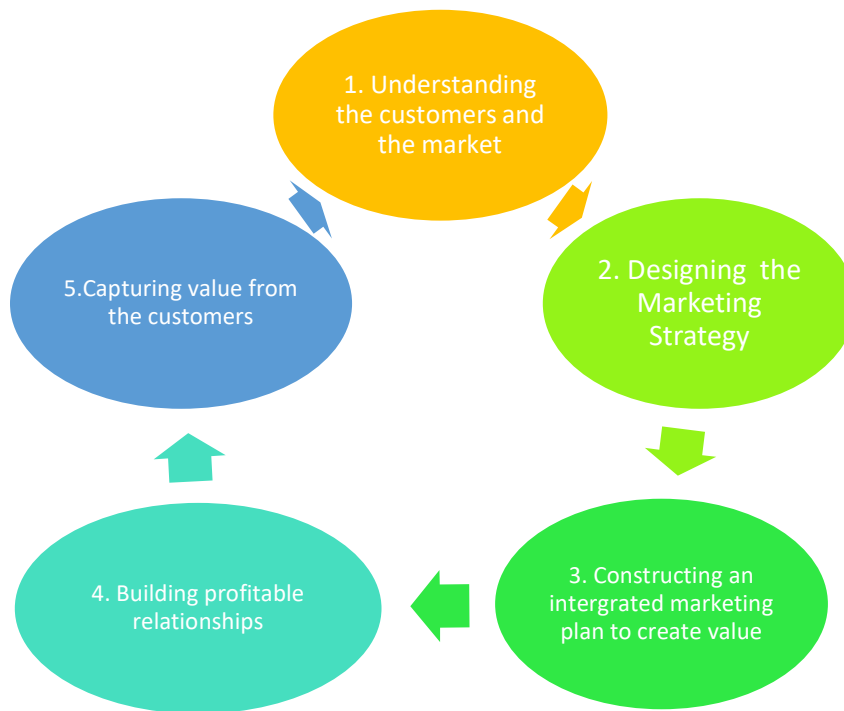
Table of Contents

Executive summary.....	2
1.0 Introduction.....	4
2. Adidas Marketing Process	4
2.1 Understanding the Customers and the Target Market.....	5
2.2 Designing the Marketing Strategy	6
2.3 Constructing Integrated Marketing Plan.....	10
2.4 Building Profitable Relationships.....	10
2.5 Capturing Value from the Customers.....	10
3. Conclusion and Recommendations.....	11
3.1 Collaborating with Sporting Professionals	11
3.2 Focus on Major Cities to Develop its Place and Distribution Marketing Strategy.....	12
References	13

1.0 Introduction

The marketing process entails a series of steps that an organization utilizes in the process of identifying customer problems, analyzing the market opportunities, and creating the marketing materials for the purpose of reaching the desired customers. According to Xuyang (2020), the marketing process is a crucial consideration in creating a competitive advantage for an organization. In this view, understanding the marketing process requires breaking down the key stages that are utilized during the marketing process. In this regard, Adidas marketing process can be summarized by the following diagram.

Figure 1: Adidas Marketing Process



Source: Xuyang (2020)

2. Adidas Marketing Process

Adidas, the largest manufacturer of sportswear in Europe and one of the largest in the world, divides its customer base into subgroups according to demographic, psychographic, and behavioral characteristics (Klien, 2022). The powerful portfolio of brands owned by the

Adidas group includes Reebok, Adidas, Rockport, and tailor-made products (Xuyang, 2020). Each of these products cater to a distinct audience of potential buyers. In this regard, the Adidas marketing process entails a five-stage cycle that ensures a continuous improvement of the products to meet the client's diverse needs. The five stages in the cycle include understanding the customers and the market, designing the marketing strategy, constructing an integrated marketing plan to create value, building profitable relationships, and capturing value from the customers.

2.1 Understanding the Customers and the Target Market

Understanding customers and the target market is the initial stage in the Adidas marketing process. According to Xuyang (2020), Adidas employs a varied targeting strategy in order to appeal to young customers, adults, and children alike who are enthusiastic about sports and physical activity. Although this attracts consumers in the age range of 13-40 years, the majority of its clients are between the ages of 15 and 30, and come from either the upper middle class or the luxurious class of clients (Mogaji et al., 2020). Adidas employs the tactics of user and value-oriented positioning in order to build a distinctive picture in the mind of the prospect who is likely to become a customer. Adidas is able to preserve its brand identity by putting an emphasis on the value of high-quality products that come from well-known brands. The following is how the portfolio is broken out. The understanding of the customers makes it possible for the company to develop the appropriate marketing strategy for the purpose of attracting more customers and enlarging the customer base.

Additionally, understanding the target market is crucial in ensuring the formulation of strategies that yield a competitive advantage to the organization. According to Zhu (2021), it is vital for Adidas to focus on risk and resilience as a way to ensure that the organization is effective in dealing with market problems. As such, Adidas faces various challenges in the market, hence affecting its ability to compete effectively. For instance, the market is

characterized by the presence of counterfeit products and rivalry from competitors (Zhu, 2021). As Wang (2021) argues, these firms are going to have a very difficult time maintaining their presence in the industry because there are rival competitors and counterfeit products in the market. Although the products are designed for athletes, the majority of those who purchase them are everyday consumers, working adults, and even young children who have no problem switching to different brands as a result of the constantly shifting competitive positioning that is being worked on by other players within the sportswear industry. Additionally, the industry is expanding as a result of shifting lifestyles, shifting economic conditions of the population, and migration from rural to urban areas. However, at the same time, demand-supply mismatches and idle inventory are resulting in the players in this industry experiencing a reduction in their profit margins.

2.2 Designing the Marketing Strategy

Designing the marketing strategy is a crucial stage in the marketing process. As Zhu (2021) asserts, an effective marketing strategy leads to the accumulation of a large base of prospective customers with the overall benefit of potentially increasing sales. As such, the marketing strategy is critical in setting the overall direction and the goals that would be used during marketing. However, there is a need to understand various aspects of the internal and external environments that lead to a better design of the marketing strategy (Zhu, 2021). The aspects include the mission of the organization in the marketing process, the competitive advantage of the organization, and the available customer base.

2.2.1 *Mission in the Marketing Strategy*

The mission of an organization is a critical element in the process of creating a strategic plan (Wang, 2021). In this regard, Adidas focuses on creating its mission in the process of creating the marketing strategy. The Adidas Group's mission is to establish itself as the world's preeminent manufacturer of athletic products through the creation of brands

that are driven by the love of competition and an active way of life. In order to increase its position in the market and further develop its brands and products, the company has made it a priority to focus on continuous improvement of the products (Wang, 2021). Besides, the mission helps in focusing on a consumer-centered environment. Therefore, as the Adidas Group works toward its goal of becoming the undisputed worldwide leader in the sector of sporting products with brands that are built on a love of sports and a lifestyle centered around sports, it is dedicated to consistently improve its brands and goods in order to increase its position in the already competitive market.

2.2.2 *Competitive Analysis*

The competitive analysis provides the organization with ideas on the areas to consider for the purpose of creating a competitive advantage. In this case, the distribution network, product quality, and brand equity that Adidas possesses are some of the few advantages that the company has over its competitors (Wang, 2021). Notably, the company has 2,400 locations all over the world and generates an average of \$4.3 billion in revenue each year (Klien, 2022). Notwithstanding, the company has sponsored various international sporting events, such as the Olympics, FIFA, and UEFA, as well as the NBA and cricket, in order to establish a connection with the local customers (Wang, 2021). At the same time, over the course of its history, Adidas has earned a reputation for producing some of the highest-quality goods available in the market (Wang, 2021). These goods consistently exceed customer expectations in terms of comfort and durability. Because of the company's strong relationships with organizations like the International Labor Organization (ILO) and the International Finance Corporation (IFC), it has a competitive advantage over other businesses in terms of maintaining a sustainable business model.

2.2.3 Customer Analysis

Customer analysis is a vital consideration in creating an effective marketing strategy for the organization. According to Wang (2021), analyzing the customers provides an upper hand to the organization by focusing on information that leads to an increase in the number of customers. In this case, the majority of Adidas' clientele are members of the more privileged socioeconomic groups. Adidas is aware that a strategy based on mass production or mass marketing is no longer adequate to achieve success across all client segments. Businesses need to first identify and understand the individual motivations and goals of consumers for participating in sport, as well as their lifestyle, fitness level, where they are participating in sport, and their purchasing habits, in order to develop meaningful products, services, and experiences that build a lasting impression and brand loyalty.

2.2.4 The Marketing Mix

The marketing mix is an essential component in Adidas's marketing strategy. According to Zhu (2021), Adidas' Marketing strategy analyzes the brand within the marketing mix framework that covers the 4Ps—product, price, place, and promotion. In this regard, there are various marketing strategies that the organization uses, such as product innovation, pricing approach, and promotion planning.

Product Strategy: Adidas is a top choice for athletic clothing and accessories (Zhu, 2021). Adidas has established a number of products over the years in the sporting sector, such as footwear designed specifically for ice hockey and multi-studded soles. A product strategy is part of Adidas' marketing mix for its entire line of products, which covers a wide range of sports and sectors (Zhu, 2021). Adidas also engages in the retail sale of sporting items, such as sportswear and bags. The company has created a range of streetwear that borrowed design elements from athletic gear in the 2000s, helping to establish a new lifestyle industry (Zhu, 2021).

Pricing Strategy: Adidas has a specific set of customers to whom it strives to offer the best experience through pricing. Since the company is dedicated to product invention and continuous product improvement, both of which help to produce excellent performance, all of its products are expensive (Zhu, 2021). Adidas bases its pricing strategy on both its competitors' prices and the high standards of the corporation. This is primarily caused by the fact that products are modified to meet specific needs. The superior quality of the materials used, however, keeps Adidas' products at a premium price. The price of the goods thus rises beyond what consumers in developing nations can afford. The company's significant investment in public relations and advertising may also have an impact on pricing.

Place and Distribution Strategy: Adidas has established various distribution channels around the globe, making the products available to customers in many parts. By employing these tactics, Adidas hopes to connect with customers across all demographics and nations. The company has more freedom to operate and take the lead in a sustainable sector than its competitors, thanks to its collaborations with IFC and ILO (Zhu, 2021). Adidas has flagship locations in a number of nations. The company is working harder to sell its products online through their own website, and other multi-brand ecommerce platforms as the number of individuals with access to the internet keeps growing.

Promotion and Advertising Strategy: Adidas uses the media to advertise and endorse itself to potential customers. The company's marketing and advertising mix include a comprehensive, all-encompassing plan for brand promotion through all media and discourse channels (Zhu, 2021). Advertisements for Adidas can be found on television, in newspapers, online, on billboards, among other media. In one of the company's most renowned advertisements, Muhammad Ali, David Beckham, and Laila Ali are portrayed overcoming their own concerns (HR & Aithal, 2020). The company actively engages 25 million Instagram followers and more than 35 million followers on Facebook (HR & Aithal, 2020)

2.3 Constructing Integrated Marketing Plan

The integrated marketing plan focuses on the effective communication of the company. The marketing plan is used as an approach to attain the marketing campaigns (HR & Aithal, 2020). The process entails branding to change the expectations and perceptions of the target market. Additionally, Adidas is shifting from product-based marketing to a consumer-centered approach. Besides, the company has shifted towards digital printing and utilizing consumers' catalogs as images.

2.4 Building Profitable Relationships

Building profitable relationships is a critical element of the Adidas group. The company focuses on establishing meaningful relationships to ensure continued growth through different customers. As HR and Aithal (2020) posit, the breeding ground for Adidas is characterized by a combination of sports enthusiasm and creativity. In this regard, the Adidas group builds positive customer relationships for the purpose of supporting repeat business. Additionally, the organization focuses on building strong relationships by working collaboratively with different stakeholders. As such, long-term relationships are established by building trust with customers through the creation of personalized experiences.

2.5 Capturing Value from the Customers

Adidas focuses on a deep understanding of the customers to retain the authenticity of the Adidas brand. According to HR and Aithal (2020), the company concentrates on pushing product boundaries, services, and experiences. The organization does so through the capitalization of the long-term goals. Additionally, capturing value entails establishing effective communication with the customers. The marketing communication strategy is based on offline and online advertisement and promotion. Besides, there is a development of an informative website for the organization, making the customers informed regarding the

available products. Therefore, communication enables Adidas to sustain a reputable brand image and in delivering better services to its customers.

3. Conclusion and Recommendations

Adidas strives to ensure effective communication with the customers during the marketing process. The company engages in a variety of modes of contact with its clientele in order to better serve them. This establishes a strong relationship that encourages the customers to make additional purchases in the future (Crasto et al., 2020). On a more intimate and approachable level, the brand strives to generate excitement and passion in connection with the world of sports. In addition, the company engages in conversation with its customers through a variety of channels, including social media and traditional retail. In a similar manner, Adidas makes it a priority to be present everywhere in its core demographic so that it can provide a unified and singular experience for all of its customers. However, there is a need to improve the marketing process, which can be achieved through collaboration with sporting professionals and focusing on major cities to develop their place and distribution marketing strategies.

3.1 Collaborating with Sporting Professionals

The partnership with professionals in the field of sports will be instrumental in improving the marketing process of the organization. Adidas's creative capacity would be improved as a result of the company's partnerships with big technology businesses and professional athletes. This pertains to its branding and the way it is presented to the market (Crasto et al., 2020). Adidas's consistent and collaborative marketing techniques would be important in assisting the company in developing a more meaningful relationship with its target audience. Through the establishment of a close working relationship with professional athletes, Adidas will be able to ensure that its messages are consistent throughout all of its marketing process. Additionally, Adidas may form partnerships with other well-known

people, groups, and organizations. These alliances involve prominent figures in the music and fashion industries. As a direct consequence, Adidas will develop must-have designs that appeal to a wider demographic than just sports enthusiasts. For example, once Adidas and Kanye West collaborated to develop Yeezy, the line quickly became one of the footwear industry's most successful and rapidly expanding brands (Crasto et al., 2020). In fact, Yeezy's footwear line was estimated to be worth one billion dollars in 2019 (Crasto et al., 2020). The ability to spread out and attract customers who are not necessarily sporting lovers would be made possible by Adidas through the partnerships.

3.2 Focus on Major Cities to Develop its Place and Distribution Marketing Strategy

Adidas needs to focus on enhancing its place and distribution marketing strategy to ensure the effective growth of the organization. The focus will lead to the effectiveness of the organization's marketing process. In this case, the organization can increase its focus on the major cities. Six key cities are located worldwide that contribute to shaping the trends, perceptions, and purchasing decisions of Adidas' target audience. The cities in question are as follows: London, Los Angeles, Shanghai, New York City, Tokyo, and Paris (Crasto et al., 2020). Selling soccer equipment is Adidas' main priority in the United Kingdom. Meanwhile, basketball and baseball are the primary products that are emphasized in New York and Los Angeles, respectively. If the company distributes products worldwide, it needs to figure out which products are more popular in certain regions. In addition, it should make it a priority to guarantee that the marketing plan caters to the requirements of customers worldwide. In this view, the organization will improve the marketing process to acquire a large customer base.

References

- Crasto, S.G., Kee, D.M.H., Xin, C.W., Juin, H.X., Man, L.K. and Pandey, D., 2020. Product innovation by Adidas Group through sustainability. *Journal of the Community Development in Asia (JCDA)*, 3(1), pp.1-7. <https://doi.org/10.32535/jcda.v3i1.702>
- HR, G., and Aithal, P.S., 2020. Establishing True Lifestyle Brand in India: An Integrated Marketing Mix Framework. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, (June 2020), 5(1), pp.261-284.
- Klien, S., 2022. Accommodation and resistance in Hokkaido hip hop practitioners: An ethnographic analysis of Generation Resignation in post-growth Japan. *Ethnography*, 23(1), pp.83-103.
<https://doi.org/10.1177%2F1466138120907339>
- Mogaji, E., Soetan, T.O. and Kieu, T.A., 2020. The implications of artificial intelligence on the digital marketing of financial services to vulnerable customers. *Australasian Marketing Journal*, pp. j-ausmj. <https://doi.org/10.1016%2Fj.ausmj.2020.05.003>
- Wang, C.L., 2021. New frontiers and future directions in interactive marketing: inaugural Editorial. *Journal of Research in Interactive Marketing*, 15(1), pp.1-9.
<https://doi.org/10.1108/JRIM-03-2021-270>
- Xuyang, Q., 2020, December. E-Business in Enterprise Marketing Strategy Analysis. In *Proceedings of the 2020 3rd International Conference on E-Business, Information Management and Computer Science* (pp. 121-127).
<https://doi.org/10.1145/3453187.3453323>
- Zhu, J., 2021. Analysis of Adidas Marketing Strategies in 4P Model. *Scientific and Social Research*, 3(5), pp.67-75. <https://doi.org/10.36922/ssr.v3i5.1204>