COMMUNICATION STRATEGY OF ADIDAS

ADIDAS

The German National Adolph Dassler could be credited with the creation of the phenomenal brand "Adidas". His nickname "Adi" and the first syllable of his last name "Das" put together created the brand name "Adidas". History states that Adolf was a shoe fanatic who spent several hours in his workshop designing shoes with intent to perfect it and to surpass anyone in this line of work. His dedication towards his cause led to the creation of this brand which in today's day and age is the second best global athletic shoe brand commanding a market position of 33% internationally after Nike.

Today celebrity soccer players such as Kaka, Zinedine Zidane, David Beckham and many more are being sponsored by Adidas.

communication strategy

A communications strategy is designed to help you and your organisation communicate effectively and meet core organisational objectives.

Statement of purpose

It is useful to say up front why you have developed a communications strategy and what you hope to achieve with it.

This communications strategy shows how effective communications can:

- help us achieve our overall organisational objectives
- engage effectively with stakeholders
- demonstrate the success of our work
- ensure people understand what we do
- change behaviour and perceptions where necessary.

Current situation

Adidas has been successfully in existence for around 80 years being an integral part of the sports world providing hi-tech sports footwear, accessories and apparel. At the moment the business house takes pride in commanding a world position in the athletic shoe brand market. Adidas products especially shoes are sold all over the globe being available in almost every country of the world with
multiple retail outlet wooing the consumers proving the fact that the business house has carved a distinctive niche for itself in the global market.

Adidas has graduated from a small workshop in a little known German village to a world renowned global enterprise.

**PEST ANALYSIS**

Marketing communication plays a crucial role in successful market performance as it influences brand image and product recognition. For Adidas, effective marketing communication depends upon effective marketing system and ability to evaluate target market and economic conditions

- **Political /Legal factors.** UK government exercise control over its nation's economic development by passing protectionist laws and regulations. On the other hand, it does not restrict or limit communication strategies and activities provided by foreign companies like Adidas, so UK market proposes a favourable environment for Adidas.

- **Economic Environment** The UK economy is marked by stable development. Great Britain belongs to G-7 group of the high-income countries. Low inflation rates, exchange rate stability, government budgets and the record of growth are the main advantages of UK. Economic indicators show that UK market proposes a great opportunity for Adidas to employ marketing communication activities with little economic risk.

- **Social/demographic** Their target market is validated. The changes in the environment are changed the demand, but they do not have a significant influence on customers' purchasing power. Life style and values are similar to those in the USA. In the UK people are used to go in for sport and consider professional sport good as an important part of their life and holiday.

**BACKGROUND OF ADIDAS (SWOT)**

Adidas operates on the dynamic market where the main objective is to maintain successful marketing communication strategies, implement high service quality and develop strategies to improve these services. The purpose of Adidas marketing communication is to get and keep a customer. The strength of Adidas is that it employs effective communication strategies and communication mix for the brand creating a unique image of its goods. Taking into account opportunities of Adidas it is evident that the company reaches a widely dispersed target market which will help it to present the message in a very
personalized way, offer the opportunity of informing consumers in details about the complete range offered. Effective marketing communication will help to sustain high growth and profitability of the company, assess and develop new communication mix in order attract wider target audience. The threats include: too many advertising and PR campaigns provided by competitors of Adidas which reduce the impact of marketing communication.

SEGMENTATION

A major strength of Adidas market segmentation is that it can generate specialization. At the same time, segmentation involves costs, risks, and possible weaknesses in some cases, especially where accessibility is not easy. In export marketing a common way of defining and describing markets is in terms of export countries. Adidas market segmentation is based on behaviour and psychographics characteristics. Adidas focuses on whether or not people buy and use its goods, as well as how often, and how much they consume. Also, marketing communication is based on psychographics characteristics which group people in terms of their attitudes, values, and lifestyles. (Adidas UK, 2006).

TARGET MARKET

The first group involves all educated, median age of 32, with average affluence and employment; this group concentrates on the process of buying. Brand Loyalists involves 30% of the target market and can be characterized as the least affluent, median age of 36, with average education and employment. The third group of potential buyers involves high income segment. Using marketing communication mix, Adidas attracts high-income customer group in order to increase revenue and create brand loyalty, sustain strong market position and compete with potential competitors. The forth group involves sports professional who are brand loyal and seeks high quality professional products proposed by Adidas.

POSITIONING

Adidas has its own unique brand positioning in the mind of customers. For instance, one of the images of Adidas is those who want to wear light shoe should go for Adidas, rather than going for other brands. Other positioning of Adidas in customer’s mind is basketball shoes, this is because generally basketball players wears it because of its unique design and light weight. In addition to this Adidas is continuously trying to improve its brand positioning, it
wants its products should be known by its every customer’s segments worldwide so in order to achieve this objective one of the steps it made was cooperation with prominent Japanese designer, Yohji Yamamoto. The substantiation of this successful cooperation was founded on the catwalks in Paris.

COMMUNICATIONS OBJECTIVES

To provide the best standards of care and support for people using our product

- To ensure all staff know and understand the standards of care expected
- To ensure product users know the quality of services they should expect, and know what is expected of them
- To regularly gather feedback to ensure we are maintaining standards of care and support

To play a key role in the community as a valued provider of product for vulnerable people

- To provide a regular flow of information to key stakeholders

EVALUATION OF COMMUNICATION STRATEGY

Marketing Communication strategy of Adidas is based on on-line and offline advertising and promotion. Development of informative web site is the top priority for Adidas. On the one hand, it helps Adidas to sustain brand image and deliver better services to customers. As Adidas competes in a progressively fiercer market place for a larger wallet share of an increasingly discerning and diverse customer base, they become ever more communication-dependent. This is very important because consumers are becoming increasingly demanding and sophisticated in their requirements and expectations, and able to defend their bargaining stance/purchase position. On-line promotion involves banner ads and on-line community, current information about new products and new services, and as the most important support activities.

Communication mix is Adidas can be described as a choice between alternatives. Therefore, for maximum penetration Adidas selects primary (first choice) media that interlock and cross support each other. As the most important, Adidas uses repetition in promotion campaign because it is as important as the promotion itself. Using brand celebrities is a very effective
technique used by Adidas to popularize its goods. It helps the company to develop a certain image of Adidas brand and create a core of loyal supporters.

METHODS OF COMMUNICATION

Television Advertisement

Adidas uses different media vehicles which can pop up its advertisement on television; it uses various sports channels like Star Sports, ESPN. Most ads are played all through NBA games, Football and cricket. It launched various advertisements in 2010 for Adidas original, for 2010 football world cup. The recent Adidas original has celebrities like David beck ham, Agyness den, the objective of the ad was about launching of new Star Wars collection which includes cool, funky clothes and shoes so ad was a bit cool and musical type specially made for age group of 12-25, about funky and cool apparels which adolescents like to be dressed in. While the other ad was about 2010 FIFA world cup, in which they have shown some African children playing football, according to me it was low budget ad as no stars, no special effects, no stadium were used, so it might not be as effective as its other ads.

Internet

Adidas uses internet in many ways to reach its target audience, it created its own website (adida.com) exclusive digital content where one can all information about the company including company back ground, products, sales, new launches etc. Other than this recently Adidas used windows messenger game platform in order to promote its Predator and f50 boots to the age group of 15-24 years old males. Which was most effective advertisement strategy as it helped the company to increase 14 % brand ratings by gamers. Additionally, popup ads can also be found on yahoo, espy home pages etc. According to me, the objective of using internet marketing was to attract the youngsters who spends more time online than watching TV.

Outdoor advertisement

The organisation uses various ground-breaking outdoor advertisement such as billboard soccer’s, expansive wall scrappers, topiary styled billboards etc. Recently in japan Adidas came with unique outdoor advertisement concept where two footballers were hung wearing harness and have to play football for
10 minutes. The objective was to grab the attention of the people towards the billboard and Adidas was successful in doing that as shown in figure, traffic around that froze for about 70 minutes.

Other extremely effective concept of outdoor advertisement was made in Germany in 2006 during fifa world cup, a huge arc like structure with Oliver Khan s image was putted across the road, the objective of this concept was to grab attention of the vehicles passing by road and it was successful in doing this.

**Sponsorship and Events**

In addition to these it sponsored soccer football festival for 2010 football and has confirmed four-year sponsorship deal with it. The objective of the deal must be to promote its products in football after successfully promoting it in NBA games. Additionally, Adidas have agreed to make eight-year sponsorship with major league soccer the objective of Adidas is in to promote its products as well as to increase growth of the league and investment for youth development.

Adidas also uses various sales promotion strategies in order to increase its sales, one of the recent sales promotion strategies is Adidas coupons and coupons code in which Adidas distributes coupons through dealtaker.com in which if a customer’s code matches with the Adidas code, discount up to 30% or more than that will be given by company on various types shoes. In addition to these it also cuts down the prices of product during special festivals and events in order to increase its sales or to finish the old stock.

Other than this, Adidas also uses various magazines and newspapers in order to promote its products.
MULUND COLLEGE OF COMMERCE

ACADEMIC YEAR
(2015-16)

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PROJECT REPORT ON
“COMMUNICATION STRATEGY ADOPTED BY ADIDAS”
OBJECTIVES

- To know how communication strategy help to achieve their overall organisational objectives

- To understand how this will be effective in regularly showcase organisational successes in the local media

- To analyse which communication methods adidas uses
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