



Table of Contents

| | |
|--|-----------|
| Team Profile | 3 |
| Company Structure | 5 |
| Company Background..... | 6 |
| Direct and Indirect Competitors | 7 |
| <i>Competitive Analysis chart.....</i> | <i>9</i> |
| Target Market | 10 |
| <i>Global Investments</i> | <i>12</i> |
| Products and Services..... | 15 |
| <i>Product Segment chart.....</i> | <i>18</i> |
| Marketing Strategy | 19 |
| <i>Social media charts.....</i> | <i>21</i> |
| Human Resource Management | 22 |
| Assigned Sections | 24 |
| Citations | 25 |

MEET THE MANAGEMENT TEAM



General Manager: Angel Gonzalez

My position as General Manager gives me the responsibility of overseeing general production and assuring things go smoothly. When necessary, I train department heads, create policies, and look at business strategy to see if there's something that can be improved. I hear reports from local managers about how things are going in various locations and adjust policies accordingly.



Production Department: Mike Sanchez

As manager of the production department, the main goal is to create products as efficiently as possible while supplying customers with the brand they know and love. However, the products themselves aren't the only thing we concern ourselves with. Surrounding events involved with the products such as global affairs, environmental concerns, and public views are all important aspects that must be dealt with as we pursue our goal of becoming the number one sports brand in the world.

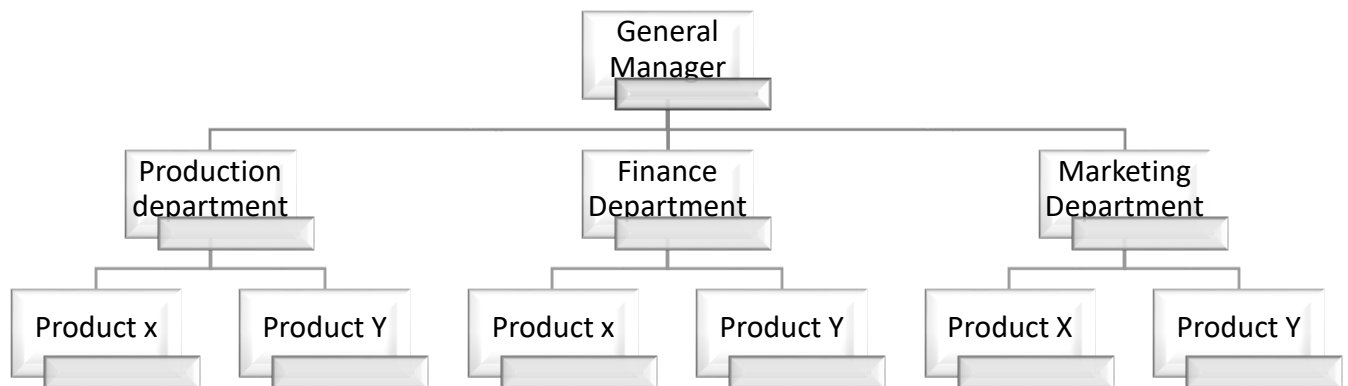


Financial Department: Jessica Rosa

My responsibility as the financial department manager is to monitor accounts, prepare activity reports and financial forecasts. Also, to find ways to improve profitability and follow markets for business opportunities. My main goal is to help the company maximize the value of the firm.

Functional departmentalization Format

Adidas is a multinational corporation, therefore we decided to create a functional departmentalization. This department consists of three departments: The production department, finance department, marketing department all reporting to the General Manager. Each department permits those with the same skills to work together. The product department focuses on a specific product or service. The marketing department focuses on promoting the business and drives sales of products or services. Furthermore, the marketing department focuses on researching to identify customers and other audiences. The finance department manages the company's cash flow, financial reporting, and control. Also, financial planning and analysis.



The Adidas mission statement is “The Adidas Group strives to be the global leader in the sporting goods industry with brands built on a passion for sports and a sporting lifestyle. We are committed to continuously strengthening our brands and products to improve our competitive position.” Adidas was founded by Adolf Dassler. The company itself was founded in 1924 as Dasslers Brother Shoe Factory, in Herzogenaurach, Germany. However, the shoemaking also began in mass during the year of 1924 during which Dassler and his brother Rudolph handled the shoemaking process. Before this point, Dassler made shoes alone in his mother’s laundry room, but the production was nowhere near as high. Dassler then went on to make Puma during a spat that the two brothers had during 1947. From 1924-1947, both Dassler and Rudolph worked on Adidas shoes on their own in their factory. The electricity was not stable in Herzogenaurach, so at times the two brothers needed to generate their own electricity utilizing a stationary bicycle.

Adidas started out as being a company that made shoes utilizing a heavy metal spike design (for athletic purposes). The major explosion of Adidas products was brought on by Dassler persuading Jesse Owens to wear Adidas products during his performance at the 1936 Summer Olympics. Another explosion of sales was seen for Adidas after WW2. American soldiers were intending to destroy the Dasslers Brothers factory. However, Adolf Dassler’s wife convinced the American soldiers that their only intentions for the factory were shoemaking. Never to create weapons. One of the strategies that Adidas utilizes is keeping the shoes high end but more affordable than competitor brands. This is an effective strategy purely because prices that are low tend to bring more customers than big names endorsing brands. It also helps ensure customer loyalty.

The American soldiers accepted this and went on to purchase many shoes from Adidas. This led to a further increase in shoe sales, however, Adidas wasn't struggling before this point (they sold around 200,000 shoes a year before the large exposure). Adidas was created at an opportune time and took advantage of each and every one of their opportunities provided by both their circumstances and their location. Being as they began in a small town, there was an easy monopoly to be made over shoes. (Of course, that monopoly lasted up until Puma's split).

Nowadays, Adidas splits its suppliers into 5 categories. 1. Main Suppliers are the ones that Adidas works most closely with. 2. Subcontractors, hired the main suppliers to handle the production/manufacturing that they themselves cannot handle in their main facility. 3. Material and other service providers. This supply the main suppliers with resources to manufacture clothing, but they don't have a direct interaction with Adidas. 4. Licensees managed the design and distribution of Adidas products under the Adidas name. 5. Agents managed the actual sale of finished products back to Adidas.

Adidas primarily supplies came from Asia, America, and European countries. They also outsourced the majority of their production work to Main Suppliers, who may in turn outsource to subcontractors if necessary. Being as the Main Supplier's main responsibility is to simply get the order fulfilled in a certain time, this subcontracting is necessary at times. The supply chain typically goes to the subcontractor then to the main supplier. Then the main supplier to licensee/agent, then licensee/agent to Adidas themselves. The most obvious direct competitor to Adidas would be the company that was started and run by the other brother, which would be Puma.

Puma at its beginning was a direct competitor to Adidas in proximity, sales, and by sentiment (considering both companies had begun by one of the two brothers). However, Puma

is not much of a competitor now. Now that Adidas and Puma are both multinational companies, the competition still exists but it's no longer at the intense level that it was previously. Being as both companies are comfortable, it makes more sense to look at Adidas competing on a global scale.

Nowadays, more direct competition is Adidas and Nike. Puma is one of the titans when discussing most profitable sports clothing/shoe brands, but for most consumers, the two that instantly come to mind are Adidas and Nike. Nike and Puma are both direct competitors with Adidas, being as they all 3 sell sports gear that could satisfy the general need for both athletic wear and athletic footwear. Essentially, any brand that deals in footwear/clothing that is intended for athletic activity is a direct competitor. Any indirect competitor could be counted as any company that makes footwear or clothing, regardless of the type. Purely because of the fact that you can wear any sort of clothing or footwear to perform physical activity, it's just that wearing things from a direct competitor or Adidas itself would make the activity easier.

Adidas at its core is good at marketing itself. Ever since the beginning, Adidas struck deals with just the right people at just the right time. The fallout of WW2 was a hindrance to some, but to Adolf Dassler, it was an opportunity. Nike is good at marketing itself to the sports world, because Nike goes through paying large fees to have famous athletes sport their shoes. Additionally, Nike makes custom shoes for certain athletes to be worn during their performances. Whether they be professional sports, dancing, or anything of the sort. Adidas does this as well, but based on consumer experience Nike does better at getting big names to endorse them.

Competitive Analysis Chart

| Conditions | Nike | Puma | Reebok | Adidas |
|---|------|------|--------|--------|
| Endorsements(Big name) | ✓ | ✗ | ✓ | ✓ |
| Consumer-Friendly Prices | ✗ | ✓ | ✓ | ✓ |
| Variety of popular product (not just shoes) | ✓ | ✓ | ✗ | ✓ |
| Revenue placing (in comparison) | 1st | 2nd | 3rd | 4th |

On more general terms, the main goal for Adidas is to help those pursuing athletic endeavors. While it does aim to cater towards higher skilled athletes, it still looks towards aiding anyone willing to commit themselves to being physically active. It offers a wide array of sports gear and clothing to reach as many audiences as possible. Joggers, swimmers, soccer players and more physical activity pursuers all have something to find when shopping at Adidas. Anyone and everyone are potential customers. Originally focusing on soccer gear, Adidas eventually branched out into other sports and clothes lines which in turn, allowed it to grab the attention of more and more people. It's even evolved more into a fashion brand as the clothing sections have begun to have collaborations with celebrities to appeal to those who follow them.

For those who want to support their favorite singer, sports players or other celebrity, Adidas is the number one place to go for some major collaborations. One of the most popular collaborations is with rap artist Kanye west, with the Yeezy line. Hardcore shoe collectors will have quite the difficult time even attempting to claim a pair, as they, according to Footlocker, "...Sell out hours after their release". Although this brand is extremely popular among fans and hardcore collectors alike, it sells its products in limited waves, which increase the drive to aim for the product even more. Onto another type of customer, is the environmentally friendly kind. People who take a more environmentally aware approach to their life such as those who support local, organic products, may begin to look towards Adidas as a more sustainable company.

Recently, Adidas has begun to push forward its idea of sustainability through reducing and reusing plastic, using sustainable cotton, and lowering water use. According to a survey conducted by the Fashion Summit in 2019, about 1000 people from each city, coincidentally mentioned later, were asked about whether they supported sustainable fashion. The total rates of those who supported sustainable fashion ranged from 49% to a whopping 90% and was

supported mostly by those within the ages of 18 and 24 (KPMG survey). If Adidas is willing and able to create more affordable, sustainable products, it will be able to expand its consumer base even greater than it already is now.

In the United States, the plan is to open more stores in larger cities. Apart from New York and California, plans have begun looking into cities such as Chicago, Miami and Atlanta. (Golden, 2015) The reason for this push is due to Adidas identifying these states as “influencer cities” (Same citation). To influence means to convince another person to act in your favor. However, in this case, influencers are more so those who spread fashion ideas and concepts to thousands of people, potentially even being celebrities that have derived from these states. It also aims to dominate some of the most populated cities in the country with the three giants being, New York, California and Chicago. These three states reign supreme as the most populated areas in the country with the lowest population count being around 2.7 million in Chicago and the highest being 8.2 million people in New York City. (nlc.org)

The three general segments for Adidas products are male, female, and Kids, with more specific groups being divided by sport and purpose. Demographics are more aligned with the physical being of a group of people with some being body size, age, sex, social status and geographical location. Psychographic characteristics are more so about the person's ideals. There are those who might focus on style, frugality, and environmental awareness.

Adidas was originally founded in Germany back in the 1900'. Today, the headquarters for Adidas can still be found in its home country of Germany, in the city of Herzogenaurach. Since its growth as a sports and clothing brand, it has continued to spread across nations with important regional branches being found on the coasts of America, various locations throughout Europe, in Central America and in East Asia.

One of the main global involvements of the company comes from the factories that make Adidas products. Production can be found in all continents of the world (careertrend.com). Countries vary in how many factories they contain but production is mostly found within the most populated countries on the planet. Up to 300 factories can be found within these nations, including China, India, and Indonesia to name a few. (census.gov)

To make sure that factories are complying with each country's labor laws, continuous checkups are placed to make sure managers aren't stepping out of line. However, in more drastic cases, if a factory ignores warnings constantly, the company ultimately cuts ties with them as it doesn't follow the company's code of conduct. In 2019, Adidas cut ties with two factories as a result of their unwillingness to cooperate and shows that the company is devoted to complying with the rules of a nation.

As the company begins to step into the many diverse locations of the Earth for its products, it begins to deal with political activities. Although it must deal with the laws and languages of each nation, it has gone above and beyond simple obedience. Adidas has donated and aided many causes which benefit education, empowerment and relief groups. In China, a partnership with the Ministry of Education has brought equipment, funding, and many educational experiences to students and teachers alike. Training camps and even an educational television show have improved the physical activity rates among youth and have spread its sports education to millions throughout the country. Adidas also funded the "Save the Children" relief group which aided thousands throughout multiple refugee crises in Europe and Bangladesh. The relief group supplied children and young adults with survival necessities such as food, water and temporary shelter. It even created sanctuaries for kids to enjoy physical activities in peace, all which couldn't have been done without the aid of Adidas. Lastly, Adidas has assisted in the

education of female workers in Pakistan. During a shift from manual to automatic labor, many factory workers were let go and struggled to find new jobs to maintain themselves. To help these workers bounce back, Adidas started the “Women’s Empowerment Program” which aimed to teach these workers new and relevant work skills as well as creating more job opportunities for these women.

To expand the business into more countries, Adidas could start to have regional collaborations. Most of the collaborations with Adidas have been done with U.S celebrities. Having collaborations based on a region's favorite celebrities or sports stars can increase the appeal of the brand. An actor or celebrity in the U.S might not be as revered in South America or in Asia as media is spread differently per region. A recent development into this concept revolves around the design of a shoe within the NMD_R1 line. Although the shoe line shares the same fundamental build, the different designs of the shoe is what makes it stand out. This design in particular contains images of a colorful dragon, which was said to be inspired by Chinese Dragon Boat festivals designs (Hypebeast). It may be viewed as blatantly ripping off a country’s culture for a quick profit but can instead be used as a tactic to appeal to those who take pride in their nation's culture. The variety of design per region might even be popular enough to appeal to other countries.

The goal for Adidas is to spread further across the United States and soon after aim to bring the brand into more cities across the world. Prime targets to put the most resources in are currently vastly populated cities in the eastern hemisphere such as Tokyo, Shanghai, London and Paris. The more people in a concentrated area, the higher the chance of making a sale. Reviews, word of mouth or advertisements in these congested cities can entice more and more people to purchase these products. To make matters even better, as of 2015, many of these listed cities

(including New York City) are part of the 10 most visited cities in the world (Business insider). These cities ranged from having 8.66 million international visitors on the low end and up to 18.82 million international visitors for that year. Although the goal may be to continuously earn money off those already living within these nations, you might also appeal to those who don't have access to many higher end and rarer Adidas products.

Adidas products are focused on designing products to a customer's needs. The various design areas for Adidas include footwear design, hardware design, graphic design, apparel design, accessories design, and color design. The products are available online and certain products can be customized. "In 2019 we produced over 1.1 billion sports and sports lifestyle products with independent manufacturing partner's worldwide and generated sales of 23.64 billion." (adidas-group.com). 448 million pairs of footwear, 528 million pieces of apparel, and 127 million pieces of hardware have been produced.

One of the factors that Adidas strives to is with the practice of sustainability. Adidas uses cotton and more than 11 million pairs of shoes were made containing parley ocean plastic. Adidas believes sustainability and performance go together. The brand has made efforts to end plastic waste through innovation and partnerships. Partnerships with Parley for the oceans, Stella McCartney, and the U.S international space station have been made for an eco-innovation. Adidas uses a three-loop strategy to produce sustainable products. Recycled loop-made are clothes made from recycled materials. PrimeBlue and PrimeGreen performance fabrics will help to eliminate the use of virgin polyester by 2024. Bionic loop-made with nature; Adidas wants the products to have multiple lives and then return to nature. Circular loop-made to be remade products.

They are designed to have multiple lifestyles. Sustainable products will meet or exceed all of the brand's performance standards. The brand has formed a plan to end plastic waste throughout the years in 2020: more than 50% of all the polyester Adidas uses in products will be recycled. In 2021: Adidas will work with various key US sports partners (MLS, NHL, USA Volleyball, and the Power 5 NCAA football programs) to change to more sustainable uniforms. In 2024: Adidas will only use recycled polyester in all Adidas products throughout the business-” aided by the introduction of Primeblue and Primegreen performance fabrics where 100% of the polyester used is recycled. 2030: Adidas will reduce the company's carbon footprint by 30 percent (as compared to 2017) as part of the Fashion Industry Charter for Climate Action, and finally in 2050 it will achieve climate neutrality. In Germany, the company already sources almost all its electricity from renewable sources”. (www.ispo.com)

Adidas produces clothes for Men, Women, and kids. The products include footwear, shirts, shorts, pants, outerwear (wind suits), base layer, and eyewear. Adidas has three product segments; Adidas performance, original, and lifestyle. For the mill products, Adidas uses competitive pricing and products that are newly introduced Adidas uses skimming price. Competitive prices consist of setting the price as competitors' same level and skimming price is when marketers set a high initial price for a product or service at first, and later on, lowers the price over time.

The average price for Adidas shoes is \$56.60 and the core offering is \$28.00-\$70.00. The women's section has bras (size ranges 34-52, cup A-G), shoes (size range 5-15), shirts & tops, and pants & shorts, (apparel ranges from xxs-4x). The price range for women's clothing is less than \$50.00-\$250.00 or more. Men apparel ranges from xs-3xl, shoe size range 4-20. The kid's size section ranges from 4 to 6x. The price range is less than \$50 or more. The accessories are phone cases(price range, \$0-\$50.00), watches (less than \$100.00-\$150.00 or more), hats & beanies (\$0-\$50.00), bags, and backpacks (Less than \$50.00-\$300.00 or more).

In conclusion, "The Adidas Group's sustainability strategy is rooted in the Group's values performance, passion, integrity, and diversity". (fdra.org) Adidas is a sportswear brand that has a range of products for Men, women, and kids. They have a size range that will cover all body types. The price range is at a competitive price and/or skimming price. Millions of apparel, shoes, and accessories are produced worldwide. The brand is trying various partnerships to produce a more sustainable brand. Also, they have developed a strategy to be implemented throughout the years to reach that goal. Also, a three-loop strategy is implemented to produce sustainable products; recycled loop, bionic loop, and circular loops. These strategies will be utilized to give various lives to the product and to reuse the products. The dedication that Adidas is having to produce a more sustainable is projected that by 2050 it will achieve climate neutrality. By doing their part they want to reduce the carbon print by also utilizing performance fabrics that are recycled.



Performance

Men
Footwear (146)
Clothing (282)
Accessories (49)

Women
Footwear (71)
Clothing (193)
Accessories (64)



Original

Men
Footwear (52)
Clothing (81)
Accessories (16)

Women
Footwear (47)
Clothing (49)
Accessories (08)



Life Style(Y3)

Men
Footwear (24)
Clothing (- -)
Accessories (- -)

Women
Footwear (12)
Clothing (- -)
Accessories (- -)

Number indicates product available in market in particular segment

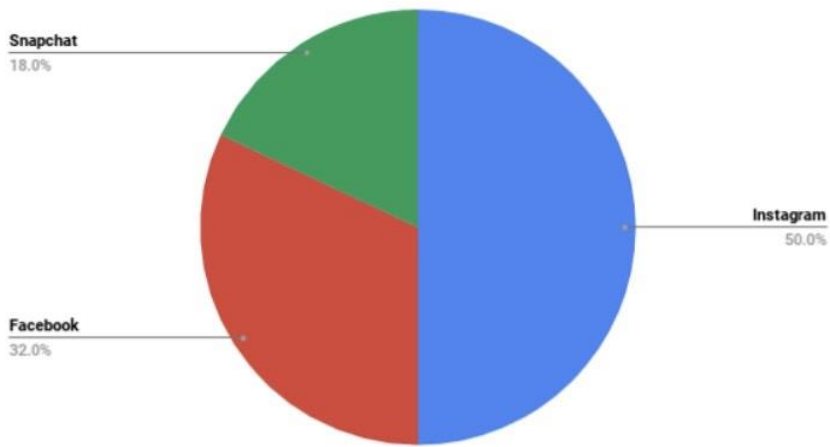
As we go about living our day to day lives we often encounter ads almost everywhere we go. There are ads posted on subway stations, billboards, posters, and all electronic devices. In today's generation, people are attached to their phones and they tend to look at advertisement on their electronic devices a lot more. There are many approaches when it comes to promoting and advertising a product. The way we will go about and promote our product is through the use of social media and technology. Our goal is to see what customers are looking for and analyze their buying behavior and use it to put Adidas products to the top and make it worth spending money on.

Many customers have different needs and wants and in order to satisfy those aspects we need to give and sell products that is worth buying and also something that sparks their interest. With the technology we have available today, we could easily search anything on the internet. Social media which includes Facebook, Twitter, Instagram, and Snapchat can be used by anyone and even companies. Adidas uses social media platform in order to grab their customer's attention in order to make a sale and profit. They also send exclusive deals and discounts to those who are subscribed to them through email. Based off of this data, companies that reach out to customers through email have a better understanding on their products are being looked at and which product is selling more than the other. This way customers who are subscribed to a company can be informed. Companies not only have information about their customers but also know who their target population is and exactly what those consumers are looking for.

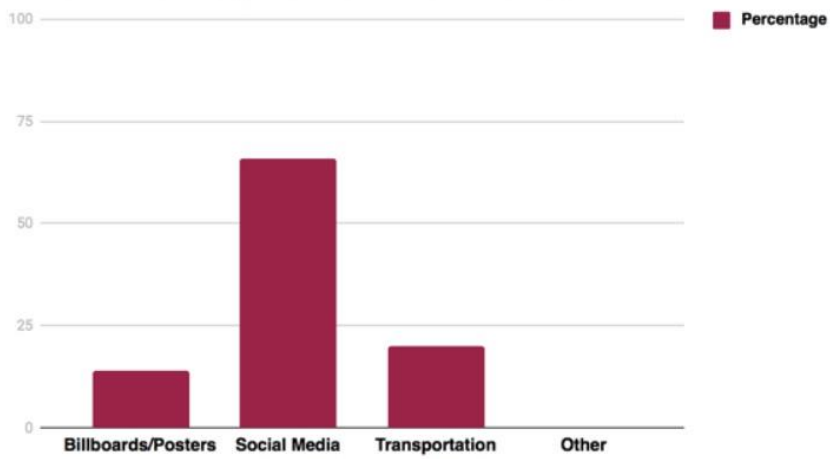
As far as social media goes people who are active and constantly check their newsfeed most likely encounter an ad posted by companies who are trying to grab their attention from new and current customers. Instagram is the ideal place to publish an advertisement because there are over eight hundred (800) million active users. With that amount of people on Instagram, companies would use it as an advantage to get to customers attention. With that advantage, Adidas would take that platform and promote their product so that it stands out from their competitors. Adidas would use different types of features and design to make the products unique and eye catching to the viewers. People often look for certain features in an advertisement.

Whether it is the images, celebrities, cost, influence, benefit, design, placement, trustworthiness, colors, fonts, etc. These type of features grabs the customer's attention and have an effect on their buying behavior. With Adidas majority targeted group being athletes from around the world, it is safe to say that their athletic clothing will generate more sale and bring in more money. Having a celebrity in an ad makes the advertisement feel more alive and better. If a celebrity is in an advertisement and if that celebrity is your favorite then it will catch your attention even more. If there is a sale going on or a celebrity is in an advertisement then the more likely you are to purchase the product being advertised.

Percentage of Ads Viewed on Social Media Apps



Which Platform Captures Consumers the Most?



Human Resources

Adidas has a five year HR strategy and is of blending people with business objectives. This new way of working is to influence in a positive way the culture of the organization and employee performance. Adidas became the leader in the sport goods industry because of its outstanding leadership and friendly work culture. Adidas has four pillars. 1. Meaningful reasons to join and stay: The organization in this pillar gives the future employee the right reasons to join the company. 2. Role models who inspire us: within the company they choose leaders to be a role models for the employees, and therefore have inspiration based on their work ethic. 3. Bring forward fresh and direct perspectives: “Adidas is aware that it has a large base of customers from diverse cultures and countries, and therefore the organization’s culture must reflect the same. A diverse employee base would help the organization cater to the diverse needs of its customers.” (Peplematters.in). 4. Creative Climate to make a difference: The brands work environment inspires innovation, engagement and teamwork.

Adidas has 57,016 employees all from different cultural backgrounds. They have also develop a training. “The Big deal Gender Difference” its purpose is to develop a gender inclusive company culture. This is a one day workshop and it provides knowledge and skills in this area. They also want to have a stronger female team and they will be using data analytics to make a gender balance. Employees from more than hundred nations are working at its headquarters currently. To encourage diversity, inclusion and equity throughout the organization. The brand has regular events like its Global Diversity day. It has included certain groups to strengthen diversity at its workplace as well as supports the International LGBTQ community.

Adidas has also developed programs for employees to have professional growth within the company. They have targeted development programs or individual development plans to help track the progress. Also the use of apprenticeships and internships are utilized so that at the end of the 2 to 3 year projected period, college students can obtain a job within the company. Furthermore, FTP is a Functional training Program that has a duration of 18 months. This program offers graduates that have an excellent performance an opportunity to start a career at Adidas. A six month period is offered giving them various assignments on a monthly basis. Adidas also has success management plan that on a regular basis checks the performance of the individual to ensure that the development plans are ready for the successor's next steps.

In conclusion, Adidas is a company that values culture, and ethnicity. The brand feels that is important to have a diverse cultural background to achieve a greater success. They have various programs to obtain gender equity, and personal growth. They provide training and encourage professional growth within the company. Brands are investing more in their HR to gain a competitive advantage because skilled and professional employees can be a source of sustainable competitive advantage. (notesmatic.com)

Assigned Sections

Company Background(Direct and Indirect Competitors) : Angel Gonzalez

Target Market: Mike Sanchez

Company format-Products and Services: Jessica Rosa

Human Resource Management: Jessica Rosa

Marketing Strategy: Angel Gonzalez and Mike Sanchez

Citations Page

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