



Consulting Report 1: Perceptual Mapping

Y.C.M.O.D Consulting Group

Yang Wu, Carlos Vazquez, Mira Noelle, Otis Melton, Derek Arguello

Table of Content

Executive Summary:	3
Key Challenges:	3
Recommendations:	3
For Management Use:	4
Background Summary:	4
Findings & Recommendation:	4
Tool Overview	6
Segment & Problem	6
Focus Groups	6
Design Survey	6
Collect Data	6
Analyze Data	6
Interpret Results	6
Appendix	8
Initial map	9
Brand Clusters	9
Relative Preference	10
Preference Order	10
Spaces	11
Repositioning Target	12
Primary Vectors	13
Secondary Vectors	14
Group Member Accountability	
• Derek Arguello - Executive Summary	
• Otis Melton - Background Summary	
• Carlos Vazquez - Findings & Recommendations	
• Yang Wu - Tool Overview & SPSS Input, Figures, & Tables, Appendix	
• Mira Noelle - Footnotes, Illustrations	

Executive Summary:

Key Challenges:

Champion Athletic Apparel is viewed as a heritage brand by many young Americans. While recent marketing efforts in the past two years have helped the brand increase perception, Champion still significantly lags behind industry leaders. Moreover, new competitors continue to emerge in niche, yet, opportunistic spaces within the market. To remain competitive with the likes of Nike, Adidas, and Lululemon, Champion must reposition its brand with the upcoming generation of new consumers, Gen-Z.

Accordingly, Champion has tasked Y.C.M.O.D Consulting Group with implementing a Perceptual Mapping Study to inform its brand's reposition within the market. After conducting 30 hours of focus group sessions and issuing a qualitative survey to Gen-Z, Y.C.M.O.D identified the following insights that challenge the brand:

1. There's an opportunity to reposition Champion in a market space between Nike and Adidas.
2. Champion ranks low on aspirational benefits like inclusivity and sustainability, causes that matter to Gen-Z consumers.
3. Champion ranks in the middle of all competitors in its perception of style and trendy.
4. Champion must increase its sustainability operational practices internally.
5. By partnering with designers and notable pop-culture icons, Champion can increase its perception as a stylish, trend-setting brand.

Recommendations:

- Champion must consider shifting its current marketing strategy by getting Gen-Z to perceive Champion as a modern brand that supports social progress by collaborating with diverse partners, cultural influencers, and increasing communication for its sustainability practices.
- To increase Champion's perception along the X-axis of the perceptual map, it must strengthen its inclusivity and sustainability programs. This can be achieved by collaborating with designers in the respective categories.
- Champion must re-introduce previous successful partnerships with brand ambassadors and consider working with them on a continuous basis to strengthen its perception as a stylish, trendsetting brand.
- Secondary research in addition to the Perceptual Analysis concluded that Champion must increase the sustainability of its internal operations to be more considerate of its people, the planet, and its environment.
- Increase awareness of its new positioning by leveraging partners that support causes that are significant to Gen-Z.

For Management Use:

Background Summary:

Champion (or alternatively also stylized as Champion U.S.A.) is an American manufacturer of clothing, specializing in sportswear. The brand is a subsidiary of Hanesbrands (based in Winston-Salem, North Carolina), which was spun off by the Sara Lee Corporation in 2006. The company was originally based in Rochester, New York, prior to its acquisition by Sara Lee in 1989.

Champion is an iconic activewear apparel company. The brand is well known for its versatility, yet simple look. Once considered an urban phenomenon, it is now a part of today's Pop-Culture. From athletes to non-athletes, the champion logo is a familiar one, no different than McDonald's golden arches. The logo is trusted both on and off the field. With the opportunity to reposition the Champion brand to attract the Gen Z consumers' values in the branding, we must take a look into those behind the brand.

Hanesbrands Inc. was founded in 1901 and is the parent company to the Champion brand. Hanesbrands leads the way in manufacturing and marketing everyday basic apparel according to their website. With many well-known brands and offerings for consumers to choose from, Hanesbrands has found and maintained a niche in the fast-paced world of active apparel.

Products manufactured and commercialised by Champion include casual wear clothing (t-shirts, hoodies, sweatpants, leggings, shorts, jackets, undergarment), footwear (sandals, sneakers, socks), and accessories (bags, hats, collectibles).

You may have seen advertisements of Michael Jordan wearing Hanes brand clothing but may have overlooked Kylie Jenner or Chance the Rapper wearing the Champion logo. According to an article written in 2017, the brand is making a comeback through the younger generation. With that said, the Y. C. M. O. D. has a great opportunity to take Champion from functional to aspirational, home to top competitors Adidas and Nike.

Findings & Recommendation:

The perceptual mapping study conducted on behalf of the Champion Clothing Brand demonstrated a need for strategic and tactical shifts of its current marketing program. The following findings and recommendations are based on analysis of the results.

1. Analysis of the perceptual map indicates an opportunity to reposition Champion into a more favorable marketplace position within the space between Adidas and Nike, above both the X and Y-axes.
 - a. Shift Champion's marketing strategy by getting Gen-Z to perceive Champion as a modern brand that supports social progress by collaborating with diverse

partners, cultural influencers, and increasing communication for its sustainability practices. (See Appendix, Figure 1)

2. Champion ranks low on perception of aspirational benefits such as sustainability & inclusivity.
 - a. To increase Champion's perception along the X-axis, it must strengthen its inclusivity and sustainability programs. This can be achieved by collaborating with designers in the respective categories. For example, Eileen Fisher¹, is a high-end designer that supports human rights and equality initiatives in the fashion category. By developing a collaborative line of clothing with a partner like this, Champion will increase awareness for its societally-driven programs
3. Champion ranks in the middle of all competitors along the Stylish/Trendy attribute vector.
 - a. In 2018, Champion partnered with designer Ronnie Fieg² to redevelop the brand's identity. The partnership was a success that sold out the entire line of apparel. To strengthen the brand's perception along this attribute, it can reintroduce Fieg as a recurring featured designer. Seasonal product lines will add longevity to the partnership, increase consumer demand of a higher-priced product, and strengthen the brand's perception as stylish.
4. Champion must increase the amount of sustainability practices within its operational structure as it is not currently perceived as a sustainable brand.
 - a. Secondary research confirms the findings of the perceptual analysis. Good on You, a website that ranks apparel companies on sustainable practices, ranks Champion as, "Not Good Enough." To change perception of sustainability, the company must commit to operating in ways that are safe for people, the planet, and the environment.
5. Increase awareness of its existing partnerships with its new brand ambassadors. The ambassadors would be 4 key people we believe share the values we are trying to highlight. This campaign would consist of the following ambassadors we have hand selected:
 - a. Ashley Graham plus size model
 - i. 11.9 million followers on IG
 - ii. Has previously been featured on Cosmopolitan, Maxim, Sports Illustrated and Vogue
 - b. Doja Cat music artist
 - i. 8.5 million followers on IG
 - ii. Best new artist of the Year 2020 AMAS (American Music Awards)
 - c. La'tecia Thomas plus size model
 - i. 1.5 million followers on IG
 - ii. Currently works with brands like PrettyLittleThing and Sand&Sky



¹ Eileen Fisher is an American clothing designer who founded her own brand and opened the first store in Manhattan, New York. Fisher is known for using non-traditional models to advertise her store.

² Ronnie Fieg is a clothing and footwear designer along with being the owner of Kith, a retail store. Fieg has collaborated with many well known brands such as Adidas, Converse, and Puma.

- d. Post Malone music artist
 - i. 22.9 million followers on IG
 - ii. Previous collaboration with Crocs sold out

Tool Overview

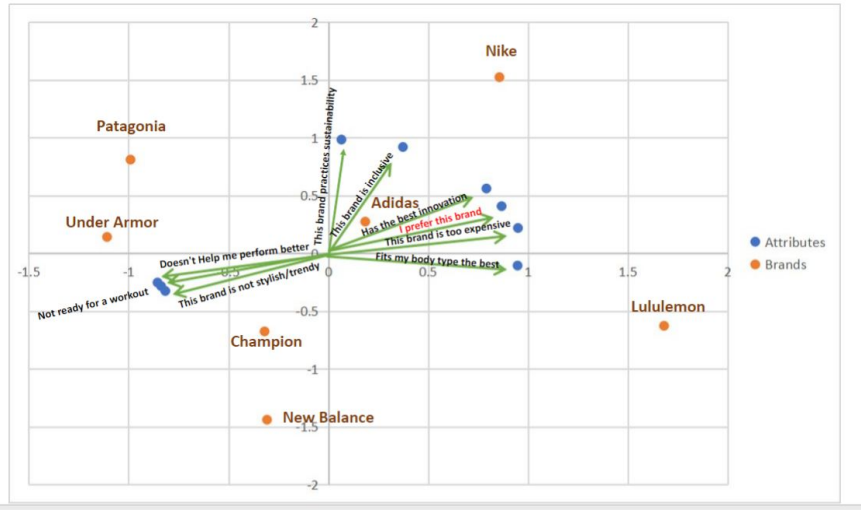
The perceptual map for Champion was created using the following steps:

1. **Segment & Problem:** Champion is viewed as a heritage brand in the eyes of consumers. The athletic apparel industry is highly competitive with new entrants arising each year. In order to stay relevant, Champion must change its legacy perception to reposition within the market. Specifically, this analysis was conducted with Gen-Z as the target market.
2. **Focus Groups:** Four focus groups of 8 people were conducted via interview in order to determine qualitative attributes to be used as part of the Perceptual Analysis.
3. **Design Survey:** Respondents were screened with two questions to ensure that the survey taker fits the audience segment. The survey also included 5 behavioral questions to identify attributes that lead to perception of athletic apparel. Responses were logged using a 7-point likert scale, with 7 being “agree completely” and 1 being “completely disagree.”
4. **Collect Data:** The survey was administered to five team members, with totally 450 responding. Since we narrowed down our brands from 10m to 7, we finally used 315 data for running our perceptual map.
5. **Analyze Data:** Based on the output from SPSS, there are two components captured 89.15% of the data, which is > 60%, so we believe that it's good to use and it meets our research needs. The other main table we used for mapping is coordinates for each attribute and brand provided by factor analysis in SPSS. (we purpled some attributes to opposite directions manually.)
6. **Interpret Results:** We got our initial perceptual map by using the coordinates generated in the factor analysis. All the blue points refer to the attributes and for brands it shows by orange points. Based on this original map, we generated other maps for displaying clusters and spaces among each attribute. It gives us a clear idea for recommending our client Champion to proposition the brand in a certain area.

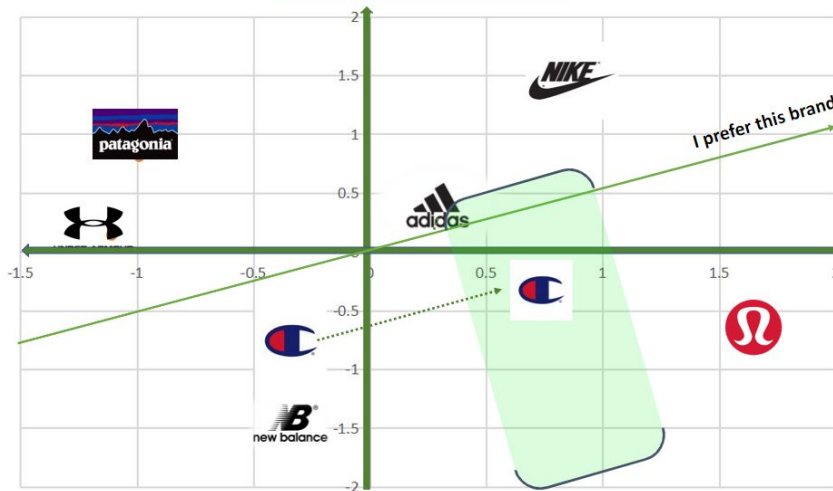
Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings					
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.487	72.075	72.075	6.487	72.075	72.075	5.423	60.255	60.255
2	1.537	17.075	89.15	1.537	17.075	89.15	2.601	28.895	89.15
3	0.7	7.777	96.928						
4	0.191	2.126	99.053						
5	0.062	0.685	99.738						
6	0.024	0.262	100						
7	2.36E-16	2.62E-15	100						
8	-3.46E-16	-3.84E-15	100						
9	-1.02E-15	-1.13E-14	100						

Extraction Method: Principal Component Analysis.

	X	Y	Attributes
Zscore: Not ready for a workout	-0.837	-0.285	
Zscore: Has the best innovation	0.792	0.56	
Zscore: Doesn't Help me perform better	-0.855	-0.254	
Zscore: This brand practices sustainability	0.066	0.983	
Zscore: This brand is inclusive	0.374	0.919	
Zscore: This brand is too expensive	0.95	0.218	
Zscore: This brand is not stylish/trendy	-0.816	-0.327	
Zscore: Fits my body type the best	0.948	-0.107	
Zscore: I prefer this brand	0.868	0.407	
Adidas	0.18503	0.27306	Brands
Champion	-0.31892	-0.67702	
Lululemon	1.68145	-0.62842	
New Balance	-0.30671	-1.44107	
Nike	0.85723	1.52323	
Patagonia	-0.99031	0.80962	
Under Armor	-1.10777	0.14061	

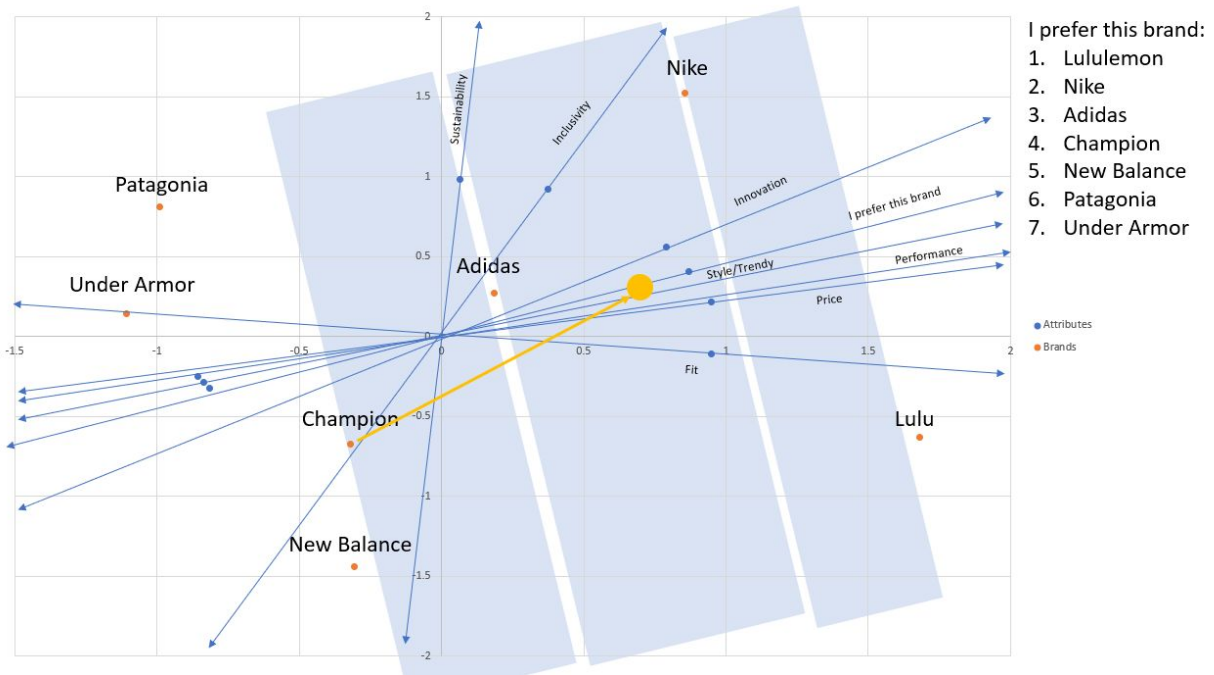


Repositioning Target

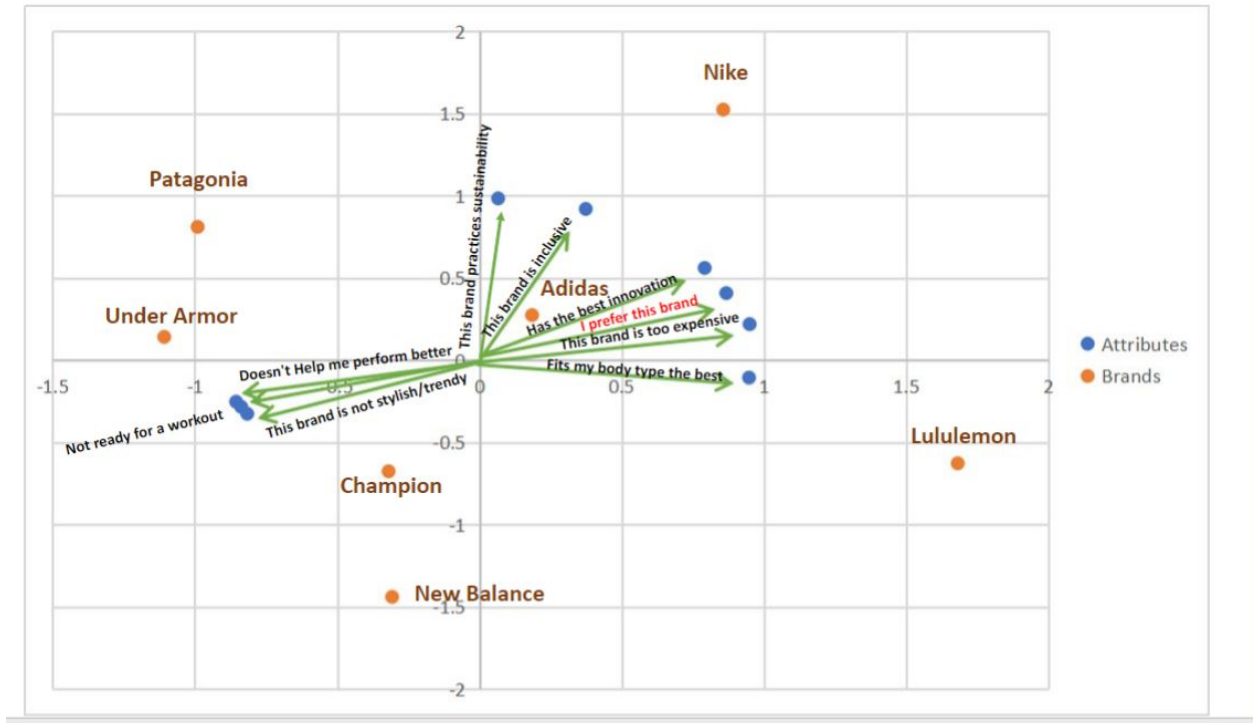


Appendix

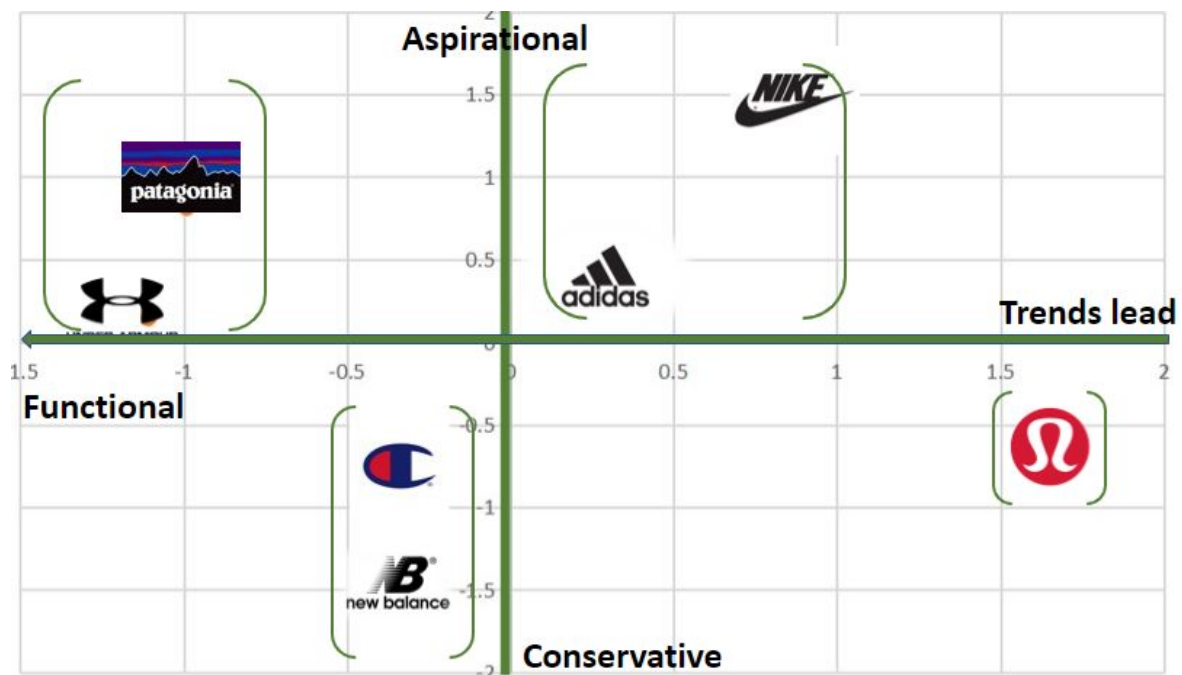
Figure 1.



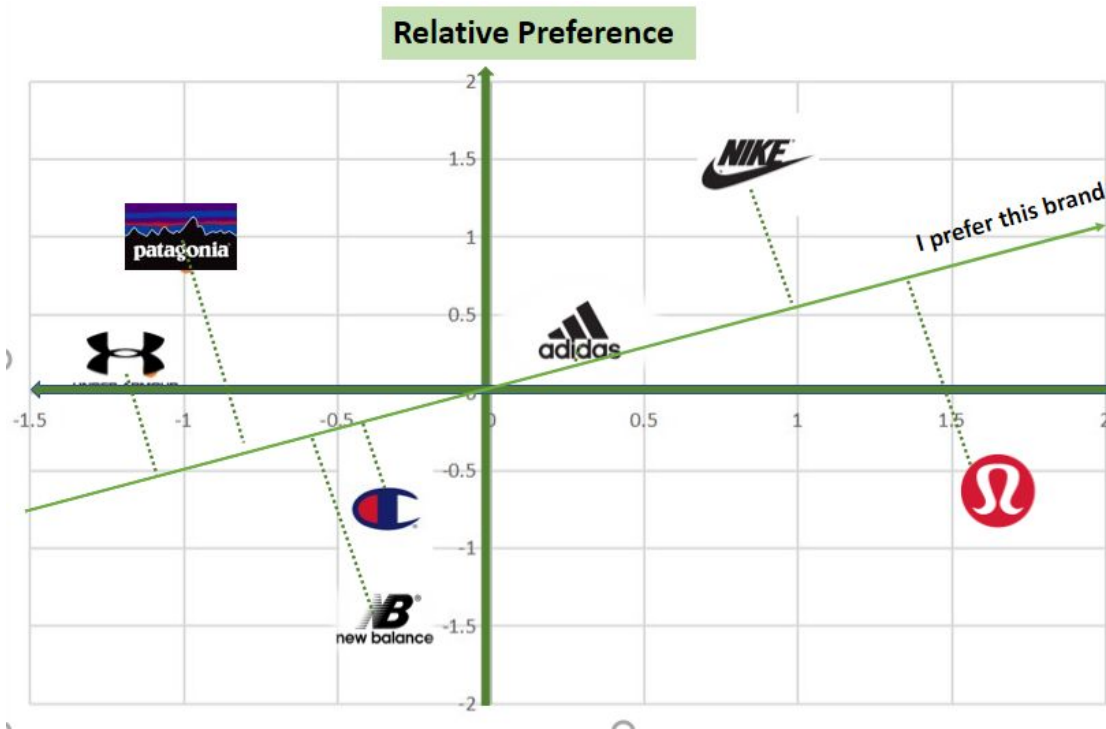
Initial map.



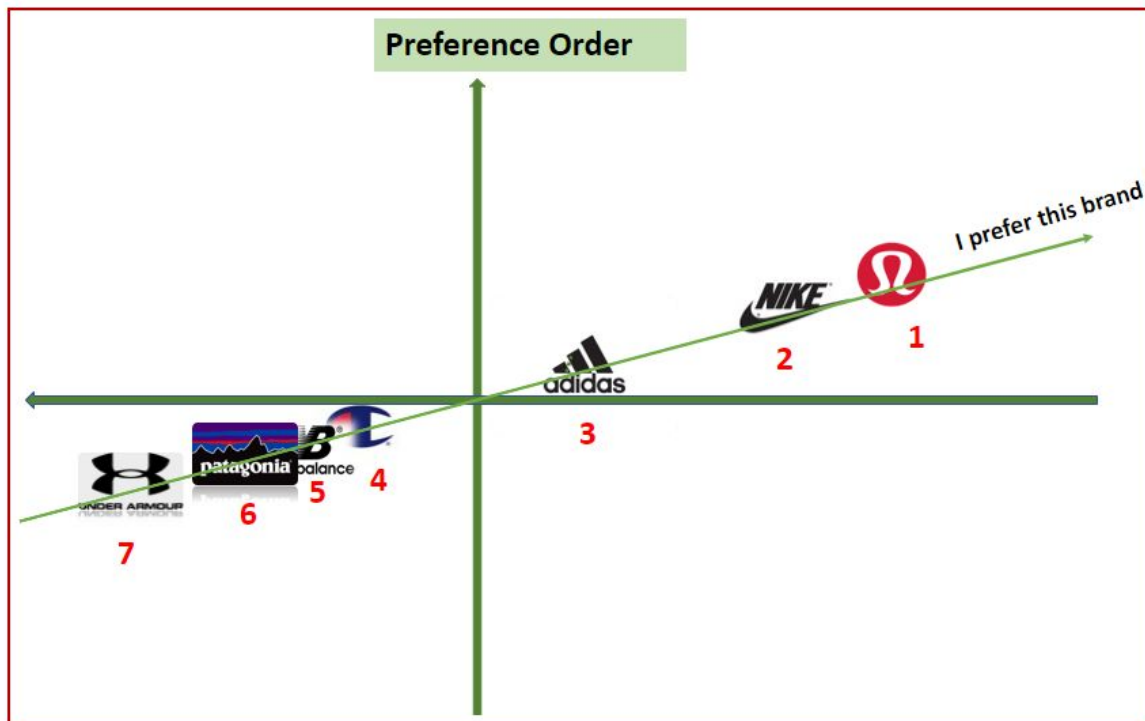
Brands clusters.



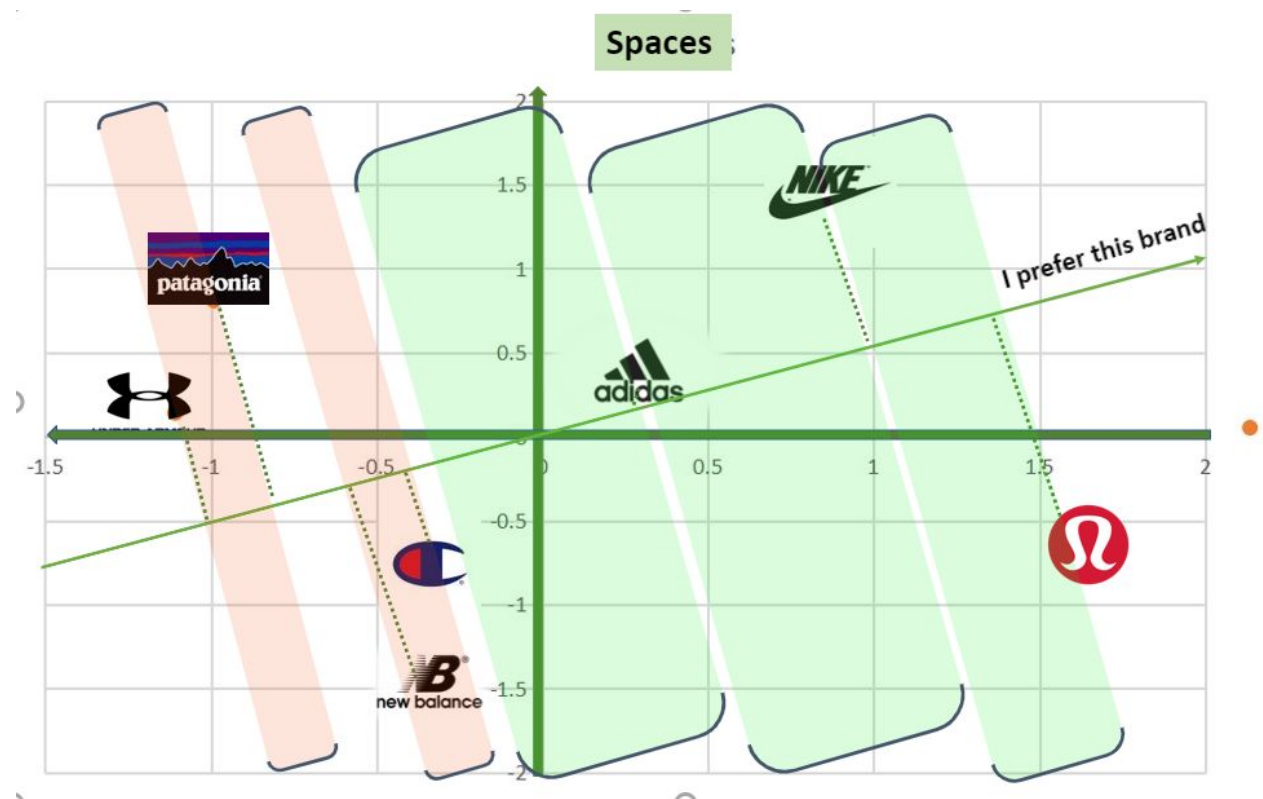
Relative Preference



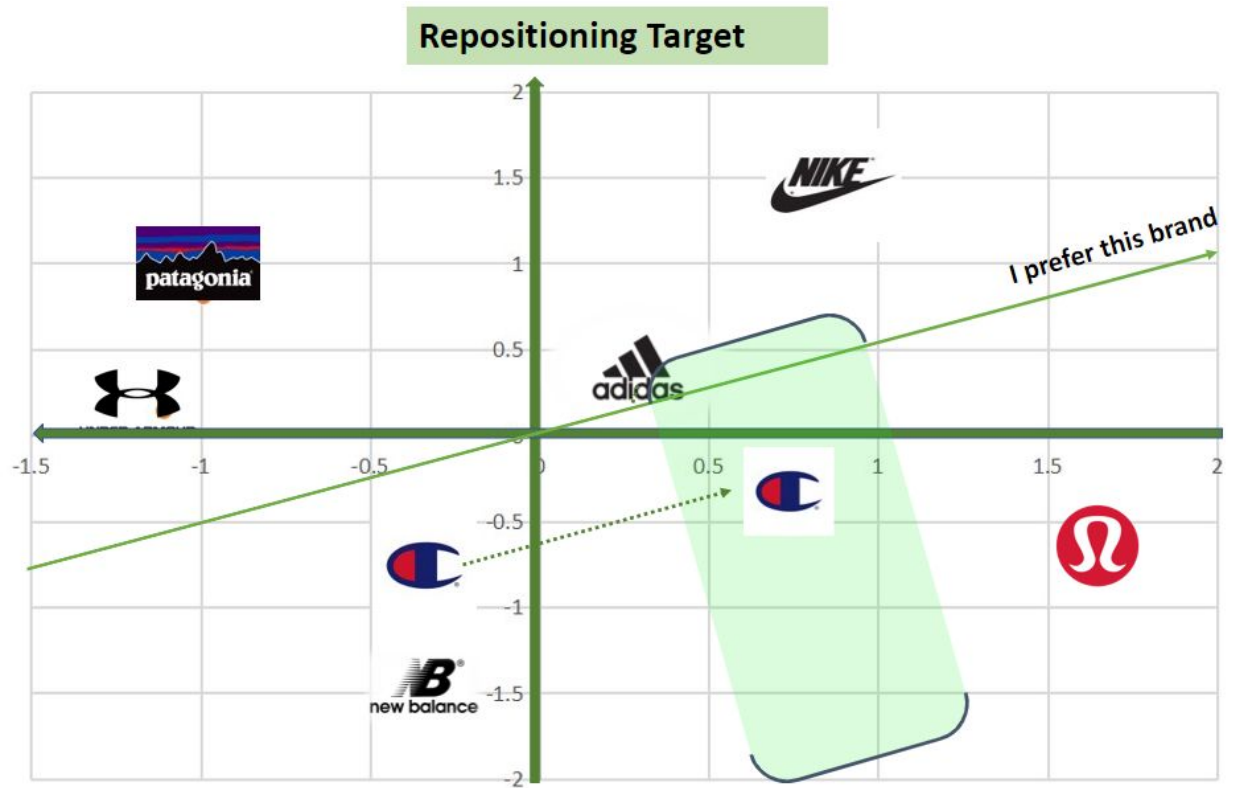
Preference Order



Spaces

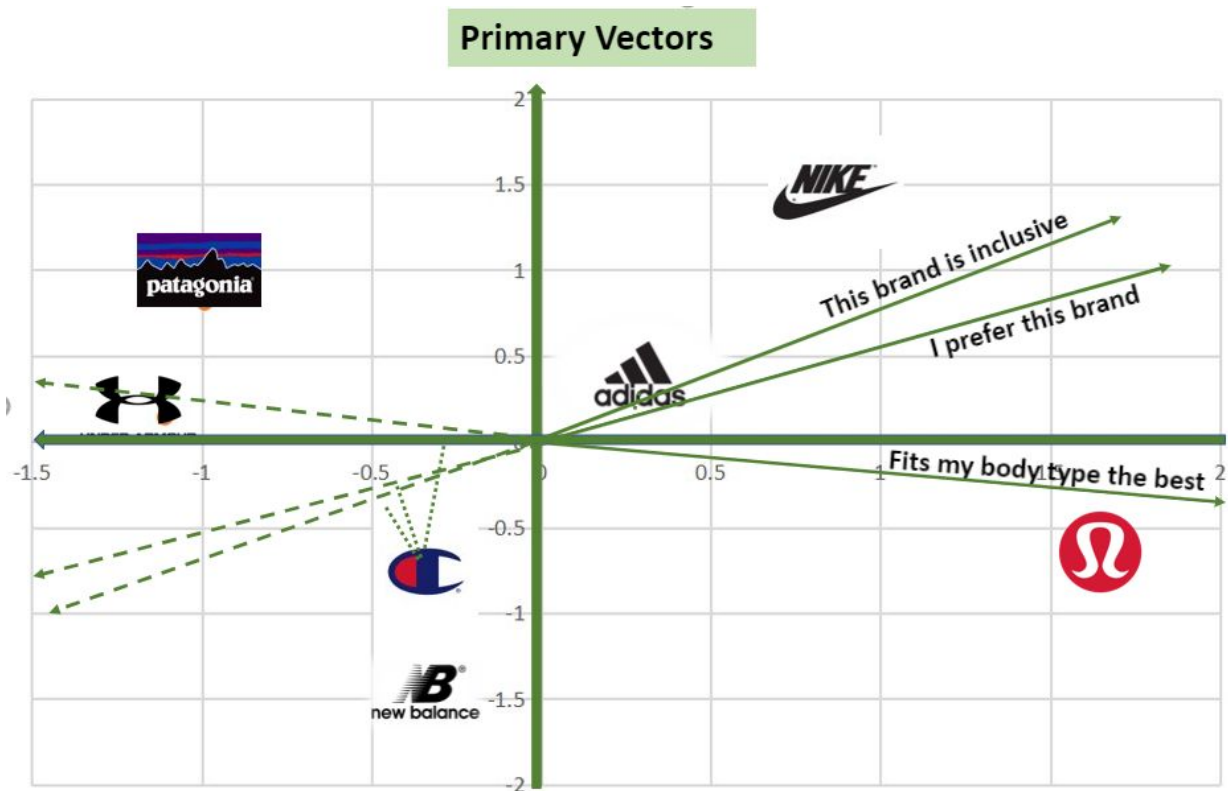


Repositioning Target



1. Short Distance
2. Leverages Strength
3. Big Size
4. Diffuse Competition

Primary Vectors



Secondary Vectors

Original Perception on Secondary Vectors

