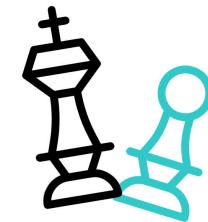


Run the World

Unveiling Sportswear industry's
Power Moves



Who are we?



Akriti Sharma
EMBADTA24014



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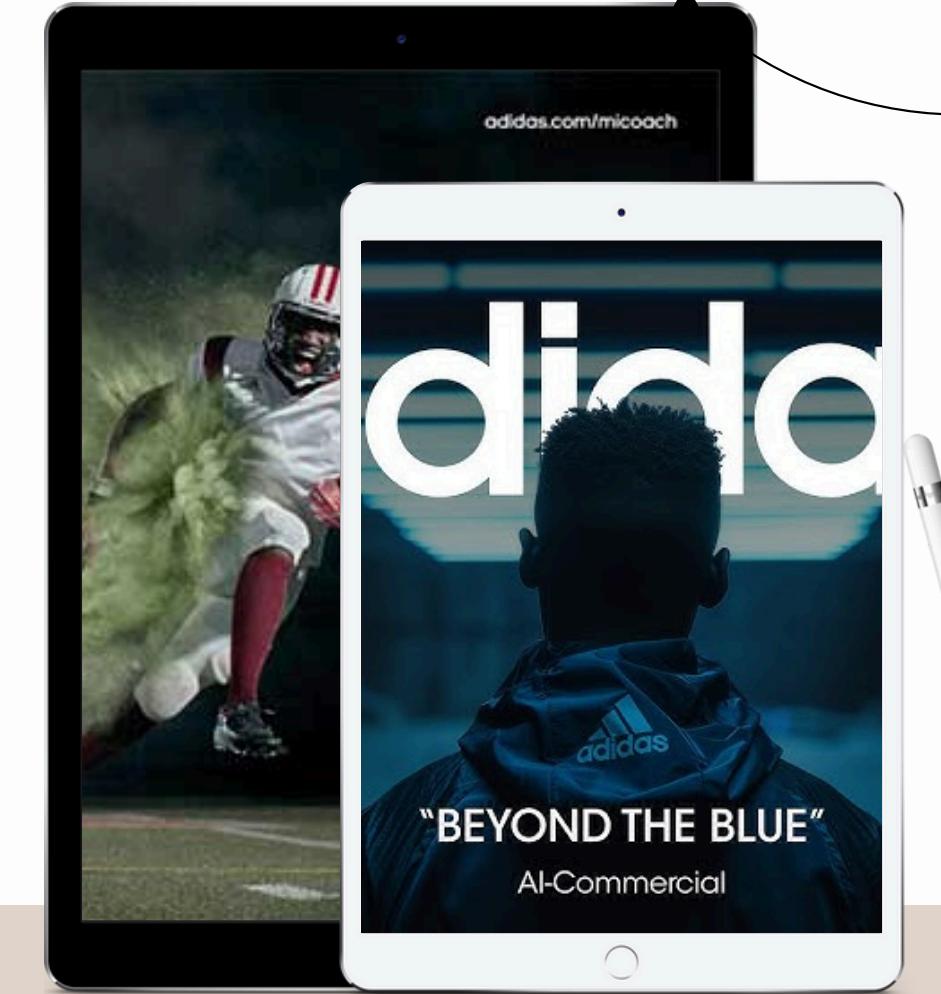
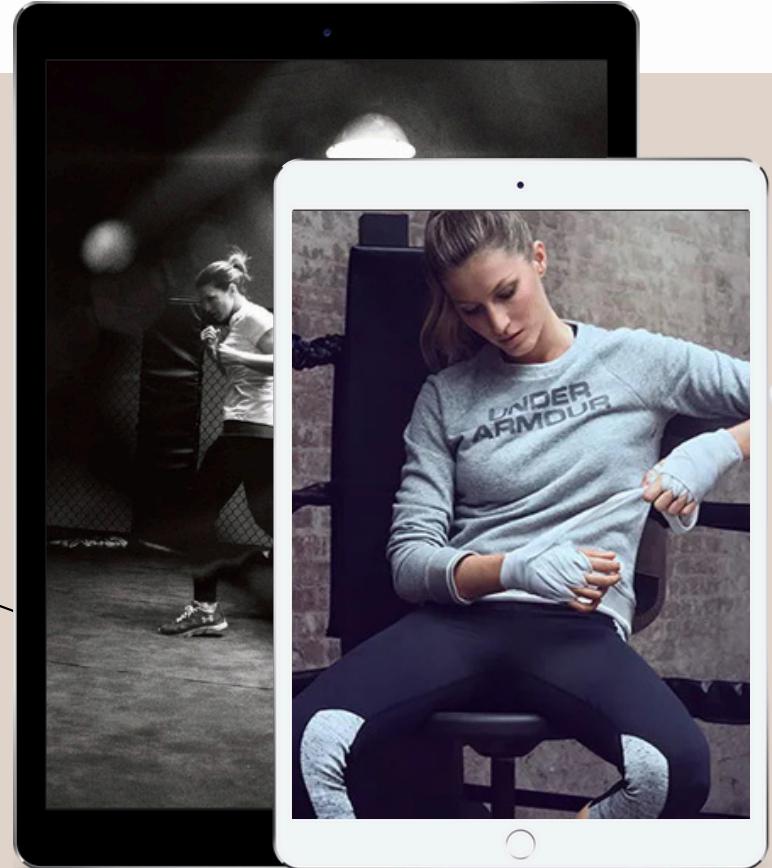
Akanksha Singh
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Brands

Benchmark Brand



- Leads innovation with Boost cushioning, 4D printing, and sustainable materials.
- Holds a dominant global market share, especially in Europe, Asia, and North America.
- Sets industry standards in sustainability with eco-friendly initiatives like Primegreen.
- Sponsors major global events and top athletes, reinforcing brand authority.
- Excels in direct-to-consumer strategies, digital transformation, and personalized shopping.



Aspiring Brand



- Differentiates with moisture-wicking fabric and performance-driven products.
- Expands aggressively in Europe and Asia to challenge industry giants.
- Enhances credibility with high-profile athlete endorsements.
- Invests in smart apparel and fitness tracking technology.
- Faces market challenges but focuses on pricing, marketing, and innovation for growth.

Adidas SWOT and PESTLE analysis



P

- International trade policies and tariffs
- Regulation and compliance
- Political instability
- Taxation policy and incentives



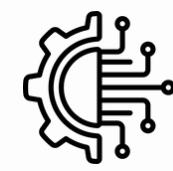
E

- Exchange rate and currency fluctuations
- Inflation
- Labor costs and workforce dynamics
- Interest rates



S

- Changing consumer lifestyle and preferences
- Health and fitness trends
- Digital media influence
- Brand social responsibility
- Cultural sensitivity



T

- Digital transformation
- Data analytics and consumer insights
- Internet of Things
- Logistics optimization



L

- Labor law and employment regulation
- Quality assurance
- IP rights protection
- Trade regulations and customs compliance
- Marketing regulations



E

- Sustainability materials and packaging
- Climate change and carbon footprint
- Waste reduction



Adidas Porter Five Forces analysis

Threat of New Entrants – Low

- **Capital Intensity:** High upfront costs in R&D, branding, and manufacturing act as significant barriers.
- **Economies of Scale:** Adidas benefits from large-scale production, reducing per-unit costs.
- **Brand Equity:** Strong brand recognition and customer loyalty discourage new entrants.
- **Distribution & Retail Network:** Established supply chains and exclusive retail partnerships limit new competitors.



Bargaining Power of Suppliers – Moderate

- **Supplier Concentration:** Adidas sources from diverse suppliers across Asia, reducing dependency on any single entity.
- **Switching Costs:** Low-to-moderate, as Adidas can shift to alternative suppliers, but ethical sourcing constraints limit options.
- **Raw Material Dependency:** Key materials (synthetic fibers, rubber) are price-sensitive, giving some power to suppliers.
- **Vertical Integration:** Adidas lacks significant backward integration, keeping supplier leverage moderate.

Bargaining Power of Buyers – High

- **Product Differentiation:** While Adidas innovates, functional substitutes (Nike, Puma) are widely available.
- **Price Sensitivity:** Consumers compare prices across brands, making discount strategies essential.
- **Switching Costs:** Low, as customers can easily shift to competitors with minimal cost.
- **Digital Disruption:** E-commerce and social media amplify consumer voice, increasing buyer influence.

Threat of Substitutes – Moderate to High

- **Performance Apparel Alternatives:** Cheaper, non-branded sportswear competes on price.
- **Athleisure & Fast Fashion:** Brands like Lululemon and Zara attract customers seeking style over performance.
- **Technological Shifts:** Smart wearables (e.g., fitness trackers) may replace traditional sports apparel functions.
- **Brand Perception:** Strong marketing helps Adidas differentiate from substitutes, mitigating some risk

Industry Rivalry – Very High

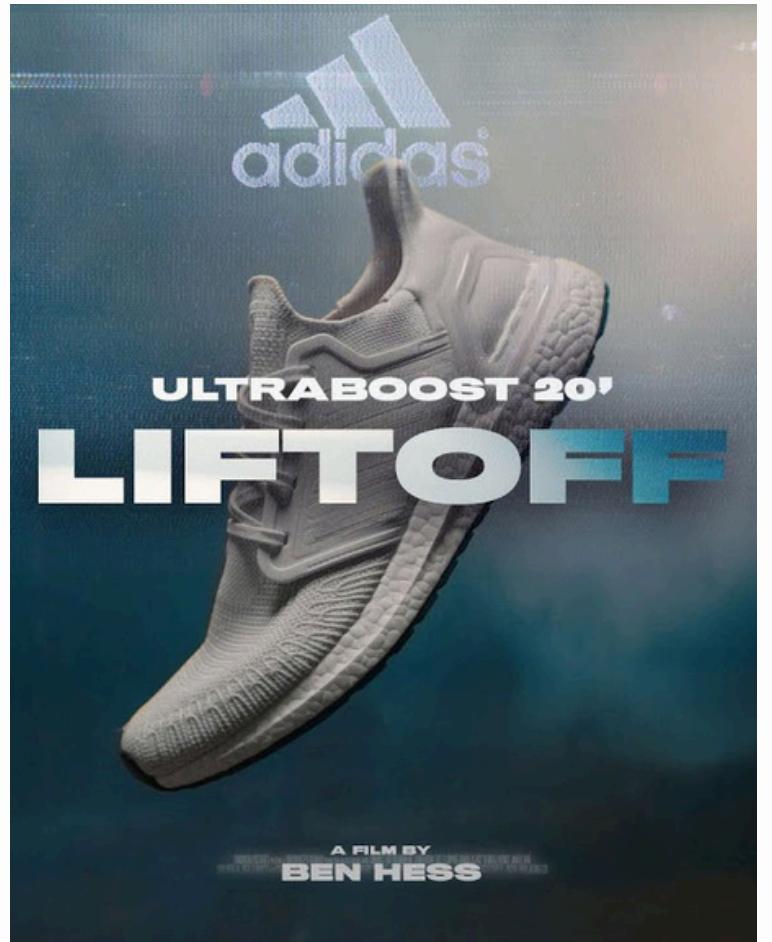
- **Market Saturation:** The sportswear industry is mature, with intense competition from Nike, Puma, and Under Armour.
- **Marketing & Sponsorship Wars:** Heavy spending on athlete endorsements and global events escalates competition.
- **Innovation Race:** Continuous investment in product differentiation (e.g., 4D printing, Boost technology) is essential.
- **Competitive Pricing:** Frequent price wars and discounting strategies reduce profit margins



Adidas Business Strategy

● Differentiation Strategy (Primary Strategy)

- **Technology & Innovation:** Use of Boost™, 4D printing, and Primeknit technology enhances performance differentiation.
- **Sustainability Focus:** Initiatives like Parley for the Oceans (recycled plastic-based shoes) and Primegreen (sustainable materials) differentiate Adidas in eco-conscious markets.
- **Brand Positioning & Marketing:** High brand equity through athlete endorsements (Messi, Kanye West's Yeezy, Beyoncé's Ivy Park), major sporting events (FIFA, Olympics), and digital-first campaigns.
- **Product Diversification:** Offers multiple product lines (sportswear, casual, streetwear) catering to different segments.



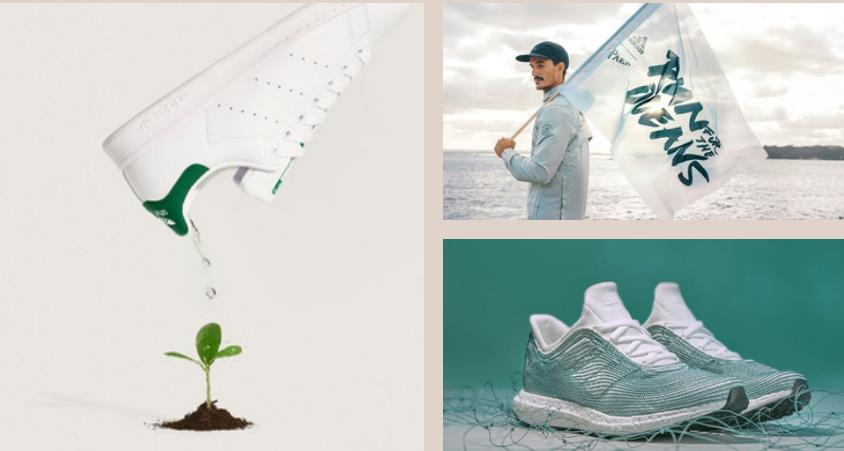
● Cost Leadership Strategy (Secondary Strategy)

- **Lean Manufacturing & Global Sourcing:** Production in low-cost regions (Asia, Eastern Europe) optimizes cost efficiency.
- **Economies of Scale:** Large-scale production & global distribution network reduce per-unit costs.
- **Digital Supply Chain Transformation:** Use of AI, predictive analytics, and automation for demand forecasting & inventory optimization.
- **Direct-to-Consumer (DTC) Focus:** Higher margins through own e-commerce platforms & Adidas stores, reducing reliance on third-party retailers.

Adidas Corporate Strategies

Growth Strategy - Market Expansion and Digital Transformation

- **Geographic Expansion:** Focus on emerging markets (India, China, Latin America) to increase market share.
- **Direct-to-Consumer (DTC) Focus:** Strengthening e-commerce platforms and digital-first engagement to drive higher margins.
- **AI & Data-Driven Personalization:** Leveraging predictive analytics for better customer insights and demand forecasting.



Sustainability & ESG Strategy - Circular Economy & Carbon Neutrality

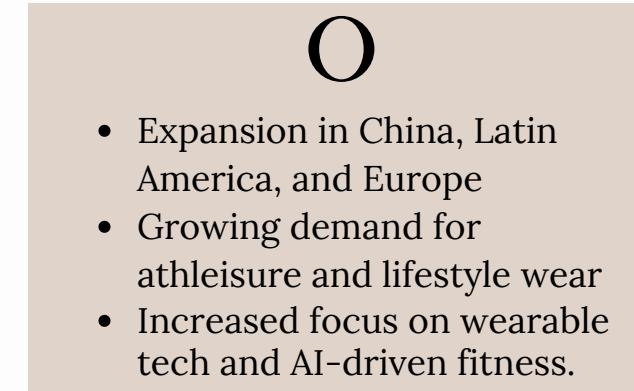
- **Closed-Loop Production:** Initiatives like "Futurecraft Loop" (fully recyclable sneakers) to promote sustainability.
- **Eco-Friendly Materials:** Primegreen and Parley for the Oceans partnerships reduce environmental impact.
- **Carbon Neutral Commitment:** Targeting net-zero emissions by 2050 through supply chain optimizations and green energy.



Restructuring & Portfolio Optimization Strategy

- **Divestment of Non-Core Assets:** Sale of Reebok (2021) to refocus on Adidas' core brand and profitability.
- **Strategic Collaborations:** Partnerships with luxury brands (Gucci, Prada) and tech-driven acquisitions (Runtastic) for portfolio diversification.
- **Operational Agility:** Adidas 2025 "Own the Game" strategy focuses on digital-first sales, consumer engagement, and streamlined global operations.

Under Armour SWOT and PESTLE analysis



P

- Trade policies & tariffs impact costs.
- Government regulations on sustainability.
- Rules on athlete sponsorships.



E

- Inflation & raw material price fluctuations.
- Currency exchange risks.
- Labor costs in production hubs.



S

- Athleisure & hybrid wear gaining popularity.
- Health & fitness trends driving demand.
- Social media influences branding.



T

- Smart textiles & wearable fitness growing.
- AI-driven personalization in marketing.
- Digital transformation in retail & logistics.



L

- IP rights & counterfeit challenges.
- Labor & employment laws in manufacturing regions.
- Advertising transparency regulations.



E

- Sustainability initiatives in materials & packaging.
- Climate change impacts supply chains.
- Carbon footprint reduction efforts.



UA Porter Five Forces analysis

Threat of New Entrants - Moderate

- **Brand Loyalty:** Strong consumer preference for Nike and Adidas makes entry difficult.
- **High Capital Requirement:** New brands need heavy investment in R&D, marketing, and supply chain.
- **Economies of Scale:** Established players benefit from cost advantages in bulk production.
- **Digital Disruption:** E-commerce lowers entry barriers for niche performance brands.



Bargaining Power of Suppliers - Moderate

- **Global Sourcing:** Suppliers in Vietnam, China, and Indonesia reduce dependency.
- **Rising Raw Material Costs:** Fluctuations in synthetic fibers and rubber impact pricing.
- **Limited Vertical Integration:** Heavy reliance on third-party manufacturers increases costs.
- **Sustainability Pressure:** Demand for eco-friendly materials raises supplier influence.

Bargaining Power of Buyers - High

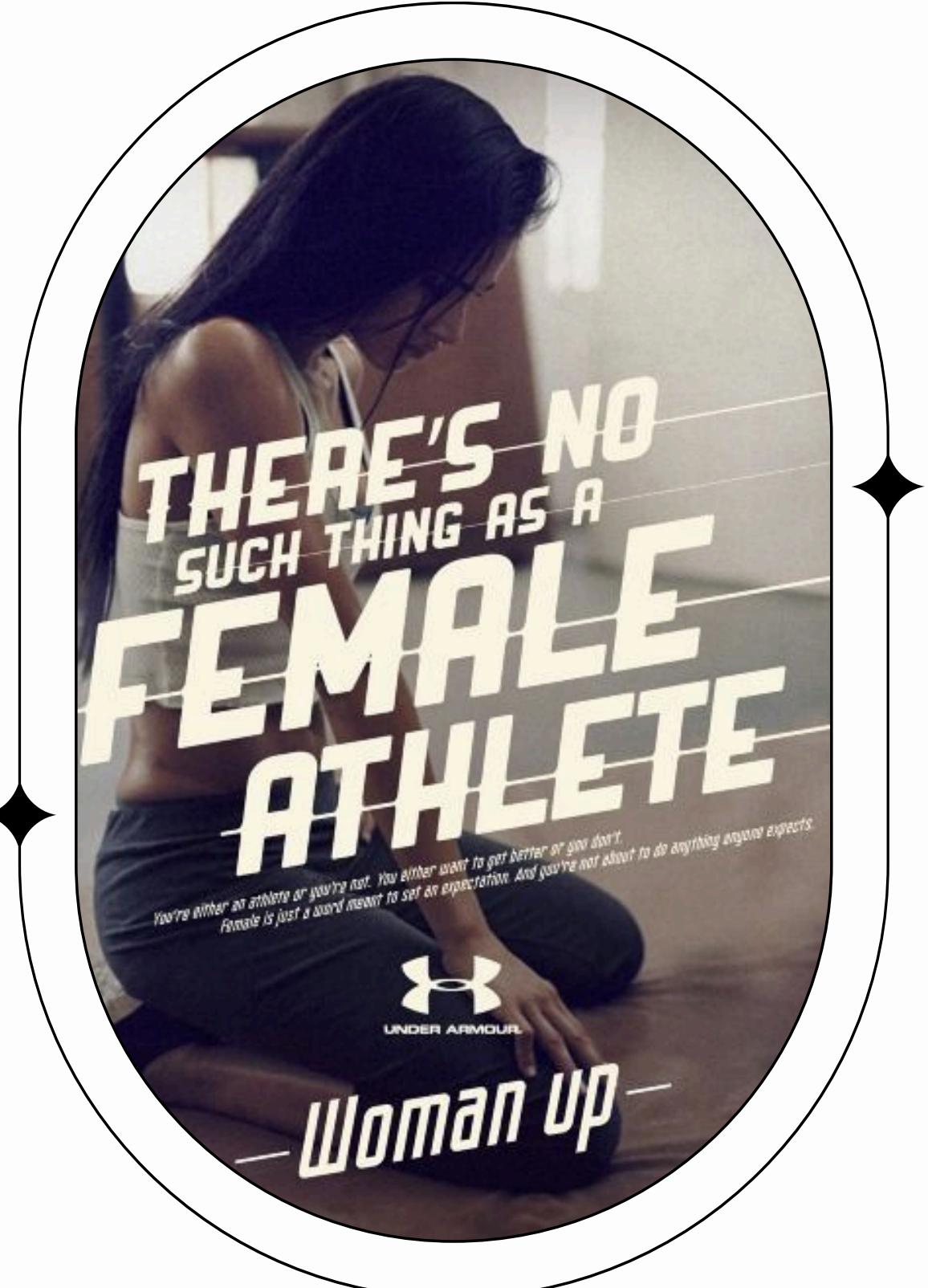
- **Multiple Alternatives:** Nike, Adidas, and budget brands provide strong competition.
- **Price Sensitivity:** Consumers expect discounts and promotions, reducing pricing power.
- **DTC Strategy:** Own e-commerce platform helps Under Armour control margins.
- **Customization Demand:** Consumers prefer personalized products, increasing expectations.

Threat of Substitutes – High

- **Fast Fashion Brands:** Zara, H&M, and Lululemon enter athleisure markets.
- **Wearable Fitness Tech:** Smartwatches and fitness trackers replace performance gear.
- **Budget Sportswear:** Non-branded alternatives provide cost-effective choices.
- **Lifestyle Shift:** Hybrid work culture boosts casual wear over high-performance apparel.

Industry Rivalry – Very High

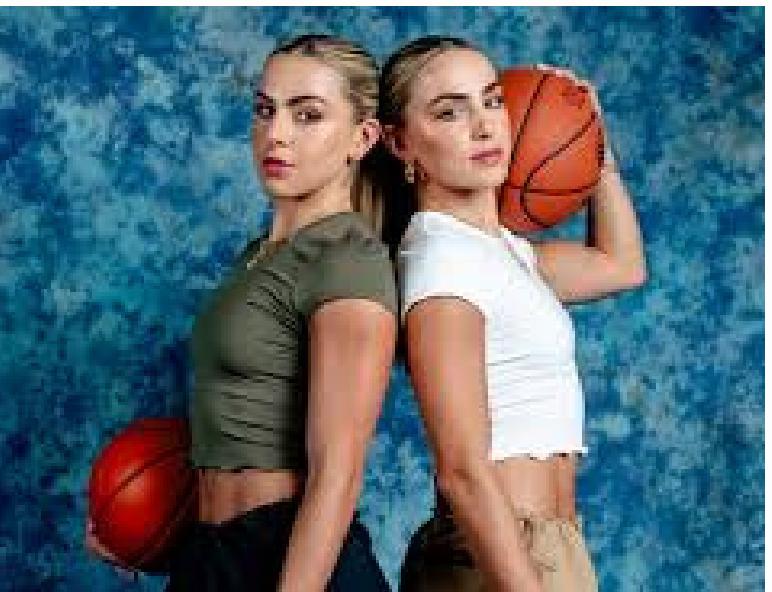
- **Intense Competition:** Nike, Adidas, and Puma dominate the sportswear industry.
- **Heavy Endorsements:** Brands invest in athletes, teams, and event sponsorships.
- **Product Innovation Race:** Companies continuously improve technology and materials.
- **Price Wars:** Frequent discounts and promotions affect profitability.



UA Business Strategy

● Differentiation Strategy (Primary Strategy)

- **Performance Technology:** Uses HeatGear®, ColdGear®, and UA HOVR™ for advanced sportswear.
- **Athlete Endorsements:** Partners with Stephen Curry, Tom Brady, and The Rock to boost credibility.
- **Sustainability Focus:** Invests in recycled materials and biodegradable fabrics for eco-friendly products.
- **Omnichannel Presence:** Expands across retail stores, e-commerce, and digital platforms for better reach.



● Cost Leadership Strategy (Secondary Strategy)

- **Lean Manufacturing:** Optimizes production in Vietnam, China, and Indonesia to reduce costs.
- **DTC Expansion:** Strengthens direct-to-consumer (DTC) channels to improve profit margins.
- **AI-Driven Supply Chain:** Uses predictive analytics for efficient inventory and demand forecasting.
- **Smart Pricing Strategies:** Implements dynamic pricing and discount models to attract budget-conscious buyers.

UA Corporate Strategies

Growth Strategy - Market Expansion & Digital Focus

- **Global Expansion:** Targets China, Europe, and Latin America to diversify revenue streams.
- **DTC & E-Commerce Growth:** Strengthens own retail stores and online platforms to improve margins.
- **AI-Powered Personalization:** Uses machine learning for consumer insights and digital engagement.



Sustainability & ESG Strategy - Circular Economy & Carbon Neutrality

- **Eco-Friendly Materials:** Expands use of recycled, biodegradable, and plant-based fabrics.
- **Carbon Footprint Reduction:** Focuses on energy-efficient production and sustainable sourcing.
- **Waste Reduction Initiatives:** Implements product recycling programs and minimal packaging.

Portfolio Optimization Strategy - Brand Repositioning & Innovation

- **High-Performance Focus:** Repositions as a premium performance brand over lifestyle wear.
- **Divesting Weak Segments:** Exits low-performing categories to streamline operations.
- **Strategic Partnerships:** Collaborates with tech firms, athletes, and influencers for innovation and branding.

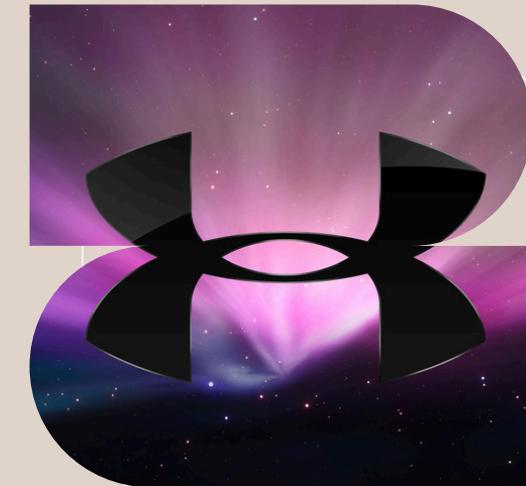
Conclusion

The sportswear industry thrives on innovation, branding, and market positioning, with Adidas setting the gold standard while Under Armour pushes boundaries as an aspiring brand.



Adidas, a global leader, dominates with strong brand equity, high-profile endorsements, and sustainability-driven innovation. Its digital transformation and direct-to-consumer focus ensure continued market strength.

Under Armour, though still an industry challenger, is making strides with performance-driven technology, AI-powered personalization, and global expansion. Its potential lies in refining market strategies and increasing brand penetration beyond North America.



While Adidas remains the benchmark with its scale, innovation, and market dominance, Under Armour continues to evolve, proving that in the fast-paced sportswear market, the game is always on.