***Under Armour strategic marketing plan to operate in Jordan***

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***Executive summary***: The brand was established in 1996 by its founder (Kevin plank), it is company specialized in the manufacture of shoes, clothes and sports accessories. Its head office is in North America and has expanded globally in previous years. The first part of the plan is explained the company’s vision “**“to inspire you with performance solutions you never knew you needed and can’t imagine living without” and its mission** (**Making all athletes better through passion, design, and the constant pursuit of innovation**), some of its goals in the short and long-run **(we will protect this house: build it better)**, and its global and internal objectives to all the functional divisions of the company. The second part talked about situation analysis and classified as follows: the first step analyzed the internal environment that included the company’s financial performance (its revenue growth rate, market share among the strongest competitors and the annual growth rate from customers and suppliers expenditures). The second part of the internal environment described a group of cultures that UA’s pursues. Customer environment described the customer based brand equity and answers the 5w questions related to customer behavior towards the company. External environment includes PESTEL analysis. Followed by segmentation, targeting, and positioning strategies that the company works with. Part three SWOT analysis describes some of UA’s strength, weaknesses, opportunities, threats and its strategies of its competitive advantage. Part four explained the company marketing strategy (products, price, promotion, and place). Then the marketing implementation and its stages. Followed by its marketing control that consists of Employee recruitment, selection, and training, Compensation, Internal communication programs, Management commitment to marketing plan and to employees, Organizational Chart).

***UA’s Vision***

SUSTAINABILITY VISION STATEMENT WE own a strategic advantage because we WILL innovatively design our products and operate our business in ways that makes athletes better, provides high and long-term stakeholder value, PROTECT our customers, our team and our partners’ teams and ensure that we efficiently use resources to sustainably build OUR HOUSE.

The company’s vision is to provide sportswear that work with your body, improve performance, and the adaption of the product to your body temperature ‘combining design between science and innovation’, changing the concept of traditional sportswear by making it the best for the most effective performance.

***UA’s Mission***

The brand’s mission has four core elements from the company’s point of view (**Making all athletes better through passion, design, and the constant pursuit of innovation**).

**“To make all athletes”** the mission of company here revolves around the target market that the company the brand seeks to serve them. The idea is to serve everyone who loves sports regardless of gender, race, demographics, or even playing sports

**“Better through passion”** the passion is a component that played an important role in the brand standing trying to influence and solve their consumers problem in an emotional way by assuming the brand ‘UA’ is a person who is striving to be a football player in the full sense of the word or a basketball player in his educational institution.

**“Design”** design plays an important role in the company’s designs, where the company focused on making its products unique in terms of design and convenience among its competitors, as it operated specialized devices to measure the movement of hands and legs of athletes during exercise, these devices helped the company to design clothes that suits all athletes sizes in a very clever way that the person who wearing the clothes feel that he/she do not wear clothes that disturb him/her when performing various exercises.

“**constant pursuit of innovation”** the company succeeded in communicating the idea of innovation to customers in the past decades, as the company sought to communicate to its customers that they must consider getting the best performance without forgetting the comfort when they are performing exercises!.

***UA’s Goals (we will protect this house: build it better):***

Globally scale lighthouse, using local manufacturing to distribute faster to retailers in every county we are operating in, to make sure that we don’t delay the customer to deliver his/her order.

Reduce waste, improve packaging design, and materials to make sure that the company don’t have an impact on the environment.

Interact with our strategic partner and their teams and make sure we understand the culture they live in, to provide more value for them.

***UA’s Objectives***

Under Armour objectives reflect its current and future goals that the brand aspire to achieve. The following is a list of these objectives:

* The Brand’s appeal has expanded to serve other consumer groups categories, especially women and youth.
* Focus on global brand awareness and presence to attract the new generation of professional athletes.
* Focus on development a strong Under Armour team just seeks to meet needs of customers.
* Continues marketing efforts using social media, guerrilla marketing, and e-commerce to deliver the best product and handling complaints.
* The company also seeks to leverage its market shares by increasing the number of retail stores to serve all countries around the world.

***Situation analysis***

***The internal environment:*** The Company’s revenue growth rate in 2019 was 3.69%, and 13.12% growth compared to the industry which is high. The company estimated a decrease in its sales growth for the next five years at -7.73%. The total net income for UA in (Dec 31 2019= 92.14$).

***Financial Performance***

***Apparel (clothing) industry*:** it acquired a market share of **“4.47%”** behind three companies **RL “4.78%”,** Tommy Hilfiger **“4.58”**, Nike “12.08%”.

# *UA Inc.'s vs. its Suppliers Results*: REV=1,441.23, Result with a net loss of using suppliers -15.30%.

***Company's Customers Expenditure Growth Rates***: REV. SEQ. “0.82%”.

Under Armour Inc. (n.d.). Retrieved March 21, 2020, from https://csimarket.com/stocks/UA-Business-Description.html

***Accessories industry*: it acquired a share of “1.4%”, and was the last in the industry among four other companies.**

***Footwear industry:*** It acquired a small percentage of shares “0.83%”, and it was before the last in the industry (Rocky brands with a share “0.3 %”).

***Under Armour culture and structure***

An overview of some of the cultural clubs that the company use:

***Unified:*** the company focused on this culture that it applies that there is no discrimination between the people who work in the organization regardless of their sexual orientation (lesbian, gay, and bisexual, transgender, queer or questioning), in order to emphasize the equality of employees to build a stronger team without personal problems. "محدش الو دخل بالثاني, واي احد يقوم بالتدخل بالامور الشخصية لشخص اخر فهو يخرق قوانين الشركة وبذلك سيعرض نفسه الى المسألة والتي ممكن بدورها ان تؤدي الى خسارته لوضيفته".

***L.E.A.D:*** Create different platforms for each culture that support the different opinions of customers, which in turn promotes brand awareness and a deeper understanding of the needs of customers according to their cultures.

***B.E.A.T (Black Employees Achieving Together):*** This culture provides respect for black employees, in order to promote the professional growth of products by members of the black team, and to create a spirit of brotherhood within the company so that no one feels different from the other. (سياسة لدعم اخواننا الافارقة)

***W.I.L.L (Women Inspiring Leading Living):*** Empowering and encouraging all the UA’s women to lead, live, and inspire to discover their highest potential.

***Lead:*** Think like future women and catch opportunities.

***Live:*** Create your personal growth and do kindness acts to society.

***Inspire:*** Respect all and be open minded.

***UA Military Veterans club:*** This culture focuses on the development of military Under Armour products, by connecting veterans to the company through social and other events, who in turn instruct the company to design comfortable clothing for the military based on their previous experiences in wearing military clothing.

***The Customer environment.***

***CUSTOMER BASED BRAND EQUITY OF UNDER ARMOUR:***

***Resonance***

Loyal consumers due to the sponsorship given by the UA to the USA sports team, athletes and highly innovative products.

***Judgement***

High-quality products for every type of sports, especially for football.

***Feelings***

Sense of becoming stronger and more enthusiastic (Using Taurus الثور" "حيوانlogo and ‘I will’ slogan in its products.

***Performance***

Long lasting quality products.

***Imagery***

Quality and innovation by keeping the quality of its products.

***Salience***

Using high-tech and quality sports apparel/ footwear/ accessories.

***Answering the questions of the 5w model:***

1. ***Who are our current and potential customers?***

Demographics ages between 8-65, both genders male and female, location athletes all over the world. Psychographics are people who are interested in sports and healthy lifestyle, activities are football, basketball, iron players, and other clothing suitable for different types of sports.

1. ***What do customers do with our products?***

Clients use UA’s products at times they deem appropriate to perform their exercises. Meaning after completing work and they can also wear the rest of the products (tops, shoes, pants) at their regular exit from the home (go shopping, see friends…). Also under Armour differentiate between its light and heavy users by the using of their own application “working-tracking app” that works with different devices such as phones and smartwatches, so the application works by giving people a set of challenges ( run 10 miles) and if you complete it, the will get points and win gifts and discount cards “loyalty program”. Customers also can wear competing sportswear brands when they perform their exercise such as they can wear Nike tops and UA’s shoes, UA’s work hard to make their customers to wear only its products.

1. **Where do customers purchase our product? (I mention this in the distribution strategy).**
2. ***When do customers purchase our products?***

Customers buy our products when they need sportswear to perform exercises, or when they need clothes to show their sporty lifestyle such as:(Tops or shorts that showing muscles) when going out in front of the public.

1. ***Why do customers select our product?***

Because our clothes are one of the most comfortable clothing for athletes, and they also have beautiful designs that keep pace with fashion.

1. ***Why do potential customers not purchase our products?***

It is possible that they prefer another brand from us, or they don’t have full knowledge about the products that the company provides, and because we don’t have retail stores to sell products in their countries.

***Under Armour External Environment***

***Competitor’s analysis***

Because the company is competing in a market that is highly competitive and there is always new entrance by new firms, the company should always focus on its decisions by delivering more value to customers and also maintain our high quality that but us apart from the competitors, and we also believe that we are competing successfully because our brand image and recognition is spread as we expected in the past, therefore, we expect in the future to compete for customer preferences and price discrimination, which will become a threat to competitors and an opportunity for us because the company’s constant quest to reduce the cost per piece (**more explanation in political factors**). The top 10 competitors in UnderAmour’s competitive set are Nike, Adidas, PUMA, Reebok, New Balance, Lululemon, Fila, VF, Gildan and Abercrombie & Fitch.

***Political factors***

Political roles play an important role in the strategic decision related to payment of employment and cost of production, the company manufactures its products in 15 different countries and 60% of the products are manufactured in China and Vietnam because of cheap labor and government incentives provided by these countries, which reflects positively on reducing costs and exporting their products from these countries to the rest of the world. As for the company’s main location “America” the company manufactures its products in Mexico, but due to political instability in the region which increased the costs of manufacturing, the company will shut down its factory and head to more flexible countries “Japan and Denmark”.

\*\*\*\*\* Under Armour has alliances with factories in Jordan distributed as follows: \*\*\*\*\*\*

“Al-Areen Wear Company / Dair Abi Saeed, Irbid, 10/ 1-500 Workers/ Apparel.”

“Casual Wear Apparel LLC / Casual Wear Plot # 675, Wadi Ad Dulayl Industrial Park Plot # 675, Wadi Ad Dulyal Industrial Park / 500-1,000 Workers / Apparel.”

“Century Wear / Al Hassan Estate, Ramtha / 1-500 Workers / Apparel.”

“Classic Fashion Apparel Industry LTD Co/ Al-Hassan Industrial Estate, Po Box 54, Ramtha / 5000+ Workers/ Apparel.”

“Fine Apparel LLC / Fine Apparel, P.O.Box 199- Ad Dulayl Industrail Park Q.I.Z. P.O.Box 199 Ad Dulayl Industrail Park Q.I.Z. Az Zarqa – 13136 / 500-1,000 Workers / Apparel.”

“Needle Craft for Clothing Industry/ 684 Ad-Dulayl Industrial Park (Qiz), Ad-Dulay/ 1,000-5,000 Workers/ Apparel.”

***Economic factors***

Under Armour is driven by strong economic policies. A country’s GDP, its per capita income, inflation, purchasing power have major impact on the company working in or dealing with that country. The economic growth in the clothing industry increasing by 4.8% annually in the world, which expected to reach 900 billion at the end of 2021. Which allows the company to expand its business in the Asian countries and the Middle East and dispensing production in countries where the cost of labor is rising at rapid pace such as China “because of the trade war it is passing with the United States (Increase inflation in China)” which will affects the company and the company’s customers because it will be forced to raise the prices of clothes to cover the costs and profit at the same time. Therefore, the company’s orientation to Middle Eastern countries will save the company a lot of cost, such as the cost of operating employees.

***Social Factors***

People’s lifestyle has changed recently, they have become more interested in sportswear than before and also have become more aware of health issues and have begun to lean towards sports and outdoor activities. These changes provide an opportunity to target more customers, because people want sportswear the removes body moisture and has fabrics that do not cause allergies and at the same time the cloth should look attractive. For these changes the company needs to constantly adopt changes in consumer’s needs.

***Technological Factors***

Under Armour permanently uses social networking platforms to learn more about their customer’s problems, get their comments/feedback about the product, and deliver its products to the consumer house who order online. The company does not face a problem with technological factors because it uses it efficiently.

***Legal Factors***

Continue working on maintaining the rights of workers, through implementing the FLA code of conduct “Fair labor association”, which states for a set of regulations employees relationships, nondiscrimination, harassment or abuse, forced labor such as prison labor, child labor employed under 15 years, compensation, house of work includes working hours and weekends.

***Environmental Factors***

Because of the high population and the low rate of water in the world, NGO’s and governments are calling clothing manufacturers to find other resources for the shoe industry. Producing couple of shoe requires 2,200 gallon of water, which affects consumption significantly.

Under Armour spending policy stipulates that make $1 spend like $3. Waste: the company always make improvements in this area example “improve packaging by dealing with carton suppliers to reduce the use of plastic bags and promoting recycling; all under Armour cartons, paper, boxes, and plastic bags are 100% recycled, also recycle leftover fabric materials into Give Back bags, catalogs and posters used by the company are recycled two.

***STP Model***

***Segmentation***

Initially the UA market was focusing on selling sportswear to mean for a long time, and the brand image was based on American football and the target market in the beginning was men.The company decided to target the women’s market, which promoted it to develop a new segmenting strategy to capture the attention of sports girls, whereas, the company created a campaign under the name ‘I will do what I want’ to celebrate the woman “who had the physical and mental strength to tune out the external pressures and turn inward and chart their own course” (Darden, 2016).

The company did not stop at this campaign, it also targeted all kind of women, not just athletes. The company made another campaign and partnered with a ballerina Misty Copeland and the model Gisselle Bundchen in hopes of building brand equity and raise awareness, and as result of this effort the company’s sales percentage increased 30% making Under Armour more competitive than Lululemon and Nike (Darden, 2016).

***Targeting***

The company focused its targeting strategy on middle and high societal groups their ages between (8-65) who are interested in a healthy and sporty lifestyle and who have a desire to acquire comfortable high-quality sportswear and accessories.

***Positioning:***

***Product attributes:*** the company emphasizes the use of technology in its industry that make consumers feel better in performing exercises, and this feature puts it in a preferred position among its customers because it makes them feel that no one in the market (competitors) produces sportswear that suit them and understands their needs.

***Use or application:*** For every man or woman who strives to adhere to a healthy athletic lifestyle that helps them achieve the ideal weight that they seek to obtain by commitment. Long-lasting, comfortable and high-quality sport products, keep up with your high taste in wearing clothes.

***Price-quality relationship:*** high prices with a high quality sportswear.

***Product user:*** athletes, people who love sportswear, football and basketball players, and other fitness group.

***Cultural symbol:*** Under Armour is a symbol of speed, strength, and athleticism.

***SWOT analysis***

The Firm’s SWOT analysis:

***Strength****:*

**Innovation**: The Company has reduced its use of elastin, and the problem with elastin that it increases excessive sweating and needs longer drying time, wears out quickly, and is not recyclable. And replace it with new thread texturing techniques and polymer traits that eliminate the need for the elastin, which make the products lasts longer, and can be recyclable. / **Collaboration**: Because music is a major part when performing sports, the company has cooperated with JBL company to manufacture wireless headphones without wires, which made it distinct, easy to carry and comfortable (حجمها بحجم ابهم الاصبع), and on each earphone there is the logo of UA’s and the brand name of JBL company. */***Focus** on kid’s and women apparels.  */* **Brand recognition:** voted as being the 5th most valuable business brand in 2017. */* **developing** of digital apps: working-tacking app (I mention it before).

Brand loyalty / athletes and team sponsorship.

**Weaknesses:** Limited presence in some countries such as Jordan and India. **/**Limited product range i.e. it has no multiple product categories. /High products prices.

Relies heavy on distributors.

**Opportunities**: Focus more on corporate social responsibility. /Female market /E-commerce and media. /Increase in sports participation.

**Threats:** behavior change/ economic climate (Global recession) / Increase taxes.

***Under Armour Competitive advantage.***

The firm has identified two strategies to build sustainable competitive advantage:

***Generic strategy****:*

it’s all about innovation and best performance, the company has focused on making clothes suitable for all global climates, so that the player is not affected by different temperatures **(I will mention the type of products in the marketing strategy),** in addition to maintaining a cool body and also enhancing muscle performance. Innovation helped Under Armour build a well-known brand in a short time and gain an impressive market share.

***Intensive strategy:***

Four intensive strategies developed with the firm to increase its market share and increase its customer base.

1. ***Market penetration:*** a strategy of selling more products to the existing customers, i.e. when developing a new product adding it quickly to its product line to sell to customers faster.
2. ***Market development:*** company expanding and selling its products to new customers, and this strategy help the brand to grow its market share and customer base. The company succeeded in growing outside its home county U.S where it was making up most of the company’s revenue 80%, and it quickly expanded in Asian countries, the company achieved rapid growth in the Chinese market and other Asian countries, where international sales became an important part of its revenue.
3. ***Product development and diversification:*** While innovation is its main focus it has continued to roll out innovative products one by one. Staring from the first Compression T-shirt to the Speed form Slingshot, UA has made several innovative products that are designed to help the athletes perform at their peak. In this way, UA has successfully used the product development strategy to grow its popularity, customer base and market share.

***Marketing Strategy***

***1-Product***: The Company divided its products on its official website into six sections (men, women, boys, girls, shoes, outlets) and inside each section there are categories (featured, shop by category, shop by sport, and shop by collection), and within each category there is a special section for product type i.e. (shop of category consists of accessories, bottoms, outwear, shoes, tops, underwear, shop all men’s) and so on to the rest of the categories <http://www.underarmour.com>.

HEATGEAR is designed to be worn in warm to hot temperatures, alone or under equipment. COLDGEAR is engineered to wick moisture from the body while circulating body heat from hot spots to help maintain core body temperature. ALLSEASONGEAR is designed to be worn in between extreme temperatures. It uses technical fabrics to keep athletes cool and dry in warmer temperatures while preventing a chill in cooler weather.

***2-Price***: The prices of the company’s products are high, but they are of high quality.

Prices for accessories (Backpacks & bags “15JD – 250 JD”, Belts “14.91JD – 57.40JD”, Socks for all sports “11.48JD- 22.96JD”, and gloves for all sports “45JD- 450JD”, Caps “22.96JD- 40.17JD”, Headphones “114.74JD- 286.94JD”, Sunglasses “86.09JD- 229.60JD”, Phone cases “45.91JD”).

Prices for bottoms (Leggings & tights “35JD – 105JD”, Pants & Sweatpants “51.66JD- 126.28JD”, Shorts “28.70JD- 68.88JD”, Underwear “22.96 JD – 45.92 JD”).

Prices for shoes (Basketball”55JD-140JD”, Boots”97.62JD-287.15JD”, Golf”103.38JD-183.78JD”, Hiking & trail”80.4JD-287.15JD”, Running”55.12JD-160.81JD”, Slides &Sandals”22JD-74.66JD”, Sport Style”64.31JD-183.75JD”, Training”74.65JD-160.81JD”).

Prices for Tops (Graphic T’s”25JD-40JD”, Hoodies & Sweatshirts”68.92JD-137.82JD”, x”63.17JD-436.48JD”, Long Sleeves”34JD-114.85JD”, Polo Shirts”55.12JD-91.89JD”, Short Sleeves” 24JD-68JD”, Tank Tops & sleeveless”25.26JD-63.17JD”, Under Shirts”19.52JD-74.66JD”).

***3- Promotion***: Under Armour promotional & advertising strategy as follows:

Under Armour does not outsource an outside agencies to promote its products, unlike of its competitors, it use its in-house agency to make the product appear to customers in a consistent with the product performance. The agency manages all the company’s promotional campaigns, selling the product through its sales representative at point of sales “touchpoints”, TV advertisement, YouTube and social media advertising, billboards in big cities with celebrities endorsement, discounts and coupons, free shipping of products for order over 60$ conducted on its site. Also the company developed various campaigns, such as the “I Will” campaign in which athletes of different colors, races, and genders were shown winning their opponents. Another successful campaign is concerned with societal issues, as the company has developed basketball courts in the streets to help children to play, where this campaign not only helped to increase profits, it also contributed to creating positive brand advertising.

***4- Place/Distribution strategy:*** The Company uses the hybrid channel strategy that consists of both direct and indirect channels. The direct channel applied through its retail stores and this merchants has obtained an international presence in terms of the external design of the shape of its retail stores in Canada, China, Mexico, and UK, and the indirect sales method is applied by shipping goods to more than 200 countries (North America, Europe, Middle East, Latin America, Asia and Africa and contains the entire range of products available).

***Marketing Implementation***

Under Armour has maintained a differentiation strategy that has made it one of the strongest competitors in the sportswear market alongside both Adidas and Nike, which has pushed the company to develop a strategy to double its profit volumes at the end of each year (planning for the coming year) and this seems a realistic goal because the company is pioneer and has a lot of the strengths that help it to achieve this goal. Because the company aims to maximize its profits, it must consider planning to expand globally through two approaches 1) benefit from research and development, which in turn helps to open brick and mortar stores, as well as alliance with sports retailers and professional teams in each country that intervenes. 2) Due to the increased expansion, strategy and structural changes are necessary for the company, and this strategy is implemented by increasing the departments with multiple offices, which can be done by enter foreign markets through a transnational approach with a localization focus (this strategy helps the company to determine how customers in every culture react toward the products i.e. addresses customers behavior, and purchasing habits).

Stage 1: The company will need to employ strategic leaders in every county it enter it, to benefit from their cultural expertise to develop products that suit the culture that it interact with.

Stage 2: Support the advisory services and information technology in the country that will enter it to build knowledge of its brand.

Stage 3: Rewards for employees to achieve the goal of expansion faster.

***Marketing Control***

***Employee recruitment, selection, and training:***

Every person we hire must have something in common with everyone else in the company; the spirit of productivity, creativity in creating new things, not giving up, and we train them on topics explain the meaning of worker lifecycle how to make Root cause analysis (it’s like “putting out fires” for problems that develop, but finding a way to prevent them.

***Compensation***

***Minimum wage:*** the worker should pay at least the legal minimum wage not including overtime work. Also the worker should be informed about the legal polices regards to the wage.

***Training & probation wage:*** the worker shouldn’t work more than three month in this stage + he must receive the legal minimum wage.

***Voluntary wage deductions***: savings clubs and loan payments.

***Timely payment of wages:*** including the overtime, compensation should paid at least once a month.

***Internal communication programs:*** *the using of omnichannel communication internally.*

the company focuses on cross-functional collaboration, which is based on organizing between sales, marketing, creativity, and e-commerce departments to ensure that all functional areas is focused on both business and consumer goals and implementing the plan correctly. Example on this is the collaboration between UA application and UA.com teams, those who work together on a weekly basis to modify the various strategies related to promotion and experiences presented to customers and potential customers.

***Management commitment to marketing plan and to employees:***

Under Armour is always strives to achieve its goals and develop it in the long-run, also the founder of the company emphasized on innovation that must not end, pursuit of globalization, and the hunger that is not satisfied for growth in terms of the knowledge the brand and profits.

Under Armour follows the leadership style with its employees so that everyone feels that he/she is on the same career ladder.

***Organizational Chart***

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