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ASSIGNMENT 2

MARKETING MANAGEMENT

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Introduction

This assessment is an opportunity for the analysis of the marketing strategies of the brand Adidas. Adidas has a high market value and competitive advantage which is accomplished by the effective implementation of innovative marketing strategies. In this report, the internal and external market environment of Adidas will be evaluated. The significance of the marketing department within an organisation will also be addressed through this section. The internal and external analysis of Adidas makes room for providing suitable recommendations for improvements in the future.

Importance of organisational environment analysis

Based on several marketing strategies and marketing mixes, such as PESTLE analysis and SWOT analysis, the marketing activities of Adidas could be taken into consideration. Adidas adopted a multi-brand strategy by creating a diversified brand portfolio that allowed them to serve all market groups, from sportsmen to the common citizen. Adidas concentrates more on a broad strategy of differentiation (Saatchian et al., 2021). Adidas' corporate strategy is centred on innovation, with the goal of creating new goods, services, and procedures with the ability to compete in the market. They were able to keep their distinct identity in the market and focus on their core strengths thanks to this competitive advantage. Adidas is one of the top brands with a higher customer satisfaction rating as a result of all these initiatives that place a priority on improving the customer experience, creative supply chain management techniques, and quick responses to customer requests (Sicoli et al., 2019). It is necessary for organisations to perform a market analysis to understand the effectiveness of their marketing interventions and its impact in the customer segment.

Internal and external environmental analysis

External macro environmental analysis

PESTLE analysis

Political factors: The shifting trade policies and the political chaos in many nations are significant political issues that have an impact on Adidas. Adidas uses a variety of shipping techniques to distribute its goods because it operates through numerous channels on a worldwide scale. As a result of its complex supply chain operations, Adidas finds it challenging to adhere to national and international regulations (Li, 2022).

Economic factors: Adidas is also impacted by several economic factors like taxes, inflation, unemployment, and wage volatility. Due to changes in the world economy, Adidas must create successful distribution and sales methods for its products if it is to improve its market share

and profitability (Patras, 2021). Adidas also needs to concentrate on finding solutions to problems with import and export of goods.

Social factors: Two significant social aspects that have an impact on Adidas are brand image and consumer loyalty. Because consumers are being more health concerned, companies like Adidas must create high-quality sports footwear, clothes, and other products. Similar to this, social media efforts have a significant impact on adidas' marketing (Swartz et al., 2020).

Technological factors: Innovations and technological improvements play a critical role in keeping the brand relevant in a competitive industry. To accelerate the manufacturing process, Adidas has opened up some of the speed factories (Pandey et al., 2021). Major manufacturers in other countries around the world need to be included in this as well. To achieve optimal production, technological problems must be resolved as soon as possible.

Legal factors: Adidas, like other sports brands, is subject to legal duties that are controlled by the brand's policies and regulations.

Environmental factors: Low waste initiation programmes are a crucial component of the operations and a means of becoming sustainable. Adidas also placed a strong emphasis on lowering carbon emissions and realising a green business concept. Adidas also makes an effort to minimize the effects of all prohibited and restricted elements when producing, manufacturing, and storing goods in the supply chain.

Internal environmental analysis through VRIO analysis

VRIO analysis is a marketing strategy analysis tool that is used to assess the marketing activities of an organisation. VRIO is an acronym that stands for valuable, rare, inimitable, and organised (Tran, 2020). These four elements are the representation of the properties of the core competencies that can aid the organisation to achieve a business success. These competencies are resulting from the resources and the abilities that the company owns. The VRIO analysis of Adidas is demonstrated below

Valuable

This element illustrates the core competencies that help Adidas in exploring the opportunities that are available in the internal and external market. these competencies make the organisation to survive in a competing environment (Deshmukh, 2021). the valuable elements in case of Adidas are

- Brand image through CSR activities- Adidas possesses a great CSR function. The brand constantly involves in CSR actions. This engagement in CSR activities aid Adidas to have a non-substitutable competency.
- Brand image- the brands have a unique brand image and an integrity. The brand image is a representation of the trusts and honesty. This brand image cannot be copied or imitated by others (Lu, 2022).
- The ability to raise capital- Adidas is considered to be a large conglomerate. The internal sources have the potential to raise equity. This ability also allows the brand to raise a capital internally which is necessary in brand expansion and integration.
- Desire for innovation- Adidas is known for the innovation that the brand brings forth (Clarke, 2023). The innovation in many areas of the brand including manufacturing and marketing. this enables the company to achieve a better economic status in the market.

Rare

The competencies that are rare in nature but are possessed by certain brands and aids in attaining the competitive advantage is described through the element rare.

- International presence- Adidas has a global presence, which allows the brand to expand the customer base in a global basis. this will also support the organisation with a good financial stability and revenue through multiple regions (Ullah, 2021).
- Problem solving skills- Adidas has an organisational culture where problem skills among employees and management is appreciated. This skill will enable the organisation to survive the potential threats, and challenging situations in the market.
- Adaptability- adaptability of Adidas is remarkable. With its global presence itself, Adidas is made exposure to different cultures and social norms (Grishko et al., 2020). Localisation is also necessary for a brand to make penetration into local markets easily. The ability of Adidas to adapt with different external environment and cultures made it easier for the brand to improve accessibility, greater visibility and high penetration.

Inimitable

- Inimitable factors in the VRIO analysis helps in adding value to the competitive advantage and susceptibility of the organisation. there are various components that determine the inimitable feature of an organisation (Akram and Khan, 2019). this includes

- Quality product offering- Adidas has always been known for its high-quality products that it delivers to its customers. The high quality makes customers to be loyal with the brand.
- The easy accessibility of the stores- Adidas stores are located in places that are easily accessible. This will aid customers to make easy purchases (Yang et al., 2020).
- Marketing communications and competitive pricing are also other elements of the inimitable element.

Organisation

few of the resources that are efficiently developed by Adidas and cannot be beaten by the competitors in the filed contribute to this factor. This includes substantial financial strength of the organisation, the technological integration and advancements and employee training programs that Adidas is aimed at (O'Brien et al., 2019).

Role of marketing in organisational activities

The activities of an organisation are greatly influenced by the integrated activities of various departments within that organisation. In case of most of the business organisation, the overall performance and growth of the organisation can be considered to be greatly influenced by the marketing team (Zhu, 2022). The marketing team has significant role in framing the overall performance and success of the firm. In many of the organisation, the mere responsibility of the marketing team is to engage in the marketing activities, but in the practical scenario, there is more than marketing the product that a marketing department of an organisation is involved in. Some of the roles and responsibilities of the marketing team within an organisation is to;

1. Developing of the marketing strategies
2. Analyse and evaluate the impact of the marketing strategies
3. Conducting and execution of the marketing campaigns
4. Communication among different units of the organisation
5. Enhancing customer engagement and customer satisfaction rates
6. Promotional activities of the products and services of the firm
7. Defining the brand and maintaining the brand image
8. Supervision of the social media engagement and digital marketing platforms
9. Efforts to attain regular customer feedbacks and reviews

Marketing team is responsible for effectively communicating with the society regarding a product or service that the organisation is introduced. The way that is adopted for this

communication plays a significant role in determining the acceptance of the product in the community. Since social media platforms are making a major place for marketing and advertising contents to the society, marketing department can take care of the digital media platforms that an organisation is dealing with (ten Have, 2019). In addition to this, it is the responsibility of the marketing team to assess the effectiveness of the strategies they are implementing within the organisation.

This can make the marketing department to conduct market analysis based on the various strategic tools (Li, 2022). This analysis will aid the team to understand the internal and external marketing environment of an organisation and to undertake necessary marketing actions that defines the brand best. It is also necessary to be updated about the current trends in the market place to avoid unfavourable situations in the future. Effective planning and execution of the social media campaigns and other digital campaigns falls under the responsibilities of the marketing department (Guo, 2022). Besides all these activities that are focused on enhancing the growth and success, the marketing team can also focus on research and innovation programs that can develop innovative strategies and technological advancements.

Recommendations for Adidas to enhance marketing activities

With the analysis of marketing interventions by Adidas in the previous sections, it is necessary to provide the suitable recommendations for the brand to improve its actions in the future. After an analysis of the current activities, few areas where Adidas can improve is

- Focus on sustainability interventions. Adidas must ensure usage of sustainable materials. The use of sustainable materials must be enhanced in the production process. This can involve materials such as recycled polyesters, organic cotton etc.
- Increase the transparency of the operations. Adidas must focus on improving the transparency in its supply chain. This will allow customers to be aware of the source of the products and how they are developed (Murnock, 2021).
- Support sustainable practices- throughout the supply chain functions, Adidas can focus on improving the sustainable practices. This involves fair labor practices, sustainable farming etc (Phoung et al., 2019). these can also be considered as efficient CSR activities.
- Improve energy efficiency- renewable energy resources must be encouraged by Adidas which will aid the brand to reduce its energy consumption. The focus on renewable resources will also make it possible to reduce the emission.

- Adidas can boost its focus on brand credibility, consumer experience and sustainability (Ugli and Park, 2021).
- Digital transformations can be prioritised.
- Invest in consistency into its customers and its unique workplace.
- Investments in product development, marketing and sponsoring can be practised by the organisation to improve the customer reach and customer experience (Varela, 2020).
- Enhancing the brand architecture for a better market position in the sports and lifestyle.
- Digitalisation must be adopted to the stores of Adidas to deliver a better experience to the customers.

Conclusion

This marketing assessment is an evaluation of the various marketing strategies in context to an organisational practice. To understand the effectiveness and significance of the marketing interventions in Adidas, internal and external market analysis of Adidas is carried out in the assessment. Recommendations are provided at the end of the report where Adidas can focus on in the future.

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