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MARKETING FUNDAMENTALS
ANALYSIS AND EVALUATION

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INTRODUCTION

Marketing is the process in which companies develop interest in the minds of consumers about the products and services. It is just the actions which the company has to take to attract the audiences about the high quality products which they are going to sell (Jalil and Yeik, 2019). In the present time, the marketing activities is something which has helped many of the companies to increase their market share and also to achieve growth in the market. Many companies use different marketing techniques so that they can achieve the growth in promoting the products and can be able to increase their sales. This activity is done by the companies because this, it can be difficult for the consumers also to identify things about the existing companies and the products and services which they are selling. The main objective of marketing is that the companies conduct the research about the consumers, their habits of making the purchases and the existing competition which is prevailing in the market. Adidas is a German multinational corporation which was founded in the year 1924 and is having its headquarters in Herzogenaurach, Germany. They work for the designing and manufacturing of clothing, shoes and accessories which is provided in many of the countries. This report will cover processes and stages of marketing, role of marketing environment with other models and determining segmentation, targeting and positioning of the company.

MAIN BODY

Main stages in the marketing process

Marketing process is a series of steps which has to be followed by the companies in order to make the identification of the customer problems which they consumers are facing and also to make the analysis of the market opportunities so that the company can use that opportunity in fulfilling the objectives of a company (Pagan and et. al., 2021). It is important for the company to follow such marketing process because it will help them to create the marketing materials so that they can reach to the desired audiences. Adidas also makes the follow up of working on this marketing process because with this only it would be able to achieve its marketing objectives. There are some of the steps which needs to be followed up and those have been discussed below-

- **Situational analysis-** In the development of marketing strategies or the objectives it is very important that the business needs to make the analysis of the market so that they can make the identification of opportunities and the risk which is prevailing in the market. IT

is important for the business before making any analysis of the business that they have to find out that what consumers want and what thoughts the consumers are having about the company and products so that they can deliver the same to them. Adidas have always tried to work according to the trends and what are being delivered by the competitors in the market so that they do not have to step back. The situational analysis is the most important thing because in marketing and promoting of activities much investment is made and so it becomes very essential to make such type of analysis.

- **Objectives-** Marketing objectives are the targets which is made in the market so as to make the identification of what products would be best to deliver it to consumers and what products are being provided by the other competitors in the market. Adidas makes the marketing strategy on the basis of the demand in market which is being required by the consumers to be fulfilled(Willems, Brengman and Van Kerrebroeck, 2019). The marketing objectives works on the SMART objectives which covers the things in relation to being specific, measurable, achievable, relevancy and time bound. The main of performing all the steps and function in marketing is because the companies want to increase the sales which can be made only with the help of conducting the marketing strategies. Adidas marketing activities are amazing and always unique which is why the company is successful in increasing the brand awareness in the market that people in many of the countries knows about this brand.
- **Strategy-** Marketing strategy refers to the tactics and plans so that they can reach to the target audience and would be able to achieve the objectives of a company. It is the roadmap or the blueprint which has to be developed by the marketing department of the company so that they can work according to the established goals. When their will be development of marketing strategy then with this the scarce resources of the company will be utilised in a better manner and will be able to provide them the opportunities to grow in the market (Dwivedi and McDonald, 2018). Adidas also has a strategy for the marketing objectives because without having any of the organisation objective the strategy would not be able to be developed. They always try to make the identification of the target market and conduct the marketing mix if they have to launch any of the new product in the market.

- **Implementation and control-** The implementation and control in the marketing plan refers to the achievement of goals which needs to be fulfilled by the companies otherwise it could create difficulty for the company. The role which is played in the step of implementation and control process is that before working on the control activity it is important that the company is working for the organising and directing of people and is working on the responsibilities that would be helpful in satisfying the needs of consumers(Tartaglione and et. al., 2018). But in this step, the standard which has been created by the company needs to be identified so that they can make the measurement in the performance of marketing activities which has to be followed.

Macro environment

Macro environment is the outside business environment which exist in the economy and makes a direct impact on the working conditions of a company. This has to be made analysed and evaluated by the company so that the company would be able to identify that what activities they have to do and how it will be fulfilled.

PESTEL analysis-

- **Political factors-** The working of Adidas is in almost every country and they have to conduct and develop the relations with other countries so that they can make the distribution process simplistic. With this, they have to follow the political procedures of every country in which they will be supplying their products. Adidas have to work according to the rules and regulations of the country which at times becomes really very difficult to conduct their performance under it.
- **Economic factors-** There are many companies which are working for the sports related factors and in it Adidas is the major contributor and provide products which are expensive and also leisure(Crane, 2021). The unemployment, profitability, taxation are one of the factors which is worked by the company in the best manner. The demands of people are being satisfied because the company is providing them the products. But the main factor which has to be considered by Adidas is that they have to make the pricing of their products carefully as compared it to other countries. It is because of the rise in counterfeit products which can hamper the market share of a company.
- **Social factors-** The products which are being developed by Adidas is according to the demands and preferences of consumers and they make the changes in the designs of

products after some time. They provide products which are related to every age group of people but with that their main focus is on people who are more likely inclined towards the sports and like the products which are related to sports. Adidas in the present time of COVID-19 pandemic is working for many communities and are making investment so that people do not face any issues.

- **Technological factors-** Adidas is working under many conditions and are working hard so that they can satisfy the needs of athletes in a very better way. They want to make something which will be unique and at the same time will be useful to the people who are related with sports(Andreasen, 2018). This is the reason because of which they are making the development of durable solutions and for which they make the use of natural material replacements. Adidas also provides the products online which can be booked by consumers with the help of website or with different e-commerce channels. They are working to make some of the products which are related with the technology.
- **Environmental factors-** The company is working for the environment and they conduct all those activities which are required which are not hazardous and are offering the best to the environment. Adidas used to follow the ethical practices in which the foremost comes the environment because they know with this they would be able to supply best things to the community and also to the society(Flora, Schooler and Pierson, 2018). The company have always tried the best efforts in terms of working to the society and also to the environment so that they can develop a goodwill in the market.
- **Legal factors-** The company is having the ownership of intellectual property and the IP systems because of which they can make the design of patents and can defend all those companies which do the work of copying down the things or the practice of infringement. They are working in different countries and because of which they have to follow some of the rules and regulations which at times becomes difficult to be handled as they not only have to comply with the internal laws but also for the local laws.

SWOT analysis-

- **Strengths-** The company is founded many years ago and because of which till now they have created a good brand value not just in their home country but also in another country. They have made the sponsoring of many of the events because of which the company was highlighted and the events which they have made the sponsoring was the

sports events. Not just this, the main strength of Adidas is that they have created many of the innovative and promotional activities which is not just different in the market but are also unique.

- **Weakness-** The products which are offered by Adidas is not being purchased by any of the individual because they are bit costly because of the innovation and the development of products which they are doing(Xu, Liu and Lyu, 2018). The other factor because of which they are weak in the market is of the existence of competitors and they know that if they are not able to provide satisfaction to the employees then in this case they would not be able to increase their customer base. People will make the switching of the brands to another company.
- **Opportunities-** The main opportunity for which the company is successful as they found that to make the increase in their goodwill they have to work hard towards providing the products which are different and unique in the market. The company have the opportunity to not just make the entry in new another market but they can also make the venturing of some another company in the another market which is providing the different products to consumers (Hurni, 2020). Adidas can develop those products which will specifically for the students who are studying and who can only be able to afford a reasonable sought of products.
- **Threats-** The main threat for which the company is developing new products is that there are another companies who are providing the products which are similar to what is being provided by the Adidas and that too in unique styling. They are having a huge threat from those companies who provides the equipment of sports and accessories and that too at lesser and the most affordable prices. Adidas have the main strength of having their own intellectual property because of which no other company can make the imitation of the products which at times becomes a threat to them(Hlee and et. al., 2019).

Segmentation, targeting and positioning

Segmentation, targeting and positioning(STP) tool is used by the marketers so that it becomes easier for the company to identify the right and target group of consumers to which they can make their focus on. The STP tool in context with Adidas have been mentioned below-

- **Segmentation-** Segmentation is the process in which the marketing team of a company makes the division in the market on the basis of distinct groups which is based on the

demographic, geographic, or according to the characteristics of behaviour. Adidas always tries to make the segmentation of the market on the basis of different groups because in terms of the products which they provide to the consumers every group of consumer have the different perspective and different preferences. This is done because they might need the different type of product because the company is having different segments of products also which covers on the basis of performance, originals, style and sometimes the limited edition (Kemp and et. al., 2018). So it becomes very important that they make the grouping of people on the basis of which they can be provided the products which they need and want to acquire from the company. Adidas also makes the segmentation on the basis of demographic as it helps to make the development of study in terms of the size, gender or the population as the company provides the products which are made for the male and female and this is done so that they can attract more customer base.

- **Targeting-** The main target of Adidas is that they want to target those customer group which are passionate for the products that are related with the sports or are related with the fitness (Sánchez-Fernández, Iniesta-Bonillo and Cervera-Taulet, 2019). Their main target is people who are of the age group of 20-30 years that are athletes and who are passionate about the sports related products. They target such type of people because they also know that by providing the products to this limited section of people they will having the increase in their revenue. The other target segment of Adidas is that the products which are made up by the company is high end products which can not be afforded by any of the person so they make the target of people who are valuable and who can make the purchase of such type of products. Adidas also makes the targeting of people which is a small section and those are the people who are not into sports and have less interest and at times it become very difficult for them also to develop the connection to all the age group of people because there are people who will be unclear about the products which they are providing (Henao-García and Montoya, 2021).
- **Positioning-** The positioning of products which is made by Adidas is on the basis of speed, cities and open source and they always try to make the delivery of those products which will be helpful to them in satisfying the needs and wants of consumers. Additionally, Adidas also tries to develop the collaboration and connectivity to those group of people who are into sports and are also a famous personality so that they can

establish the sports culture altogether. Adidas makes the fuller use of social media channels in which the products which are newly added in the stock of a company because the management of company knows that people will, be able to know about the company and their products only when they will be able to develop the communication with people. The products which they launch can be made easily available to people in the stores(Baek, and Yoo, 2018). They make the collaboration with people because the company knows that there are many people who are influenced towards the people. This makes it really very convenient for the customers also to take the information from the people with the help of using social media.

Marketing mix

Marketing mix can be defined as the actions or the strategy which is used by the company in terms of promoting their brands or product in the market. It is related with the positioning of product in the market and to set the product in the right place which is helpful for the company in terms of achieving success. The marketing mix of Adidas has been explained below-

- **Product-** Adidas deals in the products which are related with the sportswear and the accessories which can be required by people. For this, they conduct the research of the things which they can launch new and differentiated in the market. In the year 2000, Adidas was the only first company who have made the introduction about the new lifestyle and the streetwear which is also developed by the inspiration of a sportswear.
- **Price-** The segment of people in which the company mainly focus is the high class people who can make the purchases about the products which is being offered by them. The prices of Adidas at which they offer the product is very costly and it is just because of the quality and the design which they are offering to people(Palmatier and et. al., 2019). The pricing of products is usually high because of the company makes the investment in the marketing and promotional activities heavily.
- **Place-** The company makes the delivery of products around in every country and has the various type of distribution channels because of which they are dealing in the merchandise stores, online stores, special stores. The products of company are made delivered in each and every location because of which consumers will not be able to find out any difficulty to get the product.

- **Promotion-** Adidas have made the promotions of its products and services with the use of different marketing channels and it is not just limited to only certain channels but they have made their influence in almost every place. They make heavy investment on the promotional activities and because of this people get to know very much about the products and services which the company is going to offer other the other companies.
- **People-** The people will cover those people who makes the working possible in which there are mediators in the company who conduct their working with the suppliers so that they can get the raw materials. The team which work for the selling of products, those people who are their in the retail stores and overall the employees who are the main assets of the company and who have the potential to make and achieve everything.
- **Process-** The process which is used by the company is very intensive which covers the process of ordering the product and till the time of delivering the product(Lubis, 2018). They work in a systematic basis in which the retailers of the store can provide the information as to in which time the stock is less and they make the use of computer based system.
- **Physical evidence-** The company is having the physical evidence in which they have the user friendly website in which the consumers can get the whole information about the products with its images. They also have the different kind of packaging which is all coloured and can be easily identified by people.

Recommendations

The company is doing well in terms of working on its promotional and advertisement things but with this it can also take some of the actions in terms of achieving the success in the other market also. The two strategies which can be followed by Adidas is the product development strategy where they can conduct research and provide some new product in the market but that too in existing market because this will help in increasing the customer base of a company. Also, as they have achieved huge success in the market so with this they can use the method of diversification in which the new products and that too in the new market can be used by them. Using such type of strategies which will be helpful for the company to attain the competitive advantage in the market.

CONCLUSION

From the above report it can be concluded that marketing is the essential activity which has to be undertaken by each and every business as this is useful to provide information to the consumers and also helps in building and maintaining the company reputation. It is a channel of communication which is helpful to inform things to the consumers so that they can know as to how they can inform things about the company and the products and services which they are selling. There are some micro and macro factors which affect the functioning of the company as they play an important role in the achievement of objectives of a company.

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