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BRAND EXTENSION PORTFOLIO



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ADIDAS MOBILE:
A PREMIUM SMARTPHONE FOR ATHLETES

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INTRODUCTION

Adidas, a German multinational company founded in 1949, is a global leader in the sportswear sector, noted for its high-performance athletic clothing, shoes, and accessories. Based in Herzogenaurach, Bavaria, Adidas, the second-largest sportswear manufacturer in the world, generates a 2018 income of €21.915 billion. Products like Boost Cushioned running shoes and the Runtastic fitness software obviously exhibit creativity, flair, and a drive to motivate athletes from their well-known three-stripe symbol. Adidas also fosters community involvement and sustainability through women's athletic activities, therefore enhancing its brand recognition as a leader in sports and lifestyle (Singh, 2016).

This report suggests as a strategic brand extension Adidas Mobile, a premium smartphone made for sportsmen. By integrating advanced technology with athlete-focused features, Adidas Mobile aims to redefine connectivity for active users, competing with devices like the iPhone. The purpose of this report is to evaluate the feasibility of Adidas Mobile, exploring its alignment with Adidas's brand values, market positioning, and marketing strategies. Through critical analysis, the report will assess how this extension fills a market gap in fitness technology, meets emerging consumer needs, and leverages Adidas's reputation to expand its portfolio. The analysis will include segmentation, targeting, and positioning (STP), a customer persona, and a marketing mix strategy, concluding with recommendations to ensure the extension's success in a competitive landscape.

BRAND EXTENSION

Adidas Mobile is a premium smartphone tailored for athletes and fitness enthusiasts, blending cutting-edge technology with sports-specific functionality. Key features include AI-driven fitness coaching for personalised training and nutrition plans, a rugged water- and dust-resistant design with the iconic three-stripe branding, advanced health monitoring (heart rate, sleep, stress), seamless integration with Adidas's ecosystem (e.g., Runtastic), and a high-performance battery for extended use. This extension is novel, as Adidas has not previously ventured into smartphone production, though it has explored fitness tech with products like the miCoach smartwatch.

This concept aligns with Adidas's core values of performance, innovation, and style. The brand's history of integrating technology into sports—seen in its Boost cushioning and Runtastic app—supports this move into smartphones. Adidas Mobile caters to the growing demand for fitness technology, a market projected to expand significantly, with the global fitness app market expected to grow from USD 1.48

billion in 2023 to USD 6.92 billion by 2033 (Štajer et al., 2022). It fills a market gap for athlete-focused smartphones—a niche underserved by generalist premium devices like the iPhone, which lack specialist women's sports programmes and sports features. By offering AI-driven coaching and ecosystem integration, Adidas Mobile meets the emerging need for holistic, performance-enhancing devices among tech-savvy athletes. This extension adds value to Adidas by diversifying its portfolio and reinforcing its innovative image.



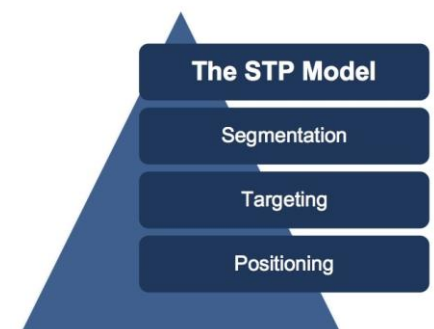
Key features include:

- **AI-Driven Fitness Coaching:** Leveraging the growing fitness app market, artificial intelligence delivers tailored training plans, dietary suggestions, and real-time performance feedback.
- **Rugged, Sporty Design:** Water- and dust-resistant thanks to Adidas's identifiable three-stripe pattern ensures visual appeal and longevity.
- **Advanced Health Monitoring:** Tracking heart rate, sleep, stress, and recovery initiatives, Advanced Health Monitoring addresses the focus on holistic wellness (Fitness Industry Trends) set by 2025.
- **Seamless Ecosystem Integration:** Syncs with Adidas's wearables and apps like Runtastic (Adidas Runtastic) to offer a uniform user experience.
- **High-Performance Battery:** High-performance batteries give long use during tournaments or training and meet athletes' busy schedules.

STP for the New Brand Extension

- ★ **Segmentation:** Targeting sportsmen in metropolitan North America, Europe, and Asia between the ages of 18 and 40 who value performance, innovation, and sustainability, Adidas Mobile hopes.
- ★ **Targeting:** It centres on outdoor lovers, amateurs, and professional athletes looking for durable gadgets and advanced fitness tracking.
- ★ **Positioning:** Presented as "the smartphone that powers your performance," it rivals the iPhone with its rugged, sports-specific capabilities and ecosystem connectivity.

Figure -1: STP Model for Adidas Mobile



SEGMENTATION

To effectively identify its audience, Adidas Mobile can segment its market along multiple dimensions:

- **Demographic:** Sportsmen and fitness enthusiasts ranging in age from 18 to 40, amateur and professional. This generation is tech-savvy and more likely to spend in luxury goods since their active lives or sponsorships result in middle to high salaries.
- **Geographic:** North American, European, and Asian urban and suburban areas where sports involvement and access to fitness centres are rather high. Additionally these areas have substantial Adidas presence and large smartphone markets.
- **Psychographic:** Individuals who value performance, innovation, and sustainability, aligning with Adidas’s brand ethos. They are goal-orientated and tech-savvy, and they prioritise health and wellness, often seeking products that enhance their active lifestyles.

TARGETING

Adidas Mobile will target three key segments: professional athletes needing advanced tracking, amateur athletes monitoring performance, and outdoor sports enthusiasts requiring durability.

Table -1: Market Gap for Adidas Mobile

Market Need	Current Offerings	Gap Filled by Adidas Mobile
Specialized fitness tracking for athletes	General fitness tracking on premium smartphones (e.g., iPhone, Samsung Galaxy) via apps like Apple Health or Samsung Health.	Adidas Mobile offers AI-driven fitness coaching and advanced health monitoring (heart rate, sleep, stress) tailored specifically for athletes, integrating seamlessly with Adidas’s ecosystem (e.g., Runtastic).
Rugged, sport-specific design	Most premium smartphones focus on sleek, general-purpose designs; some offer water resistance (e.g., iPhone IP68 rating), but not sport-specific durability.	Adidas Mobile features a rugged, water- and dust-resistant design with the iconic three-stripe branding, built to withstand athletic activities and outdoor conditions.

Holistic ecosystem for performance	Smartphones sync with fitness apps, but lack a cohesive, sports-focused ecosystem; wearables like Apple Watch offer partial integration but prioritize general wellness.	Adidas Mobile provides seamless integration with Adidas's wearables and apps (e.g., Runtastic), creating a unified ecosystem that enhances athletic performance and data management.
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ANALYSIS

This table highlights a clear market gap for athlete-focused smartphones. Current offerings from competitors like Apple and Samsung cater to broad audiences with general fitness features, but they lack the specialized functionality, durability, and ecosystem integration that athletes need. Adidas Mobile fills this gap by combining sports-specific features with Adidas's brand equity, positioning it as a unique contender in the premium smartphone market. This analysis aligns with the report's emphasis on market trends, such as the projected growth of the fitness app market to USD 6.92 billion by 2033 (Kazemi et al., 2013), underscoring the demand for such a device.

POSITIONING

Adidas Mobile will be positioned as "the smartphone that powers your performance," differentiating itself from competitors like the iPhone by focusing on sports-specific functionality. Attaching to athletes' emotional and functional needs, Adidas Mobile offers strong design, AI-driven coaching, and flawless integration with Adidas' ecosystem unlike Apple's general premium characteristics. It will be considered as a stylish, performance-oriented tool that complements Adidas's sporty look, so occupying a premium smartphone market. Although this strategy makes use of Adidas's brand value, critical analysis indicates that it must overcome impressions of technological inexperience. Rivals such as Apple benefit from current hardware trust, hence Adidas Mobile has to emphasise its sports knowledge and collaborate with reliable technology businesses to inspire customer faith.

Table - 2: Key market insights, highlighting trends that support *Adidas Mobile*’s feasibility:

Trend	Insight	Relevance to Adidas Mobile
Fitness App Growth	Market to reach USD 6.92 billion by 2033 (Fitness App Market).	Supports demand for AI-driven fitness features.
Wearable Tech Adoption	Wearables lead fitness trends in 2025 (ACSM Fitness Trends).	Enhances integration with Adidas wearables.
Rugged Device Demand	Athletes seek durable, water-resistant phones (Rugged Phones).	Justifies rugged design for sports environments.
AI Personalization	AI-driven solutions dominate fitness tech (Fitness Industry Trends).	Validates AI coaching and personalized features.

CUSTOMER PERSONA

Name: Mia Rodriguez

Age: 32

Gender: Female

Occupation: Semi-professional cyclist

Income: \$80,000/year, supplemented by sponsorships

Education: Bachelor's degree in Statistics

Location: Urban area, California

- **Psychographics:** Mia values performance, sustainability, and community engagement, aligning with Adidas's ethos. She is competitive, disciplined, and trend-conscious, with interests in cycling, fitness tech, outdoor adventures, and social media. Her lifestyle is active and goal-driven—she trains daily, tracks her progress meticulously, and shares her achievements on Instagram to inspire her followers. Mia aspires to compete in national cycling championships while maintaining a balanced, eco-conscious lifestyle.
- **Behavior:** Mia uses fitness apps like Runtastic to monitor training and nutrition, reflecting her reliance on technology to optimize performance. She prefers durable, high-quality products that match her active lifestyle and Adidas's sporty aesthetic. As a semi-professional athlete, she seeks devices that provide accurate data, seamless connectivity, and rugged design to withstand outdoor conditions. Mia is loyal to Adidas, regularly purchasing their gear, and values brands that support her goals and reflect her identity.

Mia represents the ideal Adidas Mobile user. The device's AI-driven coaching streamlines her training with personalized plans, while its health monitoring tracks her recovery, crucial for her demanding schedule. The rugged design ensures durability during long rides, and ecosystem integration with Runtastic simplifies her data management(Doyle et al., 2018). By meeting Mia's needs, Adidas Mobile reinforces its relevance to athletes, combining functionality with the brand's aspirational appeal.

MARKETING MIX STRATEGY



Figure - 2: Marketing Mix (7P)

P	Strategy
Product	Premium smartphone with AI coaching, health monitoring, rugged design, Adidas integration, three-stripe branding.
Price	\$800-\$1,200, iPhone-comparable; bundles with wearables/apparel.
Place	Adidas online store, select retailers, sports outlets; marathon launches.
Promotion	Instagram/TikTok campaigns, influencer partnerships, in-store/event demos.
People	Sports/tech-trained staff, athlete endorsements.
Process	Online purchasing with customization; dedicated support.
Physical Evidence	Sustainable packaging, in-store displays, companion app.

1. Product: Adidas Mobile is a premium smartphone designed for athletes, featuring AI-driven fitness coaching, advanced health monitoring (heart rate, sleep, stress), a rugged water- and dust-resistant design, seamless integration with Adidas’s ecosystem (e.g., Runtastic), and a high-performance battery. The three-stripe branding ensures style and recognition, aligning with Adidas’s sporty aesthetic. Critically,

while the product aligns with fitness trends, Adidas must ensure technological reliability by partnering with established tech firms, as its expertise is in sportswear, not hardware ((Muhammad et al., 2016).

Creative Element: A logo for Adidas Mobile could incorporate the three stripes in a sleek, modern font, with a subtle circuit pattern to symbolize technology. The tagline “Power Your Performance” could be integrated, reflecting the device’s purpose.

2. Price: Adidas Mobile will be priced between \$800 and \$1,200, positioning it as a premium device comparable to the iPhone. This reflects its advanced features and targets affluent athletes willing to invest in performance tech. Bundles with Adidas wearables or apparel can add value, encouraging adoption. A penetration pricing strategy could be considered initially to gain market share, but a premium pricing model aligns better with Adidas’s brand image and the device’s positioning (Martínez & de Chernatony, 2004).

3. Promotion: Promotion will leverage digital channels to target athletes. Social media campaigns on Instagram and TikTok will feature athletes like Mia, showcasing real-time use during training. Partnerships with fitness influencers and sponsored content will build credibility, while in-store and event-based demos at marathons will allow hands-on interaction. A launch campaign could include a hashtag like #PowerYourPerformance, encouraging users to share their fitness journeys. Critically, Adidas must balance aspirational messaging with functional benefits to appeal to both professional and amateur athletes (Janjua, 2009).

4. Place: Adidas Mobile will be available on Adidas’s online store, select electronics retailers (e.g., Best Buy), and sports outlets. Launching at major sports events like marathons ensures visibility among the target audience. A direct-to-consumer approach via the Adidas website allows for customization (e.g., color options), enhancing user experience. However, limited physical distribution may restrict initial reach, so partnerships with retailers are crucial (Huang et al., 2022).

5. Process: The purchasing process will be streamlined, with online customization options for colors and features. Post-purchase, a dedicated support team will handle technical and fitness-related queries, ensuring a seamless user experience. A companion app will provide tutorials and updates, enhancing engagement. Critically, Adidas must ensure efficient logistics to avoid delays, as tech consumers expect quick delivery (Bian & Yan, 2022)..

6. People: Sales staff will be trained in sports and technology to assist customers effectively, bridging the gap between fitness and tech. Collaborations with athletes and trainers for endorsements will build trust—e.g., a professional cyclist like Mia endorsing the device. Customer service representatives will also be trained to handle athlete-specific queries, ensuring personalized support. This aligns with Adidas's customer-centric approach but requires investment in training (Aaker & Keller, 1990).

7. Physical Evidence: Premium, sustainable packaging will emphasize the device's high-end status, using recycled materials to reflect Adidas's sustainability goals. Interactive in-store displays will showcase features like AI coaching, while the companion app will provide a digital touchpoint for user engagement. A sleek unboxing experience with branded accessories (e.g., a three-stripe phone case) will enhance the premium feel. Critically, consistent branding across touchpoints is essential to reinforce Adidas's identity in the tech space (Stocchi et al., 2021).

CONCLUSION

Adidas Mobile offers a compelling brand extension, leveraging Adidas's sports reputation to enter the premium smartphone market. By targeting athletes with a performance-driven device, it fills a market gap for specialized fitness technology, aligning with trends like the projected growth of the fitness app market to USD 6.92 billion by 2033 (Peng et al., 2023). The STP strategy ensures a focused approach, while the customer persona and marketing mix provide a robust launch plan.

RECOMMENDATION:

To ensure Adidas Mobile's success as a premium smartphone for athletes, I recommend the following strategic steps:

- **Forge Tech Partnerships:** Collaborate with established tech firms (e.g., Qualcomm) to ensure hardware reliability, addressing Adidas's lack of smartphone expertise (Porter, 1985).
- **Conduct Rigorous Testing:** Pilot the device with professional athletes to refine features like AI coaching, ensuring they meet real-world needs.
- **Expand Distribution Channels:** Partner with major retailers like Best Buy and Amazon to increase accessibility, balancing online and physical sales.
- **Leverage Sports Events:** Launch at global events like the Boston Marathon, offering live demos to target athletes directly.
- **Transparent Marketing:** Highlight tech partnerships and athlete testimonials in campaigns to build consumer trust in Adidas's tech capabilities.

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