



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

International Market Entry Strategy and Marketing Mix:

A Comparative Analysis of Adidas in Germany and China

Programme:	Master of Business Administration (MBA)
Module:	International Marketing: Principles and Practices
Module code:	LCMB7026
Assignment title:	Assessment Component 1: Individual Report
Lecturer:	Tushara Balendran / Dian Mayasari
Student name:	Kinjal Rama Bokhariya
Student ID:	2529401
Word count:	5,200 words (excluding title page, contents, references)
Submission date:	13th August 2026

Table of Contents

1	Introduction.....	3
2	Section 1: Comparative Analysis of the Two Markets	5
2.1	Macro-Environmental Comparison (PESTEL).....	5
2.1.1	Political:	5
2.1.2	Economic:	6
2.1.3	Social:	6
2.1.4	Technological:.....	7
2.1.5	Environmental:.....	7
2.1.6	Legal:	7
2.2	Cultural Comparison (Hofstede).....	7
3	Comparative Analysis of STP and the International Marketing Mix (7Ps).....	9
3.1	Segmentation, Targeting and Positioning.....	9
3.2	The Extended Marketing Mix (7Ps)	11
3.2.1	Product, Price and Place	12
3.2.2	Promotion, People, Process and Physical Evidence	13
4	Market-Entry Strategy in China.....	14
5	Ethical Evaluation of the Marketing Mix in China.....	16
6	Recommendations.....	17
7	Conclusion	18
8	Section 2: Reflective Account (Gibbs' Reflective Cycle).....	19
8.1	Description.....	19
8.2	Feelings.....	19
8.3	Evaluation	20
8.4	Analysis.....	20
8.5	Conclusion	20
8.6	Action Plan.....	20
9	References.....	21

List of Figures

Figure 1 (Adidas AG, 2025)	4
Figure 2 Comparative PESTEL analysis of Germany and China for the sportswear sector (Adidas AG, 2025; Daxue Consulting, 2025).....	5
Figure 3 Hofstede's Cultural Dimensions (Hofstede et al. 2010)	8
Figure 4 Hofstede cultural-dimension scores, Germany vs China (Hofstede and Minkov, 2010).	8
Figure 5 STP Analysis (Kotler and Keller, 2015).....	10
Figure 6 Illustrative channel emphasis by market (Adidas AG, 2025).....	13
Figure 7 Adidas Greater China net sales, 2021–2024 (indicative, from Adidas annual reporting and analyst data; Daxue Consulting, 2025).....	15
Figure 8 Gibbs' Reflective Cycle (Finlay, 2008).	19

1 Introduction

International marketing involves firms balancing consistent brand image and the socio-cultural, economic and regulatory environment in each national market (Cateora et al., 2020). This report compares the international marketing strategy of Adidas AG, one of the largest sporting goods corporations in Europe (Adidas AG, 2025) that is headquartered in Herzogenaurach and reported a net sales turnover of €23.68 billion in 2024, with its international marketing strategy in two different markets: its home market, Germany, and its third-largest host market, Greater China (Daxue Consulting, 2025).

The case of Adidas is particularly educational because the same brand has seen great commercial success and bad reputation in China in ten years, culminating in the boycott of Xinjiang cotton in 2021, which wiped out over one-third of its Greater China revenue, before the brand made a hyper-localised comeback (What's on Weibo, 2026; Global Legal Insights, 2025). Germany and China have been chosen on purpose: one is a market based on the American individualistic home culture, the other is a host market based on collectivist culture in the East with very different political, digital and cultural systems, thus providing a striking background for the standardisation versus adaptation debate which is central to international marketing (Vrontis et al., 2009).



Figure 1(Adidas AG, 2025)

A very common dilemma for any multinational firm is whether to adopt a standardised strategy for the world to reduce scale economies and to ensure a consistent brand image or to opt for an adapted strategy that adapts to local conditions but compromises scale economies and brand consistency (Fonseca 1983). Empirical studies over the past decades indicate that extremes are not always best; rather, the level of standardisation desired depends on market conditions a company encounters (Theodosiou and Leonidou, 2003). This report suggests that Adidas has followed a 'glocal' route, 'global' identity through 'local' mechanisms, a path that

aims to strike the balance between global integration and local responsiveness (Svensson, 2001; Hollensen, 2020). The report first compares the two macro-environments with PESTEL and Hofstede's cultural dimensions, then compares the segmentation, targeting and positioning (STP) and the extended 7Ps marketing mix and finally analyses Adidas' market entry strategy in China, and the ethical dimensions of its marketing mix in that context, before making recommendations. A reflective account (Section 2) is written after, in the form of Gibbs' reflective cycle.

2 Section 1: Comparative Analysis of the Two Markets

2.1 Macro-Environmental Comparison (PESTEL)

The PESTEL framework is used to analyse the macro-environment through political, economic, social, technological, environmental and legal aspects (Johnson et al., 2020). A summary of the comparison is shown in Figure 1 and an analytical discussion follows.

	GERMANY (home)	CHINA (host)
 Political	Stable EU democracy; ESG regulation-heavy	State-guided; geopolitically sensitive (Xinjiang)
 Economic	Mature, high-income; low growth, high labour cost	Large, fast-growing middle class; cost-competitive
 Social	Individualist; sustainability-conscious consumers	Collectivist; strong national sentiment (guochao)
 Technological	Advanced Industrie 4.0; high digital trust	Super-app ecosystem (WeChat, Xiaohongshu)
 Environmental	Strict EU emissions & circular-economy rules	Tightening 'dual-carbon' targets
 Legal	GDPR, EU supply-chain due-diligence law	PIPL data law; strict content/ad controls

Figure 2 Comparative PESTEL analysis of Germany and China for the sportswear sector (Adidas AG, 2025; Daxue Consulting, 2025).

2.1.1 Political:

Germany's stable, rules-based European Union environment with a low level of political risk for a domestic champion like Adidas and predictable trade policy, labour and consumer protection law. China, on the other hand, offers a market governed by the state which is very receptive to geopolitical sentiment; the controversy over Xinjiang cotton in 2021 was a prime example of how swiftly state media and official channels can amplify consumers' boycott of foreign brands (South China Morning Post, 2021; NBC News, 2021). Critically, this sense of

asymmetry has the consequence that for Adidas a similar corporate decision carries close to zero political risk at home and potentially existential risk abroad, a point that every macro-environmental scan must make a singular point of, rather than brushing aside as an incidental. The politicisation of consumption, as in China where the choice of foreign and domestic brands can reflect national loyalty, is not a mere shock, but part of the Chinese political structure (What's on Weibo, 2026).

2.1.2 Economic:

Germany is a highly developed, high income economy with moderate GDP growth, high disposable income and high labour costs, and thus offers premium positioning but less volume growth. China has a large and growing middle class and a manufacturing sector that is cost-competitive with that of other countries-indeed, China is both a key source for Adidas and a market for their products (Umbrex 2026). Greater China generates approximately 15% of group revenue, with revenues in the region in 2024 at €3.5 billion, making it the third largest region in the world, behind Europe and North America (Daxue Consulting, 2025). The economic implication is that Germany is a stable margin base, whereas China is the primary growth engine and that the two markets have very different marketing investment logics and play very different roles in the corporate portfolio: defence and premiumisation in Germany, aggressive growth and share-recapture in China.

2.1.3 Social:

German consumers have a very individualistic and sustainability-focused mindset, considering the substance of products as well as their environmental credentials and value; meanwhile, Chinese consumers are increasingly showing national pride with the 'guochao' (national-trend) movement, which favours domestic brands like Anta and Li-Ning, after Li-Ning's debut at New York Fashion Week in 2018 and further boosted by 2021 (Chiu et al., 2024; Campaign Asia, 2026). This growing cultural nationalism, which is supported by the state-driven 'Made in China 2025' industrial policy, is likely the biggest social variable for Adidas in China as it directly impacts the brand's aspirational premium and compels true cultural co-creation over simplistic localisation (Chiu et al., 2024; IMD, 2023). Interestingly, there is a clear generation gap, with the younger consumer age group (18-28) demonstrating the highest level of guochao sentiment, a sentiment with a strong association with lifestyle categories such as apparel, which is exactly the demographic most exposed to guochao (Hub of China, 2026). The health and the well-being culture is growing rapidly in both markets, adding to the addressable sportswear market, with differing drivers: performance and lifestyle

heritage in Germany, status as a symbol of health and social media aesthetics in China (Daxue Consulting, 2025).

2.1.4 Technological:

The markets are both technologically sophisticated, with a very different architecture. The German consumer experience is defined by the open web, search and traditional e-commerce, while the Chinese experience is dominated by closed super-app ecosystems, such as mobile messaging giant WeChat, the ecommerce platform Tmall and discovery app Xiaohongshu (RED), where content discovery, social proof, payment and fulfilment are all combined (Campaign Asia, 2026). This is not just a cosmetic change, it is a change in the whole marketing funnel, from awareness to conversion, which must be re-engineered for China, and abilities like livestream commerce, which are relatively unimportant in Germany, are at the centre of China's marketing funnel. A company that views China as just another e-commerce market is just as wrong as it can be.

2.1.5 Environmental:

The EU's circular economy and emissions regulations push Adidas towards recycled product lines and recycling programs in its own country, while going green is a solid sales catalyst for German customers. The 'dual-carbon' targets for China are more stringent (Adidas AG, 2025); but even though the message is sustainability, the impact is not as convincing as the culture, adapting to market is more important than broadcasting it in the same way.

2.1.6 Legal:

The EU has its own data-protection policies, such as GDPR and the new EU supply-chain due-diligence framework, which apply to Germany, while China's PIPL and strict advertising-content controls apply to China, limiting cross-border data transfers and creative delivery. The legal landscape then fragments Adidas' customer data architecture (it can't maintain a single worldwide CRM database) and drives the types of promotions allowed (and the cost of complying with these rules, which a standardised approach would underestimate).

2.2 Cultural Comparison (Hofstede)

The Hofstede's dimensions of culture (Hofstede et al. 2010) are still the most used framework in cross-cultural marketing analysis (Novobritskii, 2026). To compare these two countries, Germany and China, over five dimensions, see figure 4.

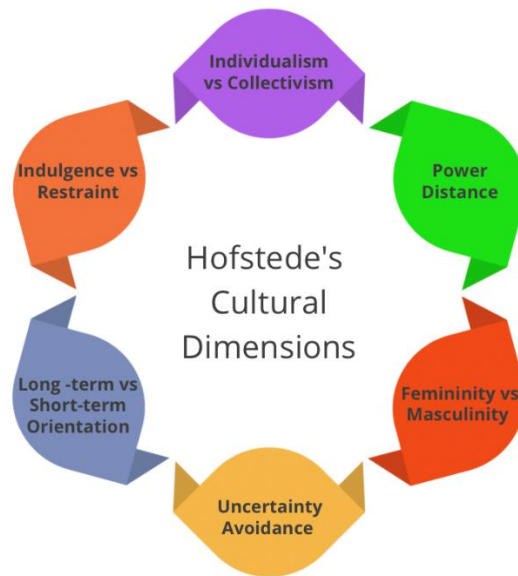


Figure 3*Hofstede's Cultural Dimensions (Hofstede et al. 2010)*

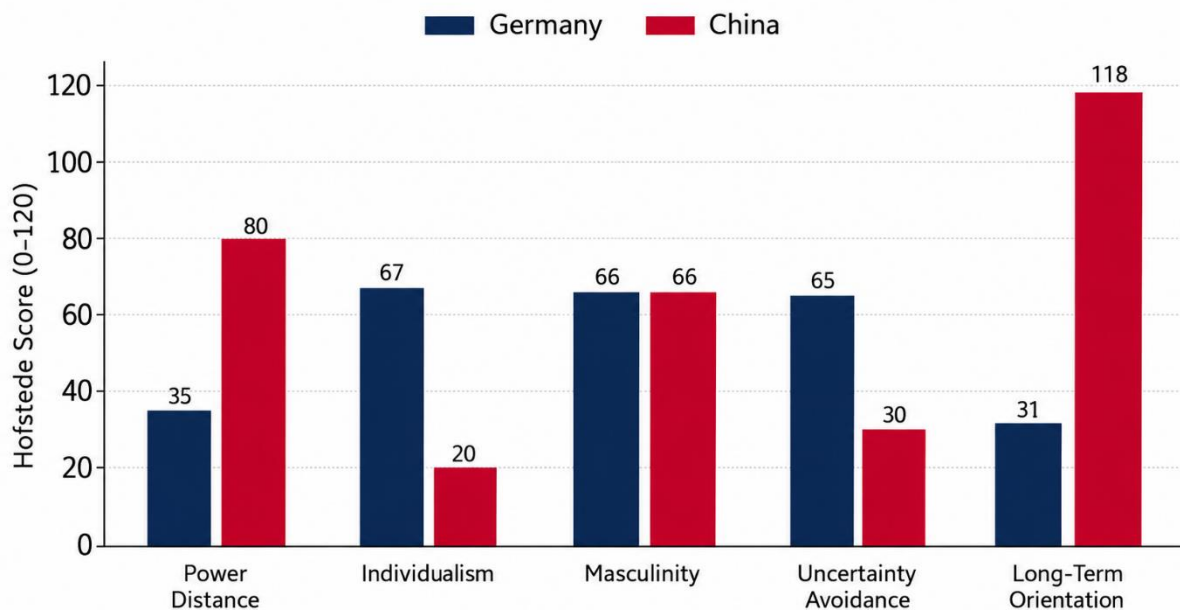


Figure 4*Hofstede cultural-dimension scores, Germany vs China (Hofstede and Minkov, 2010).*

There are three contrasts that are most useful for marketing. First, the power distance in Germany (35) is low while in China (80) it is high, which suggests that Chinese consumers will be more sensitive to the status signalling and endorsement from a celebrity or sporting figure, a strategy that Adidas has been pursuing with high-profile Chinese sporting stars (Chen, 2023). Second, Germany is distinctly individualist (67) while China is very collectivist (20) – in-group influences will have a greater impact on Chinese purchase decisions, KOL validation, and community platforms like Xiaohongshu, while German

communication can emphasize individual performance and product substance. Third, the fact that China is extremely longterm and has a very different uncertainty avoidance (Germany: 65, China: 30) influences risk tolerance and adoption speed of trends. They both score similarly on masculinity (66), which means that they have a common performance orientation that they're both looking for, and it can be met consistently by the Adidas performance narrative.

Explaining the necessity of a non-uniform, globally standardised campaign, these cultural gaps are the reason why it is not enough: Adidas needs to not only adapt the language but also the mechanism of persuasion, which ranges from evidence-led communication in Germany to status-oriented communication and locally co-created content in China (Chen, 2023; Novobritskii, 2026). It is particularly significant of the collectivism – individualism continuum that word-of-mouth and KOL endorsement are considered as primary influencers in China, while in Germany the former is considered as secondary.

No less than a critical qualification is required. While Hofstede's dimensions are derived from a large-scale, cross-country study and still basic, they have been criticized for assuming a mono-cultural and homogeneous national culture as well as an outdated data set from IBM employees, and for downplaying cross-country differences, such as between cosmopolitan Shanghai and rural provinces (Novobritskii, 2026). If not used with care, it can be misapplied and used as a stereotype. Therefore, the use of this heuristic to formulate propositions about the consumer response is made here as heuristic, not as a prediction. This triangulation (the framework and the evidence of the China recovery through endorsement) reduces the limitations of the model and brings the critical thinking that is called for at level 7.

3 Comparative Analysis of STP and the International Marketing Mix (7Ps)

3.1 Segmentation, Targeting and Positioning

Segmentation, targeting and positioning are the strategic pillars of contemporary marketing, which involve dividing a diverse market into sub-markets that can be targeted, choosing the sub-markets that can be profitably targeted, and positioning a product in a manner that differs from that of competitors in the minds of consumers (Kotler and Keller, 2015). In both markets Adidas uses a multi-segment approach and has different bases for the segments. The STP approach is compared in table 1.



Figure 5 STP Analysis (Kotler and Keller, 2015).

Table 1: Comparative STP analysis, Germany vs China.

STP element	Germany (home)	China (host)
Segmentation	Behavioural& psychographic: performance athletes, terrace-fashion/heritage consumers, sustainability-led buyers	Demographic & socio-cultural: young urban Gen-Z, tier-1/2 city consumers, guochao-influenced and wellness segments
Targeting	Differentiated targeting across performance and lifestyle; strong Originals/heritage pull (Samba, Gazelle)	Concentrated on aspirational young urbanites reachable via KOLs and super-apps; localised 'In China, For China' lines
Positioning	Authentic sports-performance heritage with credible innovation	Culturally resonant, status-signalling and locally co-created; positioned against domestic challengers Anta and Li-Ning

The strategic logic is that positioning must be linked to culture, that is, in individualist and low power distance (LD) Germany, positioning must be based on product substance and heritage authenticity; and in collectivist and high power distance (HD) China, the positioning must be based on the social proof and the image of the celebrity and visible cultural belonging (Chen, 2023; Zhu, 2021). It's a direct use of the cultural analysis found in Section

2.2, where the positioning statement is akin to a cultural artefact, and mispositioning is a cultural mistake, not just a creative one.

Also, it's worthy to note that the concept of segmentation varies by market. Behavioural and psychographic segmentation (attitudes towards performance, heritage and sustainability) is possible in Germany with a relatively individualised preference because of the amount of data available. In China, the focus is on segmentation by socio-culture and generation, with the platform community as the medium for reaching Gen-Z urban consumers and their receptivity being driven by guochao sentiment. This also shows that the analytical tools used inside STP are not uniform and need to be adapted to how the market is working and how it thinks — a nuance that is lost with a standardised approach. It is representative of the broader result that the process of decision making about standardisation and adaptation is not confined to the strategic level, but is repeated on the level of individual elements of the marketing mix or marketing tools (Schmid and Kotulla, 2011).

3.2 The Extended Marketing Mix (7Ps)

The extended marketing mix includes people, process and physical evidence in addition to the traditional 4Ps as service and experiential aspects are part of the brand's delivery and perception (Zhu, 2021). These elements are those that will be seen by consumers, and are thus more affected by cultural and country-of-origin factors, and more likely to need adaptation (Vrontis and Thrassou, 2009). Table 2 is a comparison between the seven elements in both markets and each of these elements follows with a critical discussion.

Table 2: Comparative 7Ps marketing mix, Germany vs China.

Element	Germany (home)	China (host)
Product	Global range led from Herzogenaurach; heritage Originals and performance lines	Global range plus locally designed 'In China, For China' collections by Greater-China design teams
Price	Premium but value-justified; low price sensitivity within performance segment	Premium-aspirational; competitive pressure from lower-priced Anta/Li-Ning requires sharper value framing
Place	Balanced wholesale + growing DTC; own retail and adidas.com	Tmall/JD flagship stores, WeChat mini-programs, own concept

Element	Germany (home)	China (host)
		stores; O2O integration
Promotion	Sport-milestone media, football sponsorship, evidence-led creative	KOL/celebrity endorsement, Xiaohongshu& WeChat activations, cultural collaborations
People	Service playbooks; brand ambassadors and elite athletes	Local design autonomy; Chinese athlete/celebrity ambassadors central to credibility
Process	Omnichannel, membership-driven CRM; EU data rules	Super-app-native journey; livestream commerce; PIPL-compliant data handling
Physical evidence	Concept stores, three-stripe iconography, sustainable packaging	Experiential flagship stores, localised store aesthetics, festival/city-exclusive activations

3.2.1 Product, Price and Place

However, since 2022, Adidas' product strategy has turned to local design autonomy, with local teams designing products according to Chinese calendars, not global ones, thereby further optimizing the fit of the product to the local market and accelerating the time to market (Daxue Consulting, 2025). In Germany, the global range, especially heritage brands like the Samba and Gazelle, generates demand – with little adaptation (MatrixBCG, 2026). Both markets are premium priced; where Chinese prices need to be justified in comparison to lower priced domestic rivals, German pricing is less sensitive to performance consumers. In China, Adidas' place architecture is defined through two heavyweight brands: Tmall and JD, having online-to-offline (O2O) connections, and WeChat mini-programs, which has an online-only channel. Figure 3 shows a China-specific structure of place architecture.

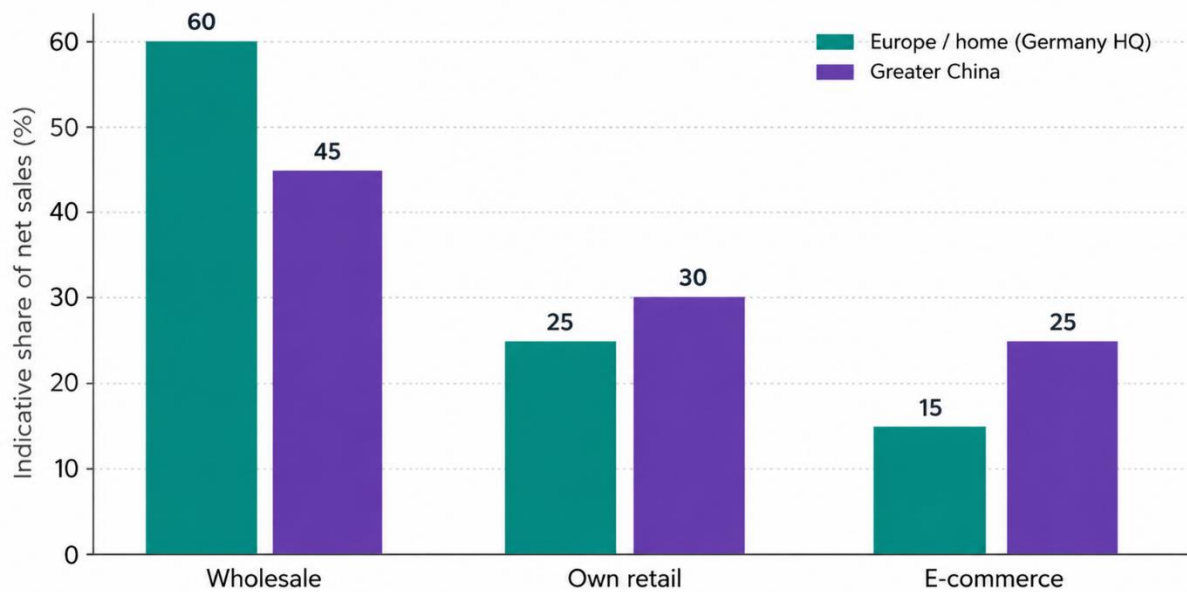


Figure 6 *Illustrative channel emphasis by market (Adidas AG, 2025).*

The contrast of the channel is of strategic importance. While Adidas' group-level goal is to increase the proportion of its DTC sales, the firm acknowledges that these have higher gross margins and provide 1st-party consumer data (Adidas AG, 2025), but, as noted, around 60% of sales come in via 3rd-party wholesale partners like Foot Locker and JD Sports, who have control over product placement. China's version of this focuses on a marketplace-flagship model (Tmall/JD), combined with a third-party presence and brand-controlled storefronts; and mini-programs on WeChat plus O2O integration models on the platform provide a sort of DTC economics for a less expensive cost of owning retail. The place element thus highlights how the same objective (margin and data capture) is achieved by different channel architectures (structures) in the various markets depending on their retail environment.

3.2.2 *Promotion, People, Process and Physical Evidence*

Promotion shows the sharpest cultural adaptation. Adidas' strategy in Germany is to rely on football sponsorship, performance-based media and storytelling, in a country with a low power distance culture where the individual is the one making the judgement. Leveraging celebrities and KOLs in China, while being the highest power-distance and most collectivist country in the sample, it is also relying on platform-native activations on WeChat and Xiaohongshu (Chen, 2023; Campaign Asia, 2026). The endorsement mechanism theory is theoretically sound: In HPD cultures, consumers' association with high status and respected people is an efficient way to gain credibility, and the 'victory' that they desire is demonstrated by champion athletes and associates of the brand (Chen, 2023). To resist the effects of

guochao pressure, cultural cooperation based on traditional Chinese aesthetics is used to transform the brand into a cultural participant.

People and process are also different. Adidas' decision to give design freedom to the Greater-China teams indicates that the people involved in delivering the brand will be local, with a greater cultural understanding, compared to the Germany teams who use global brand ambassadors and standard service playbooks. On process, China's super-app-native journey and livestream commerce has compressed the discovery-to-purchase journey into one platform experience, one that is missing in Germany's membership-CRM model; each also must follow a different data regime (PIPL versus GDPR), so the process architecture is not shared. Last but not least, there is the experiential nature of **physical evidence**: Flagship stores, localised store experiences and City-exclusive drops create a social visibility that is valued in a status-oriented, collectivist market in China, while the three-stripe iconography, concept-store consistency and sustainable packaging offers authenticity and environmental sustainability to a more product-driven consumer in Germany.

The 7Ps analysis validates the main argument of the report: Adidas maintains a consistent global brand image, a consistent image of the three stripes, a consistent heritage of sport and performance, but adapts nearly every delivery mechanism to local culture, channels and law. The standardisation–adaptation literature points to the ideal of mature international marketing as a state of 'integration and rationalisation' (Vrontis et al., 2009).

4 Market-Entry Strategy in China

Adidas's decision to enter China is seen as a gradual and incremental approach that can be interpreted as a move towards increased commitment in line with the Uppsala internationalisation model, a model that argues that firms increase their commitment to foreign markets as they gain knowledge of and become more involved in the local business networks (Johanson and Vahlne, 2015). Adidas first started to enter China in the early 1980s via its relationship with Chinese football and then set up its first wholly owned subsidiary in 1997, which led to an exponential growth in the athleisure sector since the 2008 Beijing Olympics (Daxue Consulting, 2025).

This pattern is one of moving from low commitment, low control interactions (early distributor and licensing deals) to a high commitment, high control wholly owned system, where the control is over brand, pricing and data. The upside to the wholly-owned subsidiary is that they have the maximum control over the brand equity and the maximum opportunity to

capture margin – while the downside was found out in 2021, when the boycott against this subsidiary was announced (GLI, 2025). The revenue path is shown in Figure 7.

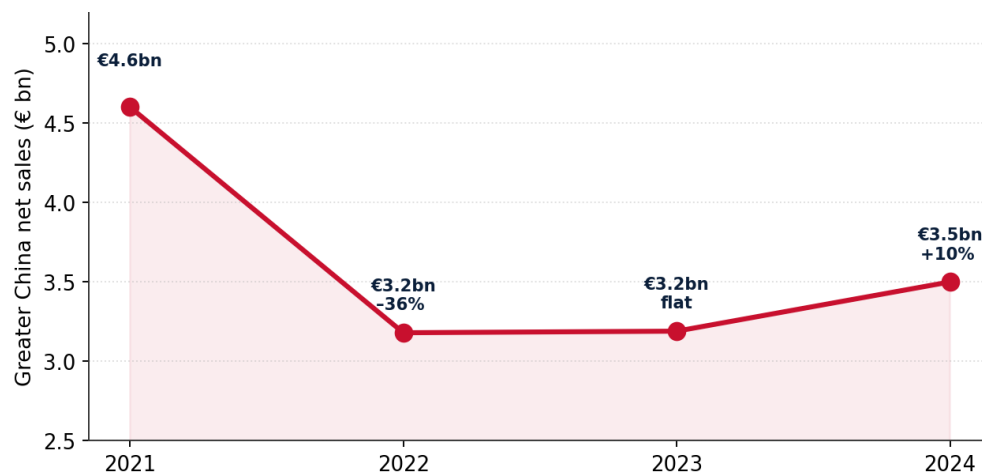


Figure 7 Adidas Greater China net sales, 2021–2024 (indicative, from Adidas annual reporting and analyst data; Daxue Consulting, 2025).

The entry mode theory suggests that companies must balance control and risk and resource commitment; export and licensing reduce their resource commitment but increase their risk, while WOSs offer the greatest degree of control, but the greatest amount of risk (Hollensen, 2020). The trade-off is dynamic, meaning that within the firm, as experiential knowledge of the market grows, more and more of the firm's resources are deployed as the level of perceived uncertainty decreases (Johanson and Vahlne, 2015). Adidas' decision to go in the highest commitment mode was a sensible one in anticipation of China's strategic importance and to prevent any impact on brand equity and price, but also meant the company was not able to simply walk away, or hedge, when the 2021 boycott began; instead, it had to absorb and bounce back to the shock in China. The manufacturing dimension adds to this: Adidas is itself a big manufacturing base, making it even more critical if it gets its politics wrong—and if it does get wrong, it does it right in China, too, as a buyer of its products.

Rather than returning to the market, the recovery from a 36% revenue downturn in 2022 to €3.5bn and +10% growth in 2024 was achieved by re-localising the market, the 'In China, For China' pivot that deepened cultural collaboration, gave design autonomy to Greater-China teams and shifted product calendars from global to local (Daxue Consulting, 2026). This illustrates that Resilience is more dependent on ongoing local adaptation than only entry mode, in high commitment modes. This evidence redefines 'market entry' as a continual process of re-earning legitimacy instead of a singular event, which reinforces the standardisation versus adaptation argument made in this report.

5 Ethical Evaluation of the Marketing Mix in China

The biggest moral faux pas for Adidas in their Chinese marketing is the Xinjiang cotton issue of 2021. Adidas is a member of the Better Cotton Initiative (BCI), which has raised concerns about reports of forced labour in the Xinjiang Uyghur Autonomous Region and resulted in its decision to suspend procurement of Xinjiang cotton (NPR, 2021; CGTN 2021). This presented a serious ethical issue when making its marketing mix decisions: in the product (sourcing) and promotion (brand ambassador) aspects.

The dilemma is a real conflict of two ethical stances. On any human rights (deontological) basis, banning cotton associated with alleged forced labour is sound and resonates with comforts of western consumers and regulators (Radio Free Asia, 2025). A cultural-relativist and consequentialist perspective interpreted the stance as an aggressive political gesture by the brand, which was followed by over 40 Chinese celebrities canceling endorsement deals, online sales dipping and domestic competitors like Anta picking up some ground (Campaign Asia, 2021; GLI, 2025). The consumer nationalism triggered by the guochao movement examined above, which involved consumers' decisions to buy products as a form of political expression and consumers' disinclination to buy foreign brands due to their cultural insensitivity, intensified this reaction. This reaction was reinforced by the consumer nationalism triggered by the guochao movement that was discussed earlier, such as buying actions demonstrating their political affiliation and the tendency to avoid foreign brands because of their lack of cultural sensitivity (Chiu et al., 2024; Forbes, 2023). In the so-called international marketing ethics dilemma, which was put forward by the authors Cateora, Gilly and Graham (2020), a method seen as ethical in the home market may not be viable in the host market in terms of commercial and political considerations.

A critical evaluation must recognize that there is no cost-free resolution. However, if Adidas shifted into reverse to please Chinese consumers, it would be accused of complicity and fail to uphold its own sustainability commitments in Europe, while keeping their position would run the risk of leaving the market open, which account for approximately 15% of their sales. From Carroll's pyramid of corporate social responsibility, the episode highlights the conflicts between the ethical and the economic responsibilities of the firm, which appear to go against each other in different jurisdictions (Crane et al., 2019). The problem is complicated by the stakeholder theory, since there are two coalitions of stakeholders, one consisting of western regulators, as well as human-rights NGOs and domestic consumers, the other composed of

Chinese consumers, employees, celebrity partners and the state, and no one message can please both (Freeman, cited in Crane et al., 2019).

The company's next steps, however, are pragmatic yet ethically questionable: It stops speaking much about the matter while building up cultural goodwill through localisation (What's on Weibo, 2026). It can be interpreted as good stewardship of the stakeholder or in the negative as a lack of moral consistency in favour of the bottom line. A second dimension of the ethics is the promotion element in particular: when Adidas' Chinese marketing program had been heavily dependent on the use of celebrities, the mass cut of contracts by over forty celebrities was not just a blow to its reputation but also structurally unviolable part of the marketing mix (Campaign Asia, 2021). The episode highlights the fact that ethical positioning itself is a marketing variable that has material and market-specific implications, and that in international marketing, there is no separation between ethics and strategy: a defensible, consistent and transparent approach is less risky than an improvisation approach, i.e. reacting. (Crane et al., 2019).

6 Recommendations

Based on the above analysis, five recommendations are made to the Adidas international marketing strategy:

1. Establish a 'glocal' working model, institutional terms. Adidas should codify the design autonomy of local market organisations (as they have started to do in China: 'In China, For China') for all other high-context markets as local market design autonomy is more important than entry mode for resilience (Daxue Consulting, 2025).
2. Create a politically savvy brand strategy in China. Enhance collaboration with Chinese athletes and cultural properties to ensure that brand meanings have a local foundation and minimise exposure to potential future geopolitical events (Chen, 2023).
3. Have a clear and transparent policy on ethics of sourcing. Instead of piecemeal ad hoc tactics of market by market, Adidas should define a clear and defensible human-rights sourcing criterion and then communicate it across all markets consistently, at a possible cost of short-term price increases in the future for maintaining reputational integrity.
4. Cost the investment in platform native martech. Give first priority to China with its dominance of Xiaohongshu, WeChat and livestream-commerce platforms, and ensure the GDPR-compliant CRM in Europe works in parallel as a design constraint (Campaign Asia, 2026).

5. Growth at DTC level while maintaining protection of the margin without losing wholesale. With approximately 60% wholesale reliance, continue to implement direct-to-consumer selectively to capture data and margin whilst maintaining key retail relationships (Adidas AG, 2025).

These recommendations are based on one principle resulting from the analysis: Adidas should focus on local adaptation of its mechanism as its default, while safeguarding the consistency of its brand, as well as its ethical framework. Recommendations 1, 2 and 5 all rely on a resilient local brand architecture, and a platform-native martech on the glocal operating model; recommendations 2 and 4 rely on a coherent ethics policy, which limits the political vulnerability of the others. Together, they put Adidas in a position to establish sustainable advantage for the brand from its difficult turnaround in China and maintain its market control in the established European territory.

7 Conclusion

This report has demonstrated that the essence of the Adidas brand strategy for success is the way in which the “mechanism” of the marketing strategy is adapted to suit the macro-environment and culture of each market. Germany and China have significant differences on power distance, individualism–collectivism and digital architecture, which spill over into STP and all the 7Ps. The high stakes and political and ethical risks of Adidas' staged, high-commitment presence in China were apparent during the Xinjiang incident in 2021, which the company faced. The lesson for international marketers is that along with entry mode, it is important to continuously adapt to local market and to position oneself ethically as well, not otherwise.

8 Section 2: Reflective Account (Gibbs' Reflective Cycle)

This reflection is a critical examination of my own practice in researching and producing this report, by analysing and writing through Gibbs' reflective cycle (1988) which consists of six elements: description, feelings, evaluation, analysis, conclusion and action plan (Finlay, 2008).

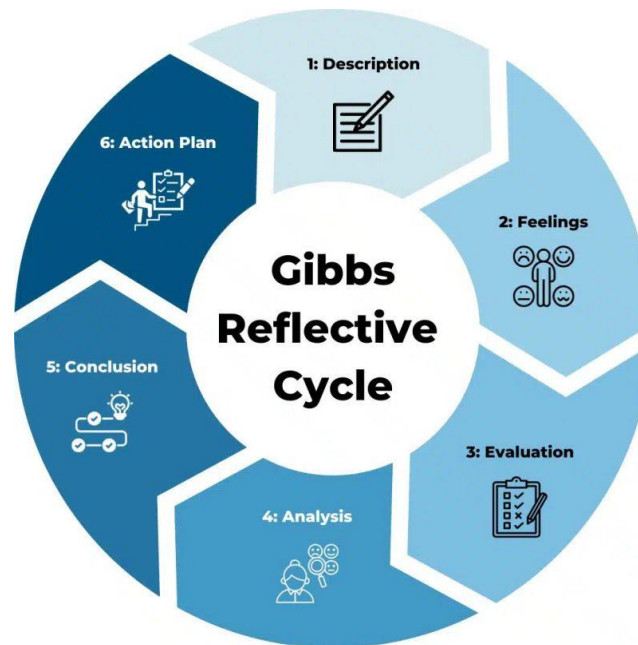


Figure 8 Gibbs' Reflective Cycle (Finlay, 2008).

8.1 Description

I had to study the international strategies for market entry and marketing mix of a selected brand in 2 countries using PESTEL, Hofstede, STP and 7Ps and had to assess an ethical issue in one selected country. I chose Adidas in Germany and China because there was much to compare, between a Western individualist home market and an Eastern collectivist host market. To ensure I met the brief's objectives, I first defined the five sub-tasks of the brief and then searched for academic conference reports and journals, as well as the Adidas 2024 annual report and credible news and industry sources, checking their publisher information prior to use. The report was organised sequentially starting from the macro-environment, followed by the STP and the STP Mix and then entry mode etiquette and ethical considerations and finally the recommendations.

8.2 Feelings

I was initially confident of the frameworks as I already knew PESTEL, Hofstede and the 7Ps before, but unsure of how to use them in a really comparative argument, not a descriptive one, also on getting the fresh and current evidence as opposed to using generalities from the textbooks. The Xinjiang issue that broke opened up with an uncomfortable yet motivating

subject matter, one that was far from objective, but I felt compelled to present something that was objective as I felt ethical issues were involved, and that I had to be strong enough to represent both sides of the human-rights side and the Chinese-market side fairly, rather than sticking with one side of the argument. By the later drafts I felt that the separate frameworks were beginning to merge into one argument and thus had a feeling of ownership.

8.3 Evaluation

I found a good balance in my process between using academic and industry sources, providing theoretical input as well as topical and current relevance, and keeping a critical eye on every citation, which I strive to verify with the sources, ensuring the evidential integrity of the report. A second strength was in the explicit linking of sections, and it was from the cultural analysis that the STP and promotion discussion was directly drawn. The main weakness was that I initially depended upon descriptions of the companies and needed to recraft the content to highlight critical comparison and evaluation. Time management was satisfactory overall although the ethical assessment was somewhat longer than hoped as the task of presenting two sides of the argument fairly, neither promoting nor rejecting it, was quite challenging.

8.4 Analysis

Looking back, the challenge was related to differences between knowing frameworks and applying them analytically; an area the Level 7 criteria highlight. Kolb's experiential learning concept, which requires abstract theoretical knowledge to be put into practical action (Kolb cited in McLeod, 2017), enabled me to realize that it is only through putting the models into practice for real Adidas decisions, like why endorsement works better in a high power distance China that my understanding of the models turned deeper. One of the developmental insights that came to me is that I over-describe things rather than argue about them.

8.5 Conclusion

Based on this, I conclude that my analytical writing skills were enhanced by making iterations and my critical judgement is best when fixed on a concrete case. I also found out that ethical analysis in international marketing is very rarely a clear-cut proposition and that this fuzziness is not a sign of lack of intellectual sophistication but a sign of one level higher.

8.6 Action Plan

I will (i) create the critical argument first and then provide the descriptive supporting evidence, (ii) establish a verified reference log at an earlier stage to save time, and (iii) allow more time to consider the competing ethical arguments. These actions address the weaknesses identified above, and will help to improve the analytical nature of my work.

9 References

- Adidas AG (2025) *Annual Report 2024*. Herzogenaurach: Adidas AG. Available at: <https://report.adidas-group.com/2024/en/>
- Campaign Asia (2021) 'Nike, Adidas, Burberry, Uniqlo ensnared in Xinjiang cotton controversy', *Campaign Asia*, 26 March. Available at: <https://www.campaignasia.com/article/nike-adidas-burberry-uniqlo-ensnared-in-xinjiang-cotton-controversy/468578>
- Campaign Asia (2026) 'Brand health check: What's behind Adidas' brand surge in China?', *Campaign Asia*, 2 February. Available at: <https://www.campaignasia.com/article/brand-health-check-whats-behind-adidas-brand-surge-in-china/502988>
- Cateora, P.R., Gilly, M.C. and Graham, J.L. (2020) *International Marketing*. 18th edn. New York: McGraw-Hill Education. https://books.google.com.pk/books/about/International_Marketing_18th_Edition.html?id=vaDiDwAAQBAJ&redir_esc=y
- CGTN (2021) 'Adidas, Nike web sales in China plunge amid boycott', *CGTN*, 8 May. Available at: <https://news.cgtn.com/news/2021-05-08/Adidas-Nike-web-sales-in-China-plunge-amid-boycott-104yI2pP0mQ/index.html>
- Chen, J., 2023, September. An In-depth Comparative Analysis of Adidas' Marketing Strategies and Market Comparison in the Chinese Market. In *2023 International Conference on Management Innovation and Economy Development (MIED 2023)* (pp. 344-351). Atlantis Press. <https://www.atlantispress.com/proceedings/mied-23/125991551>
- Chiu, C.L., Ho, H.C., Xie, Z., Wu, Q. and Yuan, Y., 2024. Culturally mixed co-branding product framing in China: the role of cultural sensitivity, product quality, and purchase probability. *Humanities and Social Sciences Communications*, 11(1), pp.1-14. <https://www.nature.com/articles/s41599-024-02954-1>
- Crane, A., Matten, D., Glozer, S. and Spence, L.J., 2019. *Business ethics: Managing corporate citizenship and sustainability in the age of globalization*. Oxford university press. [https://books.google.com/books?hl=en&lr=&id=fcSbDwAAQBAJ&oi=fnd&pg=PP1&dq=Crane,+A.,+Matten,+D.,+Glozer,+S.+and+Spence,+L.J.+\(2019\)+Business](https://books.google.com/books?hl=en&lr=&id=fcSbDwAAQBAJ&oi=fnd&pg=PP1&dq=Crane,+A.,+Matten,+D.,+Glozer,+S.+and+Spence,+L.J.+(2019)+Business)

[+Ethics:+Managing+Corporate+Citizenship+and+Sustainability+in+the+Age+of+Globalization.+5th+edn.+Oxford:+Oxford+University+Press.&ots=MtjffqsZLy&sig=gjsHOFIHL83pkrDLYg5AB0-IEjU](#)

Daxue Consulting (2025) *Market research on Adidas in China*. Available at:

<https://daxueconsulting.com/market-research-on-adidas-in-china/>

Finlay, L. (2008) *Reflecting on 'reflective practice'*. PBPL paper 52. Milton Keynes: The Open University. <https://oro.open.ac.uk/68945/1/Finlay-%282008%29-Reflecting-on-reflective-practice-PBPL-paper-52.pdf>

Forbes (2023) 'Guochao' trend may disrupt Western luxury brands' dominance in China', *Forbes*, 25 January. Available at:

<https://www.forbes.com/sites/pamdanziger/2023/01/25/guochao-trend-may-disrupt-western-luxury-brands-dominance-in-china/>

Global Legal Insights (2025) 'Adidas faces accusations of corruption in China', *Global Legal Insights*, 15 January. Available at: <https://www.globallegalinsights.com/news/adidas-faces-accusations-of-corruption-in-china/>

Hofstede, G., 2001. *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Sage publications. [https://books.google.com/books?hl=en&lr=&id=9HE-DQAAQBAJ&oi=fnd&pg=PP1&dq=Hofstede,+G.+\(2001\)+Culture%27s+Consequences:+Comparing+Values,+Behaviors,+Institutions+and+Organizations+Across+Nations.+2nd+edn.+Thousand+Oaks,+CA:+Sage.&ots=IMBarKA-PO&sig=YrzbKWRy1dwpJiVgMC065nv892E](https://books.google.com/books?hl=en&lr=&id=9HE-DQAAQBAJ&oi=fnd&pg=PP1&dq=Hofstede,+G.+(2001)+Culture%27s+Consequences:+Comparing+Values,+Behaviors,+Institutions+and+Organizations+Across+Nations.+2nd+edn.+Thousand+Oaks,+CA:+Sage.&ots=IMBarKA-PO&sig=YrzbKWRy1dwpJiVgMC065nv892E)

Hofstede, G., Hofstede, G.J. and Minkov, M., 2010. *Cultures and organizations: software of the mind: intercultural cooperation and its importance for survival*. McGraw-Hill.

Hollensen, S., 2020. *Global marketing* (pp. 978-1). Harlow:

Pearson. https://www.academia.edu/download/55133373/Hollensen.Global_Marketing.pdf

Hub of China (2026) *Foreign vs domestic brands in China: consumer trends*. Available at: <https://hubofchina.com/foreign-vs-domestic-brands/>

IMD (2023) *Nike dominates Chinese apparel market for now, but 'Guochao' is changing the game*. Lausanne: International Institute for Management Development. Available at:

<https://www.imd.org/ibyimd/asian-hub/nike-dominates-chinese-apparel-market-for-now-but-guochao-is-changing-the-game/>

- Johanson, J. and Vahlne, J.E., 2015. The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. In *International business strategy* (pp. 33-59). Routledge.<https://api.taylorfrancis.com/content/chapters/edit/download?identifierName=doi&identifierValue=10.4324/9781315848365-5&type=chapterpdf>
- Kotler, P. and Keller, K.L., 2015. Marketing Management 15th Edition–Global.
- Fonseca, F., 1983. The globalization of markets.https://www.academia.edu/download/62666172/The_Globalization_of_Markets20200401-115299-1en3e2z.pdf
- MatrixBCG (2026) *What is growth strategy and future prospects of Adidas company?* Available at: <https://matrixbcg.com/blogs/growth-strategy/adidas>
- McLeod, S. (2017) *Kolb's learning styles and experiential learning cycle*. Simply Psychology. Available at: <https://www.simplypsychology.org/learning-kolb.html>
- NBC News (2021) 'China steps up pressure on brands to reject reports of Uyghur abuses', *NBC News*, 29 March. Available at: <https://www.nbcnews.com/news/world/china-steps-pressure-brands-reject-reports-uyghur-abuses-n1262315>
- NPR (2021) 'China urges boycott of H&M', *NPR*, 25 March. Available at: <https://www.npr.org/2021/03/25/981113024/china-retaliates-against-clothing-brands-after-western-sanctions>
- Radio Free Asia (2025) 'China hits back at fashion brands over Xinjiang cotton campaign', *Radio Free Asia*, 4 June. Available at: <https://www.rfa.org/english/news/china/xinjiang-cotton-03252021153114.html>
- South China Morning Post (2021) 'China presses global fashion brands to reverse Xinjiang cotton boycott', *SCMP*, 25 March. Available at: <https://www.scmp.com/news/china/diplomacy/article/3126904/>
- Schmid, S. and Kotulla, T., 2011. 50 years of research on international standardization and adaptation—From a systematic literature analysis to a theoretical

- framework. *International Business Review*, 20(5), pp.491-507.
<https://www.sciencedirect.com/science/article/pii/S0969593110001125>
- Novobritskii, A., 2026. Intercultural Communication Strategies of a Technology Brand: A Comparative Quantitative Analysis of Xiaomi's Digital Marketing in China and Russia. *arXiv preprint arXiv:2601.07204*.
<https://arxiv.org/abs/2601.07204>
- Svensson, G., 2001. "Glocalization" of business activities: a "glocal strategy" approach. *Management decision*, 39(1), pp.6-18.
<https://www.emerald.com/md/article/39/1/6/285599>
- Theodosiou, M. and Leonidou, L.C., 2003. Standardization versus adaptation of international marketing strategy: an integrative assessment of the empirical research. *International business review*, 12(2), pp.141-171.
<https://www.sciencedirect.com/science/article/pii/S096959310200094X>
- Umbrex (2026) *Adidas AG: strategy and business model*. Available at:
<https://umbrex.com/resources/company-profiles/adidas-n-ag/>
- Vrontis, D., Thrassou, A. and Lamprianou, I., 2009. International marketing adaptation versus standardisation of multinational companies. *International Marketing Review*, 26(4-5), pp.477-500.
<https://www.emerald.com/imr/article/26/4-5/477/183535>
- What's on Weibo (2026) 'How Adidas went from hated in China to a Chinamaxxing brand', *What's on Weibo*, 13 June. Available at: <https://www.whatsonweibo.com/going-to-town-to-handle-business-how-adidas-went-from-hated-in-china-to-a-chinamaxxing-brand/>
- Zhu, J., 2021. Analysis on Adidas Marketing Strategies in 4P Model. *Scientific and Social Research*, 3(5), pp.67-75.
<https://scholar.archive.org/work/iahdk46znvhvbmaqu5p7oahnsi/access/wayback/http://journals.innosciencepress.com/index.php/ssr/article/download/1204/1046>