



# adidas

## Integrated Marketing Communication Campaign

### Marketing Team

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# Topics

- The Market
- Communication Needs and Goals
- Target Market
- Concept
- Execution and Evaluation
- Advertising Campaign
- Budget



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# S.W.O.T.

- Strengths
  - 2<sup>nd</sup> highest market share in basketball and overall market share
  - Endorses well-known athletes
  - In last two years, they have doubled basketball sales
- Weaknesses
  - Operating expenses on the rise
  - Debt twice the amount of assets



# S.W.O.T.

(cont.)

- Opportunities
  - 28 million youths played basketball more than once in 2001
  - Sales of footwear in 2002 totaled 15.639 billion
  - In 2001, 300 million was spent on sport of basketball
  - Nike's prices are rising



# S.W.O.T.

(cont.)

- Threats
  - Nike controls 65.5% of the basketball shoe market
  - Average Price of basketball shoes is dropping
  - Current economic crisis



NIKE BASKETBALL 



# Growth Opportunities

- In 2002, net income for Adidas increased 10%
- Adidas holds the number 1 or 2 position globally in a variety of sports gear.
- Possible endorsement of LeBron James
- Capability of drawing sales of its brand by 4 or 5 % over the long term



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## Communication Needs

- Increase Reach
- Synergy
- Customer act favorably toward product



## Communication Goals

- Increase market share and sales
- Develop Brand Image
- Campaign influences the target market
- Use Authority and Liking as tools of Persuasion.



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# Target Market

- Demographics
  - Males
  - Age 10-18
  - Living in the United States
- Psychographics
  - Conformist
  - Quick to adopt role models
  - Highly influenced by peers
  - Serious Sport Participant



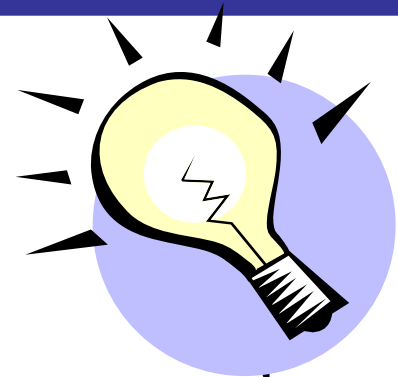


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# Concept



- Appeal to younger athlete with integrated marketing communication campaign
- Slogan – “The Royal Treatment”
  - Ties with our spokesman LeBron James (King James)
  - The shoe that treats you like a king
- Multiple Media Forms
  - Create brand equity and brand awareness



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# Execution

- Phase I
  - Television and Magazine Advertisements, Point of Purchase displays
  - Sales figures checked quarterly
  - T.V. and Magazine Ads pulled at the end of second quarter





# Execution

- Phase II
  - Publicity Events  
(3 on 3 Basketball Tournaments,  
“LeBron Goes To Prom”)
  - Introduced at end of second quarter based on the total sales figures

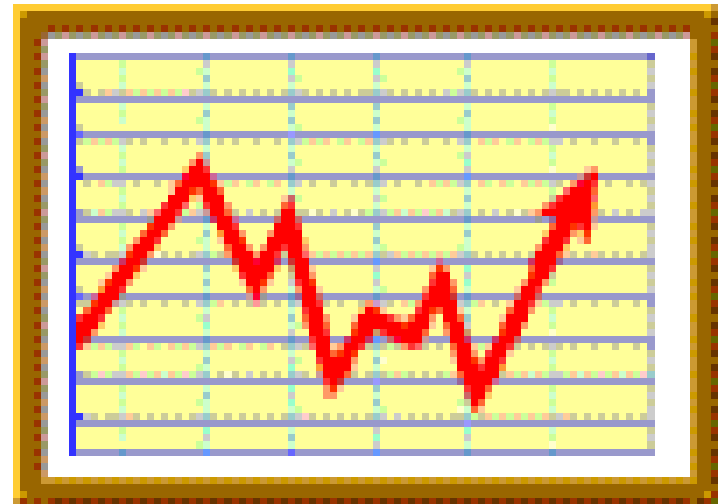






# Evaluation

- Percentage growth in sales in basketball shoe market
- Written surveys
- Focus groups





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# Magazine Advertisement

- Concept
  - Appeal to our target market through special interest magazines.
- Synergy
  - The shoe that makes you feel like a king.
- Publications
  - Sports Illustrated
  - ESPN The Magazine
  - Sports Illustrated for Kids





*You will never find  
a shoe that treats  
you this good!*



**The King James  
Basketball Shoe**





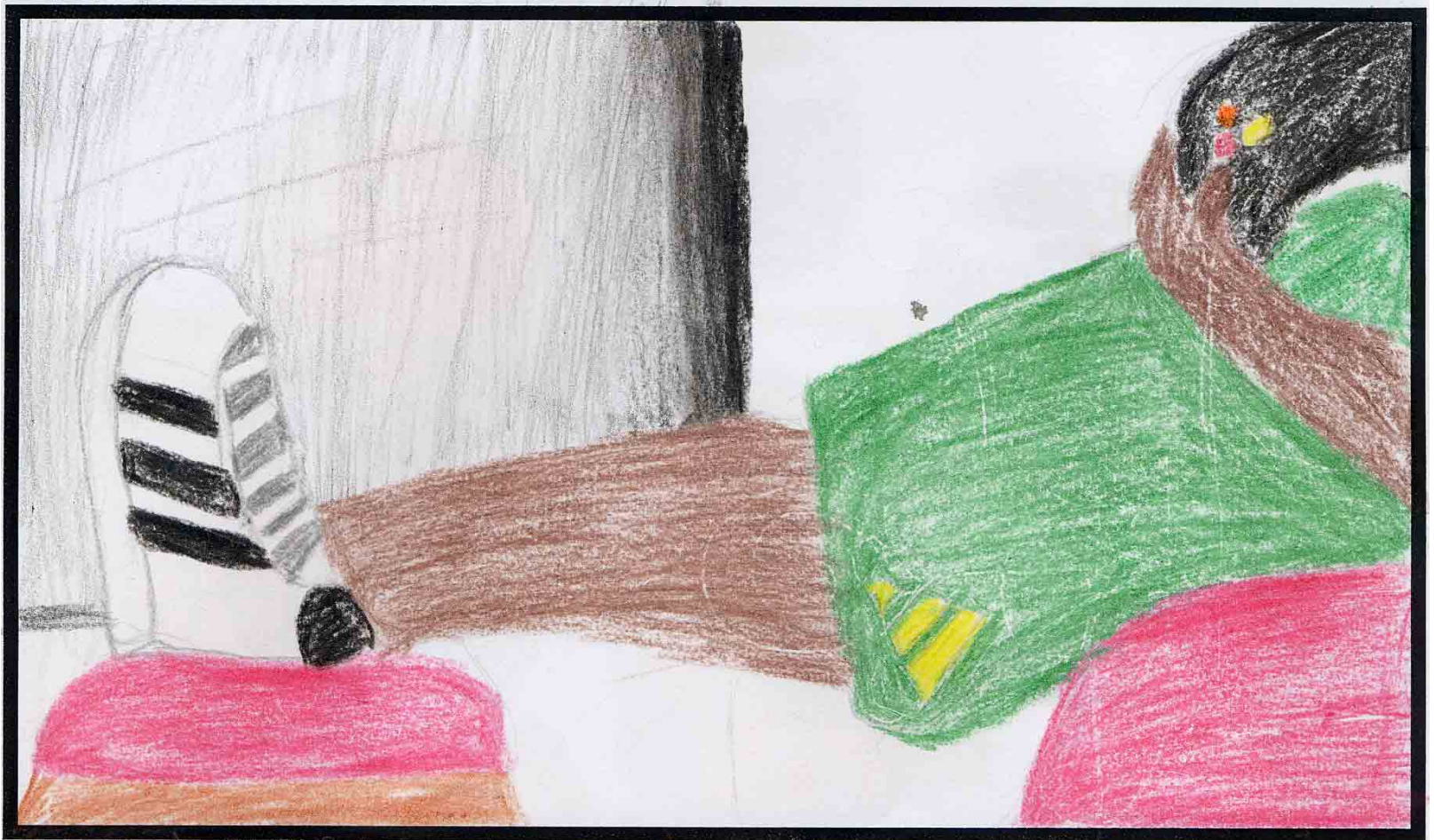
# Television Advertising

- Concept
  - Reach a large number of consumers. Use LeBron to appeal to our young target market.
- Synergy
  - The shoe that makes you feel like a king.
- Television Programs
  - ABC
  - TNT
  - ESPN





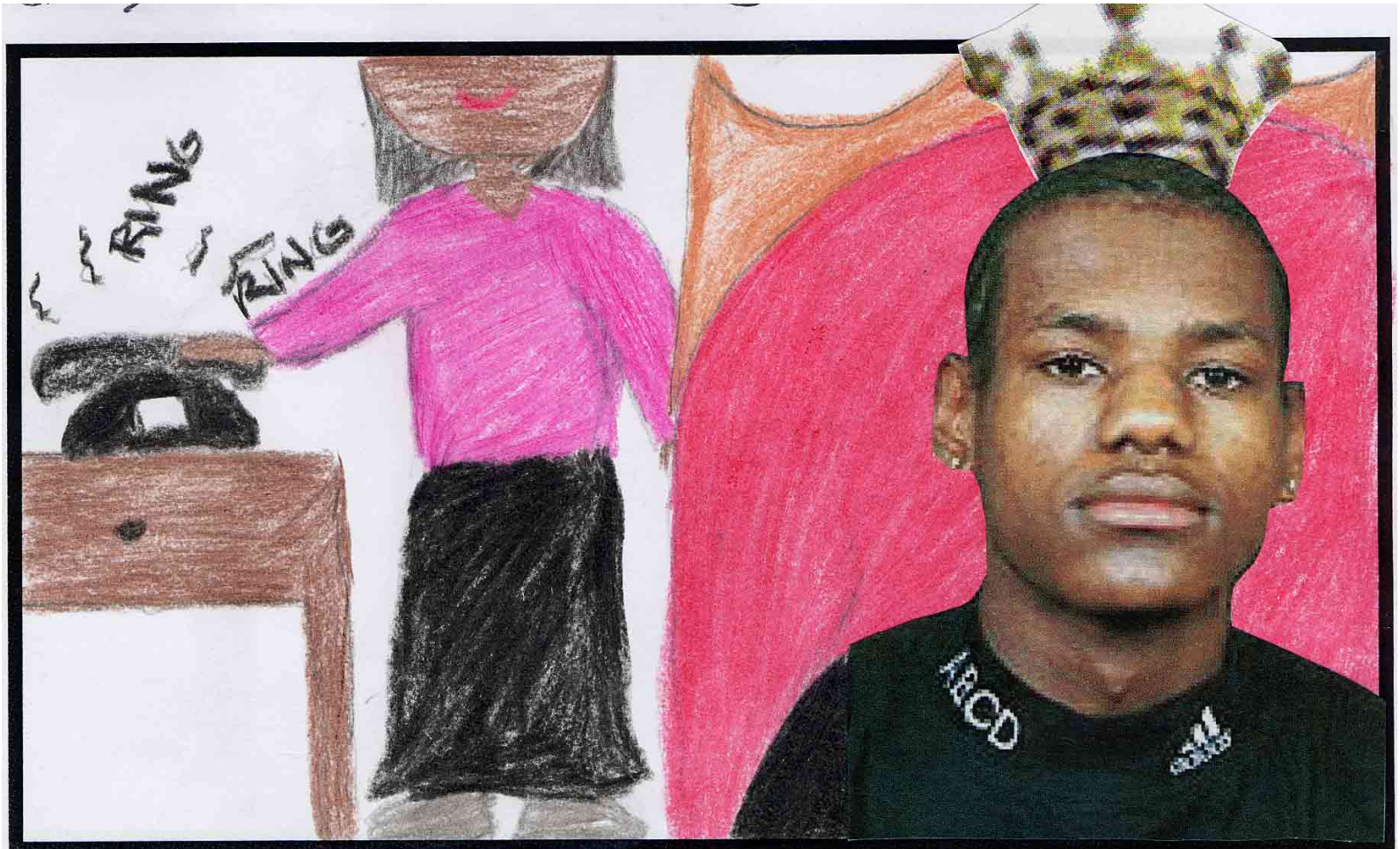
The commercial begins with LeBron sitting on a throne playing a video game. The young target market identifies with video game playing.







In the middle of his game, the phone rings. His mom picks up the phone.





On the other end of the phone is LeBron's teammates asking, "Can LeBron play tonight?"





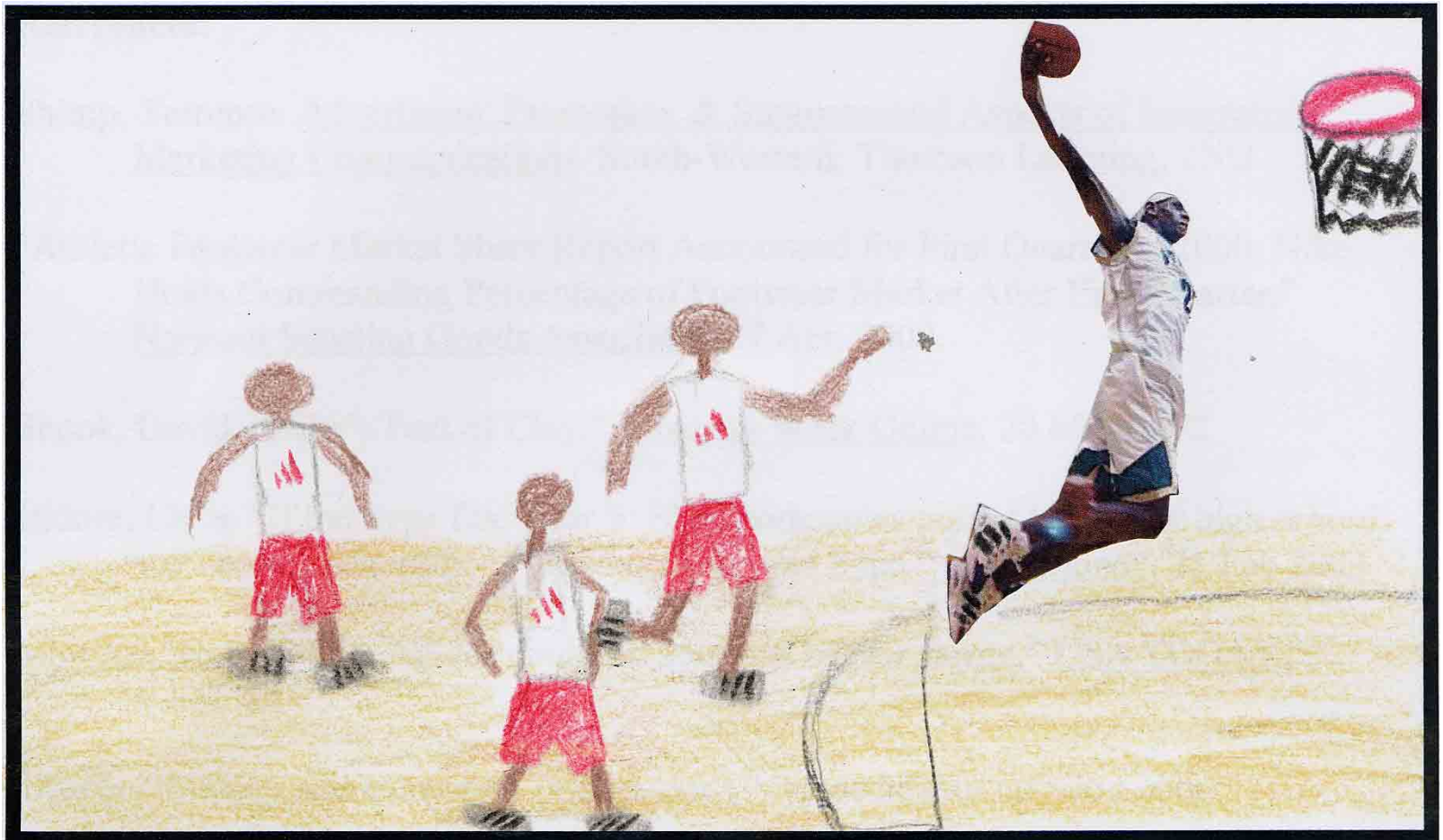


His mom relays the message to him. LeBron jumps out of his throne to go put on his King James shoes. He then heads to the arena to play in tonight's game.





The next scene is of LeBron schooling everyone on the court. He is dunking and the shot is finished with a close up of the shoe.





The commercial finishes with the slogan “The Royal Treatment.” The brand name and icon show up on the screen as well.

A “bling” sound adds the crown to the Adidas logo.



**THE ROYAL TREATMENT**



# Event Marketing



- “The Royal Court” - 3 on 3

## Basketball Tournament

- Develop Brand Image through favorable association.
- Court surface will be red to symbolize a red carpet and to create synergy with “The Royal Treatment”
- Tournament travels US during the Summer months following the playoffs.
- Winners receive free “King James” shoes and all participants receive free Adidas shirts.



# Internet

- Banner Ads
  - The goal is to increase brand awareness and therefore enhance brand equity.
  - Placement of Ads
    - ESPN.com
    - cnnsi.com
    - footlocker.com





# Internet

(cont.)

- Pop-Up Ads
  - Utilize audio and visual to attract attention.
  - Harder to remove.
  - Placement of Ads
    - ESPN.com
    - cnnsi.com
    - footlocker.com





# Personal Selling

- Train Foot Locker employees on the finer points of the “King James” basketball shoes.



**Foot Locker.**

- Personal selling at the “The Royal Court” basketball tour.





# Sales Promotions

- Buy two pairs of shoes, get a free poster.
- “King James” Crowns
  - \$5 coupon off purchase of “King James” shoes.
- Point of Purchase Display
  - displays are located at the front of the store to allow the window shoppers easy access to the product.







# Public Relations

- LeBron Goes To Prom
  - Instant King and Queen at Prom.
  - Awareness to the high school market.
  - Synergy - “The Royal Treatment.”
- Urban Boys and Girls Club
  - 50,000 pairs of shoes to underprivileged kids wanting to play basketball.





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# Budget

- Television Advertisement - for 2 quarters
  - \$300,000 to produce
  - \$4,080,000 to run the ad on network.
  - \$2,400,000 to run the ad on cable.
- Magazine Advertisement - for 2 quarters
  - \$30,000 to produce
  - \$1,218,000 to run ad in SI
  - \$600,000 to run ad in ESPN
  - \$210,000 to run ad in SI for Kids



# Budget

(cont.)

- The Royal Courts Tournament
  - \$1,576,000 Total Cost for 2 month tour
  - \$2,028,000 to Advertise
- Banner Ads - for 2 quarters
  - \$75,000 Total Cost
- Pop-Up Ads - for 2 quarters
  - \$100,000 Total Cost
- Personal Selling
  - \$10,000 Total Cost



# Budget

(cont.)

- Buy Two Pair Get a Poster
  - \$10,000 Total Cost for Manufacturing
  - \$30,000 Total Cost for designs
- “King James Crowns”
  - \$250,000 Total Cost for Manufacturing
- Point of Purchase Display
  - \$25,000 Total Cost for Manufacturing



# Budget

(cont.)

- LeBron Goes To Prom
  - \$20,000 Total Cost of all four proms
  - \$1,000,000 Total Cost to Advertise
- Urban Boys and Girls Club
  - 50,000 free pairs of shoes
  - \$20 per pair
  - \$1,000,000 Total Cost



# Budget

(cont.)

- Total Budget  
- \$14,932,000





# Questions

