



An In-depth Comparative Analysis of Adidas' Marketing Strategies and Market Comparison in the Chinese Market

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Abstract. This comprehensive and meticulous examination dives deep into the core of Adidas's marketing strategies, majorly concentrating on its operations within the expansive Chinese market. The discourse breaks down and scrutinizes the multi-faceted components of Adidas's marketing paradigm, namely its marketing strategy, value-based marketing approach, perceived weaknesses, and its journey within the vibrant Chinese market. The purpose is to analysis of the current situation of Adidas in the Chinese market and the role and weaknesses of its marketing strategy in China. Additionally, the discourse also presents a comparison between Adidas and two eminent Chinese sports brands, Li-Ning and Anta, to provide a broader contextual understanding. The overarching goal of the investigation is to provide constructive recommendations for both Adidas and Chinese sports brands to flourish and triumph in the intensively competitive arena of sportswear in China.

Keywords: Marketing strategy, Adidas, Chinese sports brands, value marketing, Chinese market.

1 Introduction

As we ushered in the 21st century, the rapid evolution of the sports industry has ignited fierce competition within the sports brand market. As society continues to progress, sports have evolved into a popular venture in the modern era. Amidst the era of fierce brand competition, it is without a doubt that sports brands represent one of the most intensely competitive markets [1]. Adidas has emerged as one of the most valuable and renowned sports brands globally. Amid the intense competition in China's sports goods industry, international giants like Nike, Adidas, and Puma have dominated most of the market, thanks to their advanced technology and extensive experience in product design, marketing, and digital media. The arena of sportswear, a battlefield filled with fierce competition, witnesses several global brands dueling for market domination. Adidas, a distinguished player in this battleground, has built a robust global presence by the meticulous implementation of ingenious marketing strategies to interact and connect with its intended audience. This article delves into the marketing strategies

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employed by Adidas, with a particular focus on its strategies within the Chinese market. By examining the methods and weaknesses of Adidas' marketing approach, and by comparing it with local Chinese sports brands, the study aims to provide an evaluation and improvement recommendations for Adidas' marketing strategies.

2 Adidas brand:

Adidas stands as a globally recognized public company, emerging as one of the largest sports brands worldwide, with its iconic three stripes logo familiar to households in markets across the globe [2]. The brand's marketing efforts revolve around constructing a strong brand image that deeply resonates with consumers worldwide. With a rich history spanning nearly a century, Adidas' business model relies on the design, manufacture, and sale of a wide variety of athletic and casual footwear, apparel, and accessories. They implemented a multi-brand strategy and a varied brand portfolio, they have managed to cater to every segment of the market, from athletes to the general populace. They boast multiple product lines to cater to diverse sporting and leisure activities, operating through a global network of suppliers, manufacturers, and distributors. By forming alliances with top-tier athletes, securing high-profile sponsorships, and developing corresponding products, Adidas has established a brand image that is both leading and well-known in the worlds of sports and fashion. This robust global positioning aids in solidifying the brand's foothold in the Chinese market. Adidas has successfully bridged the gap between athletic branding and contemporary fashion trends by collaborating with globally renowned designers and celebrities, creating a unique Adidas style and attracting a broad range of fashion-conscious consumers through athlete and celebrity endorsements. In recent years, the company has made strides in its digital transformation, driving its sales in the aftermath of the COVID-19 pandemic. According to the Adidas Group, In Greater China, Adidas recorded a 6% sales increase in euro terms in 2021, amounting to €4.597 billion, an improvement from €4.342 billion in 2020 [3]. This growth can be attributed to mid-single-digit growth in Lifestyle, supplemented by low-single-digit improvements in Training and Outdoor segments [3]. A significant part of Adidas' recent success stems from its focus on the digital realm, with e-commerce emerging as the brand's largest sales channel. This focus was particularly evident in 2022, when e-commerce sales surged amid the global pandemic. Adidas continues to leverage this momentum, utilizing digital platforms to connect with consumers and enhance the user experience associated with the brand.

3 Marketing strategy

While Adidas has seen success with its global marketing, it faces obstacles when tailoring its strategies to the unique Chinese market. A strategy represents the assembly and deployment of an organization's resources with the objective of fulfilling the needs, demands, and expectations of markets and stakeholders [2]. Chinese consumers, influenced by their distinct consumer preferences and indigenous culture, may differ significantly from consumers in other regions. The focal point of Adidas's marketing in China

involves effectively translating its global brand image and core values while aligning with the specific demands and preferences of Chinese consumers. Essential localization efforts, such as understanding influential local celebrities and figures that carry significant impact on the local market, and establishing endorsements for effective brand marketing and value projection, are also critical to the brand's successful positioning in China. To overcome localization challenges and connect with Chinese consumers, Adidas has recognized the importance of collaborating with local celebrities and athletes. When people observe a celebrity or athlete they support wearing a product and winning, people tend to associate the product with victory [4]. As for Adidas, the marketing strategy of endorsement can continuously build awareness of the brand and the endorsed products. At the same time, the endorsement behaviour of top athletes in different industries will lead more people to follow suit and can allow the brand to accumulate more industry excellence. By partnering with high-profile or champion athletes in popular sports within China, a country where consumers often seek inspiration and validation from local athletic role models and influencers, Adidas can enhance its brand appeal and credibility among its target audience. Through its excellent and successful marketing strategy, the company has managed to sell a large number of highly innovative products [5]. These collaborations help establish stronger emotional bonds with consumers and cultivate brand loyalty. Adidas has embraced the concept of digital transformation in its marketing approach. Digital transformation involves integrating digital technology into all areas of a business, fundamentally changing how it operates and delivering value to customers. For Adidas, this implies a significant shift towards e-commerce and digital marketing strategies. In addition, Adidas has launched a series of localized digital marketing campaigns, such as Yeezy Day and Tmall Super Brand Day. These campaigns leverage the characteristic of the new generation's higher acceptance of digitized information, providing a highly immersive and interactive unique personalized digital shopping experience. The potential of marketing activations is rooted in offering consumers the opportunity to actively participate in interactive processes that engage their personal interests and provide experiences beyond their daily routines, achieved by presenting them with a platform where they can experience enjoyment, excitement, challenge, and personal fulfilment [6]. In a noteworthy initiative, Adidas collaborated with Taobao, China's largest mobile shopping platform, to create an immersive virtual world. This initiative allows the brand to introduce a new marketing approach, combining digital collectables with tangible goods.

4 Value Marketing Strategies

The cornerstone of Adidas's value marketing strategy lies in its unwavering commitment to relentless innovation, excellent design, and personalization. These strategies are the driving forces behind the brand's ability to create unique value propositions for consumers, allowing it to stand out in market competition. One of the powerful advantages of Adidas is its steadfast emphasis on innovation and continuous product development, investing substantial resources in research and development to meet the dynamic needs of athletes and consumers. From high-performance shoes to smart

clothing, Adidas is resolutely committed to breaking through and redefining the boundaries of sports product performance through innovation. In addition to its root innovation culture, Adidas also attaches great importance to design and aesthetic appeal. The brand collaborates with well-known designers to create avant-garde products that resonate with consumers. By combining sports performance with fashion, Adidas cleverly positions itself as a brand that meets both athletic and lifestyle needs. Adidas also provides value through its commitment to sustainable development, combining high-end fashion with environmentally friendly materials. It's not just about fashionable design and comfort, but also about contributing to the sustainability of the environment, which is important to many consumers today. By focusing on these value propositions in its marketing, purchasing Adidas products means more to customers than just buying a piece of clothing or a pair of shoes, it's also an investment in performance, comfort, and sustainability. This is how Adidas applies value marketing. Personalization has also become an important part of Adidas's marketing strategy. The brand caters to individual consumer preferences and provides unique experiences. Through digital platforms and customization options, Adidas enables consumers to personalize their products. This personalization not only enhances the overall customer experience but also fosters brand loyalty and advocacy.

5 Weaknesses in Marketing Strategies:

With the increase in consumer demand for sports products, the sports goods industry in China is currently expanding. Taking the Chinese market as an example, the layout of Nike and Adidas is to develop in the middle and high-end sports goods market in China. Chinese local brands such as Li Ning and Anta mainly rely on the cost-performance advantage of their products and develop from the middle and low-end market. Although Adidas' market positioning is generally strong, the company faces challenges in managing the constantly changing consumer patterns. One of the problems Adidas has to face is the stereotypes and misunderstandings of different generational groups. Adidas faces a daunting task of effectively localizing its marketing strategy and utilizing celebrity endorsements in the complex Chinese market. The unique preferences and cultural influences of Chinese consumers require a deep understanding of their behaviors and needs. This includes using local influencers, adopting culturally relevant information, and incorporating Chinese elements into product design and marketing materials. International brands are prone to mistakenly display the cultural characteristics of their products in the process of cultural integration, which leads to problems in brand marketing. Adidas' digital marketing has achieved certain results overall, but the company faces challenges in managing the constantly changing consumer patterns. A potential area for improvement is their digital strategy. With the intensification of competition in the e-commerce field, when more and more brands such as Nike and Li Ning join the competition in digital marketing, Adidas may need to further innovate its digital platform to maintain its growth momentum. The possible existence is that on social media platforms, they still tend to promote product advertisements and lack interaction with a large number of consumers. They cannot better spread brand value and influence

through digital media, and the brand spirit and human stories behind the products will not be effectively remembered and deeply rooted in consumers. It is worth noting that social media brand advertising can drive their brand reputation, but may also impact sales and customer loyalty [7]. At the same time during the pandemic, the continuous interruption of the supply chain due to pandemic restrictions and the management problems of the supply chain have seriously affected Adidas' revenue. In addition, the Chinese market increasingly favors products with a "Chinese feel". Chinese consumers think that the price of Adidas' products is too high and the quality is declining, which has led to a decline in consumer attention and sales volume. At the same time, the group's position on the Xinjiang cotton crisis has been strongly opposed, leading to boycotts and significant losses in market share. In terms of marketing strategy, Adidas faces many challenges. Despite Adidas' efforts to localize and cooperate with local partners, it has not been able to integrate Chinese culture well, and product marketing cannot deeply touch Chinese consumers.

6 Comparison with Chinese Sports Brands:

Two renowned Chinese sports brands, Li Ning and Anta, are well-known for their branding strategy that utilizes an array of Chinese celebrities and local champion athletes to draw consumers who may lack in-depth knowledge about sport [8]. The emergence of many general sports brands was relatively delayed, leaving them at a competitive disadvantage when juxtaposed with established sports brand giants, their marketing proficiency remains quite limited, demonstrating a lack of comprehensive international sports marketing strategies [9]. Compared to international brands like Nike and Adidas, the scale of endorsements and sponsorships by Li Ning and Anta falls significantly short, with the latter brands boasting a multitude of top-tier representations across diverse sporting domains. Furthermore, their marketing strategies fail to translate into greater brand influence, and are unable to forge a successful association between the brand and their endorsed athletes' achievements. Nonetheless, Li Ning and Anta, these prominent Chinese sports brands, have adopted unique market positioning strategies, differentiating themselves from international brands like Adidas. Li Ning positions itself as a high cost-performance ratio brand, aiming at second-tier and lower-tier cities in China. Limited brand associations and endorsements, coupled with a lack of innovation, hinder their ability to compete with global brands. Li Ning, founded by former Chinese Olympic gymnast Li Ning, gained popularity through sponsoring Chinese national sports teams and individual athletes. The brand has adopted a strategy focused on the mass market, particularly targeting China's second and lower-tier cities. By positioning itself as a cost-effective brand, Li Ning has successfully captured significant market share in these regions, attracting consumers who prioritize affordability and quality. However, the brand faces challenges in its expansion to the high-end market and competition with international brands like Adidas. Despite efforts to establish a presence in first-tier developed cities, it has been struggling to differentiate itself and overcome the impression of being a budget brand. Li Ning's marketing strategy largely depends on celebrity endorsements and fashion-centric campaigns to draw consumers

who may not necessarily prioritize sports. However, compared to international brands like Adidas, Li Ning's endorsements and sponsorships are relatively limited in scale and impact. The brand has been unable to fully leverage the influence of its endorsers to establish strong brand associations and drive consumer desire. In terms of digital marketing, Li Ning has made some progress in utilizing social media platforms and internet advertising. However, there is room for improvement in creating engaging interactive experiences for consumers. Li Ning's marketing campaigns are mainly product-focused, lacking depth in evoking consumer resonance with brand ethos and human narratives. Its sponsorship of international sports events also lacks the innovative marketing demonstrated by Nike and Adidas in their sports sponsorship activities. The market positioning strategy of Anta, another major Chinese sports brand, is similar to that of Li Ning. Anta primarily targets the mid-to-low end of the market, attracting consumers with its cost-effective products. Like Li Ning, Anta also employs celebrity endorsements and fashion-focused marketing strategies to broaden its consumer base. Anta's marketing efforts mainly revolve around brand exposure, and do not prioritize creating meaningful interactions and experiences for consumers. The brand has not yet fully exploited the potential of digital platforms to attract consumers and establish a strong brand image. When comparing Adidas with Li Ning and Anta, several differences become apparent. Firstly, Adidas has established itself as a global brand, esteemed for its innovation, design, and performance. The brand's marketing strategy emphasizes creating a unique brand image and associating it with influential figures in sports and pop culture. Secondly, Adidas has invested significantly in research and development to drive product innovation and enhance its brand image. This focus on innovation and creativity helps Adidas establish its brand identity, enabling individuals to stand out and express their personality. In contrast, Li Ning and Anta primarily target the mass market, relying on high-cost-performance ratio products and celebrity endorsements to attract consumers. Although these brands have garnered a considerable market share in lower-tier cities, they face challenges in expanding to the high-end market and establishing a robust brand image. The lack of extensive sponsorship and endorsement deals, along with limited differentiation in their marketing strategies, impede their ability to compete with international brands like Adidas. However, it is worth noting that Li Ning has been gradually constructing a fresh brand image, gradually becoming a potentially strong competitor for Adidas by participating in New York Fashion Week and hiring well-known foreign designers, among other initiatives.

7 Conclusion

In conclusion, the sportswear market in China is a unique and multifaceted landscape that necessitates diligent understanding and thoughtful adaptation. Adidas, with its globally respected image, effective marketing strategies, and brand value delivery, holds a significant position in this dynamic market. However, it also faces a series of challenges, indicating the need for continuous marketing strategy adjustments to address the complexity and competitiveness of China's sportswear industry. While Adidas has successfully positioned itself as an innovative, performance-oriented brand with

global fashion appeal, it needs to delve deeper into localization efforts. Acknowledging and understanding the unique preferences, cultural differences, and consumption patterns of Chinese consumers is critical in modifying its brand image and aligning it with local tastes. These insights can be gleaned through extensive market research and keen observation of market trends. Furthermore, to leverage the digital-native characteristics of China's young population, Adidas must continue its digital transformation, placing a greater emphasis on providing personalized, immersive, and interactive online shopping experiences. Within this competitive landscape, Adidas can learn valuable lessons from local brands like Li Ning and Anta, who have carved out significant spaces for themselves within the industry. Lastly, digital marketing will continue to have a considerable impact on Adidas' trajectory in China. Given the rise of digital consumption patterns, an enhanced digital strategy will offer a more personalized brand experience, thereby bolstering Adidas' standing in the market.

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