

## FIELD OF OPERATIONS

### MAIN PRODUCTS

### SPORT GEAR AND SPORT EQUIPMENT



Cycle components



Golf balls and accessories



Skateboard equipment, footwear and apparel



Functional and innovative footwear, apparel and hardware



Golf Equipment, Metalwoods, irons putters



The future of sportswear in footwear, apparel and accessories



Golf footwear and apparel



Winter sports, inline skates, hiking apparel



ARCTERYX  
Technical outdoor apparel, climbing equipment

## ORIGINS

Headquartered in Germany, **adidas-Salomon AG** was founded on 18<sup>TH</sup> August 1949 by Adolf Dassler as a private limited company.

It immediately became Germany's number one manufacturer of soccer shoes and slowly started providing equipment for other sports as well.

However Adidas became public in 1995 with the flotation of stock on the Frankfurt and Paris Exchanges and acquired the Salomon Group in the year 1997.

Today the entire group is widely regarded as one of the biggest players in the sport-equipment and apparels industry.



**USING “SPORTS AND SPORTSPERSONS” IN ITS MARKETING CAMPAIGNS**

**SPONSORS GERMANY’S WORLD CUP (SOCCER) CAMPAIGN IN 1970  
BENEFITS AS GERMANY WINS THE TOURNAMENT**

**EQUIPS 6,000 OLYMPIC ATHLETES FROM 33 COUNTRIES. ADIDAS  
ATHLETES WIN 220 MEDALS, INCLUDING 70 GOLD. – 1996 OLYMPICS**

**APPARELS SALES INCREASE BY 50%**

**LAUNCHES AN AGGRESSIVE SALES CAMPAIGN IN THE USA, USING  
THE THEN NEW NBA PLAYER, KOBE BRYANT – 1998.**

**INCREASES ITS US MARKET SHARE IN FOOTWEAR TO 12%**

**ENDORSES AND SPONSORS EUROPEAN SOCCER CHAMPIONSHIP  
EURO 2000 AND THE OLYMPIC SUMMER GAMES – 2000**

**SALES AND BRAND AWARENESS RISE AS ONE OF ITS “STARS” IAN  
THORPE – SWIMMER – WINS THREE GOLD MEDALS**

# MISSION STATEMENT



adidas-Salomon strives to be the global leader in the sporting goods industry with sports brands built on a passion for sports and a sporting lifestyle.

We are consumer focused. That means we continuously improve the quality, look, feel and image of our products and our organizational structures to match and exceed consumer expectations and to provide them with the highest value.

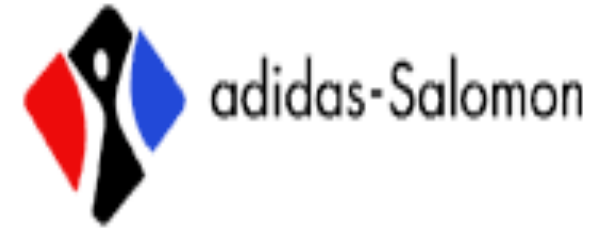
We are innovation and design leaders who seek to help athletes of all skill levels achieve peak performance with every product we bring to the market.

We are a global organization that is socially and environmentally responsible, creative and financially rewarding for our employees and shareholders.

We are committed to continuously strengthening our brands and products to improve our competitive position and financial performance.

In the medium term, we will extend our leading market position in Europe, expand our share of the US footwear market and be the fastest growing major sporting goods supplier in Asia and Latin America. The resulting top-line growth, together with strict cost control and working capital improvements, will drive over-proportionate earnings growth.

**How can you use such information in your studies? Consider the following questions which are in the realm of your syllabus.**



**Why does a company produce a range of products instead of just one?\***

When a firm produces a range of products it is catering to different market needs/ segments and thus benefiting from risk-bearing economies of scale that occur with such diversification. For instance, if one of its products is doing badly the success of its range of other products can offset the losses made by the product that is losing money. Simultaneously, such a firm benefits from a wider market share with its industry and is thus able to increase its overall market sales.

\*Same as the one in AstraZeneca. This case study, though, offers a wider range of items for your understanding.

**The company states** “we continuously improve the quality, look, feel and image of our products.” Why does it do so?

Such product improvement and development is important because consumer expectations change. In doing so the company is aiming to meet these expectations and to ensure that there is always consumer demand – and sales – of its products. This enables it to extend the life cycles of its various products. It also enables them compete better and improve financial performance.

**How can you use such information in your studies? Consider the following questions which are in the realm of your syllabus.**



**The last objective in its mission statement resembles a target or a goal that needs to be achieved. Why is such a strategy important to a company?**

**Such a strategy is important because it gives managers a realistic target that they are meant to achieve. It tells them what the companies want to achieve within the medium term in its different markets and how it plans to achieve that. In that sense, the business and its managers are help by a focused plan that can aid decision making and managerial control.**

**Why is it important for such a firm to use sports and sportspeople in its marketing campaigns?**

**Since it manufacturers sports equipment that a wide range of amateur sportspeople use, such a strategy will enable it create more brand awareness within its markets. At the same time, successful sports events and sportspeople are always in the news and this automatically increases brand awareness, brand recognition and brand demand.**