Brand Communication Exploration

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Adidas AG is a German sports apparel manufacturer, part of the Adidas Group, which is the second largest sportswear manufacturer worldwide. The company was named after its founder, Adolf (Adi) Dassler, who started producing shoes in the 1920s in Herzogenaurach near Nuremberg with the help of his brother Rudolf Dassler who later formed rival shoe company PUMA AG. It registered as Adidas AG on 18 August 1949 (with lower-case lettering: “adidas”). The company’s clothing and shoe designs typically include three parallel stripes of the same color, and the same motif is incorporated into Adidas’s official logos. The company revenue for 2005 was listed at 6.6 billion euros, or about 8.4 billion U.S. dollars.

Variations of logo
originals | performance

merge of adidas and Salomon
adidas-Salomon AG

Fashionable approach
With fashion designer
Yamamoto : Y-3
Musicains : Missy Elliot : Respect me

Manufacturing to Marketing
‘adidas - Salomon AG’ become the first official sponsor for the Football World Cup as a sports goods company. (1998)
### Brand Meaning

#### Over Time

<table>
<thead>
<tr>
<th>Era</th>
<th>Reason for being</th>
<th>Value proposition</th>
<th>Differentiation</th>
<th>Persona</th>
<th>Range of authority</th>
<th>Relationship</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Era 1</td>
<td>To make a better sustainable training shoes: better function</td>
<td>Consolidated, good performance products</td>
<td>product performance</td>
<td>football athletic</td>
<td>Best sports wear</td>
<td>athletics in olympic and worldcup</td>
<td>athletics, sports mania</td>
</tr>
<tr>
<td>Era 1-1</td>
<td>FIFA World Cup 1954 studs with screws made a sponsorship successful</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Era 2</td>
<td>Business survival</td>
<td>Managing dept, crisis of management group and brand image</td>
<td>globalization, different marketing and promotions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Era 2   | Fading company, hiphop spirit                                                     |                                                   |                                  |         |                    |                                   | Diverse ethnic                |

#### Era 1 1920-1954
- Not much known in US market

#### Era 1-1 1954-1987
- European soccer Sneakers Company

#### Era 2 1987-1997
- Fading company, hiphop spirit
### Brand meaning

#### Over time

<table>
<thead>
<tr>
<th>US Market</th>
</tr>
</thead>
</table>

#### 1.2

<table>
<thead>
<tr>
<th>Era 2</th>
<th>Era 3</th>
<th>point of view 1</th>
<th>point of view 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reason for being</strong></td>
<td>Business survival</td>
<td>To create trendy, dressy, well-being sports wear</td>
<td></td>
</tr>
<tr>
<td><strong>Value proposition</strong></td>
<td>Managing dept, crisis of management group and brand image</td>
<td>Fashionable, well-being lifestyle</td>
<td></td>
</tr>
<tr>
<td><strong>Differentiation</strong></td>
<td>globalization, different marketing and promotions</td>
<td>not athletic like: dressy</td>
<td></td>
</tr>
<tr>
<td><strong>Persona</strong></td>
<td>global, common</td>
<td>woman who care about their life style trendy hipsters</td>
<td>technology + performance</td>
</tr>
<tr>
<td><strong>Range of authority</strong></td>
<td>Appeal for non athletic, non-sports mania</td>
<td>trendy, well-being</td>
<td>Athletic trendy</td>
</tr>
<tr>
<td><strong>Relationship</strong></td>
<td>street basketball, street concert, worldcup, MTV</td>
<td>Singers, Artists, Ethnic groups</td>
<td>David Beckham, singers, NBA stars, Worldcups</td>
</tr>
<tr>
<td><strong>Audience</strong></td>
<td>Diverse ethnic</td>
<td>woman, late 20s, Urban hipsters</td>
<td></td>
</tr>
</tbody>
</table>
## Current brand differentiation

<table>
<thead>
<tr>
<th>Reason for being</th>
<th>Value proposition</th>
<th>Differentiation</th>
<th>Persona</th>
<th>Range of authority</th>
<th>Relationship</th>
<th>Audience</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>To offer most practical, functional, sports wear with cultural heritage</td>
<td>To create a flash look that people are envisioning to be adventurous</td>
<td>Once Innovative, Now Classic, Always Authentic</td>
<td>simple, neat, practical and professional</td>
<td>Best sports wear</td>
<td>With fashion designer Yamamoto : Y-3, Musician : Missy Elliot - Respect me</td>
<td>diverse ages / generation - neat, increasing focus in North America</td>
<td>Impossible is Nothing</td>
</tr>
<tr>
<td>To create trendy, dressy, well-being sports wear</td>
<td>Trying something adventurous, celebrity-like</td>
<td>Spots wear + technology, new materials, affiliations, marketing</td>
<td>adventurous, energetic, self-expression</td>
<td>victory, star</td>
<td>support for sports games, iPod experts</td>
<td>Diverse ethnic young teenagers, boomers</td>
<td>Just do it endless experiments, self-expression</td>
</tr>
<tr>
<td></td>
<td></td>
<td>cultural marketing / support for events, diverse products, fashionable focus on football/basketball</td>
<td></td>
<td></td>
<td>Puma-Ferrari Worldcups</td>
<td></td>
<td>Focus on driving shoes and race suits</td>
</tr>
</tbody>
</table>
1.4 Current brand portfolio

Consistent
Names seem given by its characteristic and the way of delivery is quite straightforward. Logos are also consistent by keeping the graphical language: three lines, fonts and monotone color.

Differentiated
Especially, Y-3, adidas tried name very futuristic and different from original name which give a fresh message

Note:
Even though sport Performance has 82% of net sales among three product lines, people’s perception for Adidas is more stylish and less performance than Nike. Adidas tries keeping their identity by not making many sub-brands and keeping the prominent visual identity (three stripes), however it is trying hard to give a differentiated perception to customers – originals: lifestyle, performance: athletic performance. (e.i. futuristic new store)
<table>
<thead>
<tr>
<th>Sub-Product lines</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Respect Me</strong></td>
<td>Missy Elliott. Co-branding with hip-hop singer Missy Elliott. Stylish and hip-hop luxury</td>
</tr>
<tr>
<td><strong>My Adidas</strong></td>
<td>Run-DMC. Made a fashion statement by wearing their Adidas sneakers with no laces.</td>
</tr>
<tr>
<td><strong>Material of the world</strong></td>
<td>Adidas shows various global materials and designs through this line. Premium type of global design line- one jacket cost around $350.</td>
</tr>
<tr>
<td><strong>City Campaign</strong></td>
<td>It is a general type of global design line. Cheaper price than material of the world- sneakers are around $80-100.</td>
</tr>
</tbody>
</table>
1.4 Current brand portfolio

Sub-Product lines

**Adidas by Stella McCartney**

Women who take their sport and their style seriously

A hip-hop line targeted women. Trendy, hip-hop spirit, luxury. Respect me emphasize on its image and concentrate on style not only focused on sneakers.

**Adidas+ Polar**

Heard rate monitoring/transmitter/stride sensor

Adidas and Polar Electro have formed a partnership to introduce the world’s first completely integrated training system. Called “Project Fusion”, it seamlessly integrates Polar heart rate and speed and distance monitoring equipment into Adidas apparel and footwear.

**Adidas NBA**

Basketball line

Adidas is exclusive provider uniform and apparel provider for NBA, WNBA and NBA Development League. Especially US market which soccer is not a popular sports, Adidas performance targets mostly basketball and baseball.

Adidas Sport Performance

Product line
Overlapped needs
Targeting different segment
Adidas target different segments by various product lines, sub brand, co-brands. Especially, Adidas is getting more emphasizing fashionable and trendy lifestyle. Women are a big target for that.
Adidas

Origin
The name “adidas” is simply originated from the name of founder “Adi Dassler”. As much as the founder was a sportsman especially for soccer, the name seems more athletic. And European which seems a little more unique and interesting for people in US. Also since they used to promote and sponsored worldcups and Olympics, it associate professional sports people. However, their newer marketing which was focused on basketball, armature sportsmen, women and emphasis on fashion made the name more multi-interpretationalized and local friendly. e.g. localization: Adidas’ Streetball events.

Look
-Channel look of sports brand-
The font “ITC Avant Garde Gothic Medium” which seems pretty basic is used for the logo. The symmetrical look with two “a”s and “d”s make the name more classic, methodological and somewhat disciplinary. Considering other sports brands have names which emphasis of the impact, strong stimulus and its quickness, adidas seems rather calm. Plus, adidas’ color choices are strong and classical by using black and white contrast or blue.

Sound
As well as logo style, regarding it is a sports brand, it has rather longer more characters and smooth sound with stress on second syllable (US). Nike, puma and rebook sounds relatively aggressive and speedy: mostly because of the length of word with the stress on first syllable, and strong sound with “p” and “k”. This relatively smooth impression of name could be shortcoming for pushing the brand image to high performance and futuristic image; however it could be benefit for make the name persuasive about connecting to heritage and modern classic as well as pushing their new strong market target audience segmentation: women and armatures.

Y-3

“Y” stands for Yohji Yamamoto, “3” represents the signature 3-Stripes of adidas. It is under Adidas Sport Style.

Combination of “-“, capital “y” and number “3” give an impression which is futuristic, mystic. Heavily used black and thick font is also give a strong impression.

“y3” is short, and sounds like combination of code.
3.1
Brand name visual treatment

**Consistent**

Stable/clean look is theme of the Adidas logos. Even for the high performance logo, it keeps fixed and not too much of graphical exploration. **TypeFace san serif type of font ITC Avant Garde Gothic Medium** shows classic and clean look. However ‘a’ and ‘d’ looks loudish so it makes the look softer and retro which could be good and bad for sports brand. Three stripes are originated from three straps to tie sneakers. It stands for stability and performance. Solid color - usually black or blue makes logo clear/clean/concrete look.

**Differentiated**

Even all logos have same graphical elements, however by different product line, the **holistic silhouette** for three logos are differentiated to triangle, clover leaves, circle as basic figure. In addition to, the size of typeface and proportion of graphic and typo is also differentiated.

**Symbolic and bold** combination of character, symbol and number are futuristic, mystic and dynamic.

The combination of “Y” which stand for Yohgi Yamamoto who is well-known Japanese fashion designer and “3” which stands for the three straps –which is most symbolic brand image element for Adidas-.

Yohgi Yamamoto is well known for experimental and solitudinous type of fashion work. This combination between Yohgi Yamamoto and Adidas give fresh breath from fashionable experimental exploration from Yohgi to Adidas. Therefore, Y-3 appeals to customers as a fashion brand on Haute Couture stage with sports/wellbeing spirit.

Heavily used **bold san serif type of typeface and strong contrast between black background and white logo** /orange & black contrast makes the logo looks bold and rebellious.
Herb Lubalin and Tom Carnase based their 1970 design of ITC Avant Garde Gothic on Lubalin’s logo for Avant Garde Magazine. The condensed fonts were designed for the International Typeface Corporation in 1974 by Ed Benguiat. ITC Avant Garde Gothic is a geometric sans serif type, that is, the basic shapes were made with a compass and T-square; the design is reminiscent of the work from the 1920s German Bauhaus movement. Letterforms built of circles and clean lines are highly effective for headlines and short texts. The condensed faces have the same modern look, while retaining legibility in lengthier texts. However, this font is not used much for other communication channel besides logo itself.

While using black and white/cellulian blue and white color combination, it is given flexibility to switch background and fore color. So black and cellulian blue could be a background as well especially more often than before. Black and white is as classical as it is, the way Adidas use with three stripes and logo give more active look. Cellulian blue which is identity color especially for Adidas sports original give a look which is urban, sophisticated cool rather than sporty aggressive. Regarding the typeface of Adidas is not used much besides logo itself, however color theme is strongly used and support Adidas’ identity.

Three stripes is the most important graphic identity for Adidas regarding broadness of use and the visual cognition for the consumer. Without shaping inside of logo like other sports brand’s logos, the three stripes itself shows clear brand cognition. The use of this is various comparing how Adidas keeps its typeface and color in a strict certain way. Three stripes is used flexibly in transformed shape and applied by different precuts and communication need. By doing so, it overcome the visual limitation which could be looked as old fashioned or plain.

The models on the originals website and magazine looks casual urban in laid back mood: not much sporty and athletic. Since probably Adidas’ products are designed with European sense and even it seems Adidas’ one of strategy on brand communication: giving consumer as global experience, models on advertising and promotion channels looks more like Europeans rather than Americans even for ones in United State.

Products have very dynamic color combinations. That is why most of products look more like European rather than American and Adidas pursue it intentionally. Outdoor and indoor shop signs are circular with blue background/ white light and blue lights used as creating hip ambient in the shop.
3.2 Brand Communication Identity Elements

**Originals**
- Urban, contemporary, sporty elegance, young, hip
  - Various typeface use by different subcategory
  - Classic, common type of divided layout
  - Young, hip models and products

**Performance**
- Strong dynamic, energy, performance, specialized, athletic, flash, celebrity
  - Mix of serif and san serif (Prestige Elite Std)
  - Strong layout: impact in proportion
  - Strong visual, message rather than products

**Y3**
- Luxury, cutting-edge, futuristic, experimental
  - San serif, capital, bold (Arial capital bold)
  - Experimental layout: visual impact
  - Showcase type of visual with sportlight

**Fun look** with logos
And events from Adidas: cultural stimulation

**Holistic color theme**
- Blue/white
  - Constant use of Brand image

**Sports spirit**
- Retro look/color
  - Dandy Colorful

**Empasis on the three stripes**
- As brand identity
  - Industrial look of interior
  - Basketball star pictures
4.1 Communication assets

Rich Customer Interaction Potential Product

Adidas have wide potential for customer interaction by different communication channel. First, from entering the store to purchase product, consumers are looking for shopping experience more comfortable, enjoyable, and memorable. Besides whole joyful experience for exploring, purchasing part might get a bit uglier so better interaction is needed.

Second, not only giving customer making a decision for products already are made, through more extravert, outdoor type of events or web service to make consumer customize their products.

Another extended opportunity for customer interaction will be creating community for interacting customers and create more brand loyalty. Especially, interaction on cyber world such as web, game is getting more important and active, therefore there are a lot of niches that haven’t reach consumer need and desire.

Cultural Connection and Personal Expression Value

Wearing Adidas sneakers, clothes and accessories give the feel to being cool, hip and indie. It doesn’t looks like a “athletic-geeky”. It gives enough casual look to not showing too much concern about the look as well as keeps enough manner for being fashionable and sporty-formal. It is also mean that he/she has a sophisticated aesthetic taste -which people commonly think as a European culture- with financial status as being not much concern about spending not ignorable amount money for casual clothes.

Sporty-classic also make people feel they are being part of “genuine sportsmen” even though they don’t wear these for playing a sports.

Underlying differentiation from competitors

Adidas’ most noticeable differentiation among other competitor brands is keeping the genuine attitude to the sports and product itself. And having the respect for the sportmanship without losing hipness.

Its balance between globalization and localization is another one. Adidas keeps the brand image of European product. Adidas also showing global designs by such a event like “materials of the world.” At the same time, for especially US market, some product lines are more focused on hip-hop culture and basketball rather than soccer.
4.1 Communication assets

**Premium niche**

Adidas is clearly pushing forward to penetrate people's lifestyle. Especially, rather than easy-to-reach for the customer, Adidas shows more boutique type of attitude toward customers. Products are only in flag shops, few collective shops and stores. A top of head of that, Y3 is genuinely reflection about Preta-Porte type of cutting-adage, luxury and sleek life style. Co-brand product line with a fashion designer, Stella McCartney also provides a premium customer experience especially for Women who are into sports lifestyle or who are interested in to be.

**Inherent visibility**

Even though products looks very various, it aligns well with its own product line and essentially keeps the identity visual elements- three stripes. Adidas is working more on vivid visible existence on the street.

**Interesting positive news**

Xbox and adidas, two global brands at the leading edge of youth culture, announced recently a long-term strategic alliance at X05, the Microsoft Xbox brand experience for the games and entertainment industry.

New Adidas sports performance store on Paris' Champs-Elysées
Adidas spend more for the advertising and making shopping environment. And the advertisement seems effective as it spent: it's been nominated on the Top 20 ads by USA today. Adidas spent for few months about $200 million to market all things soccer as conventional way of campaign however; Nike was succeeding by creating yoga.com and online commercials. Therefore, more smart way of approaching to communication needs.

Deep pockets for communications

Organizationally, Adidas group give a value for 'consumer focused' which reaches consumers expectation, catching high quality design and great product performance, socially and environmentally responsible as a global organization, understanding local cultures and showing common value for the world.

Organizational assets

Adidas focus on catching up Nike. Internationally, soccer and golf are, baseball and basket ball are main product lines especially for the US market which seems far behind from Nike. For that, Adidas supports and held events, and push a heavy advertising strategy.

By division, sport Performance has 82%, Originals has 18% and Style(Y3) has 1% of Net sales. And Y3 sales increased 40% on a currency-neutral basis in the first nine months of 2006. Based on that, Adidas will continue to build its one side of brand identity to sophisticated - casual life style. The brand is trying to reach consumers’ hidden anxiety to be not-shown-popular by not emphasizing product itself.

Marketing context
5.1 **Key brand communication decisions**

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**launching “mi Innovation Center” at the new adidas Sport Performance Store in Paris**

The new Adidas sports performance store on Paris’ Champs-Elysées, which is a largest Adidas store in the world, shows an “iconic” brand communication tryout from Adidas. This high-technology store which is in the middle of city of fashion, Paris, stand for the combination of stylish and high-performance products with totally different consumer shopping experience. This store is not focused on only being visible sidewalk identity; Adidas intend this store to be a representative tangible existence of Adidas brand image as a trend leading company as being on everybody’s mouth it.

It is also an important communication platform where Adidas can showcase the breadth and depth of the adidas brand while offering consumers a unique and innovative setting with specialty services.

The store design is a large-scale, futuristic computer that provides a focal point of innovation and interaction for consumers.

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**Technology + Customization + Fashion**

- **Black Box**
  Each side of the cube has a different function

- **Hand Jive**
  hand gestures to bring up information about Adidas trends on screen

- **virtual mirror**
  consumers’ feet in the shoes they have just designed

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Sensors embedded in the track can record the exact pressure of his footfall and gauge his running posture. This data, combined with Zidane’s exact shoe size—measured with painstaking accuracy—is used to ensure a perfect fit.
5.1 Key brand communication decisions

**Music driven branding: Street Campains and others**

Music marketing is one of the important ways of communicate with consumers for Adidas. Historically, the street level of music events and co-branding with hip-hop stars such as Missy Elliott made Adidas expand its market share especially in black community in US. Currently, Adidas, inspired by golden age of blue 1970s tack suits and old-school hip-hop finery, encourages urban hipsters to be engaged by Adidas’ music culture.

Opening parties are held in all different locations with VIP guest list of creative-class scenesters, well-known musicians, and iconic celebrities from each market. Street campaigns are with local artist. It has been succeeded in strengthening brand perceptions by demonstrating adidas’ commitment to nurturing artistic originality—literally at the street level. In store music is for making the shopping experience more comfortable, enjoyable, and memorable. It extends its selection to on-brand CDs and ipod music. By doing all these, Adidas really tries to penetrate lifestyles by sharing in language from music.

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artist-designed sneakers  Old-school mixtapes  local-music supporters of adidas’ long standing musical affiliations.  Adidas Originals launch parties and must-go events
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The best street musicians with street level promotions

Missy Elliott infuse the adidas Originals brand with an inventive, maverick spirit.
adidas_1 - The world’s first intelligent shoes commercial

Adidas chose cinema to launch the world’s first intelligent shoe to a young target and create talkability amongst media savvy individuals. With striking visual and the setting, and maybe plus with the cost of product ($250) and its high performance, this advertisement series became very popular among entire Adidas’ ad series. Adidas pursue its communication story constant since then with sensational and fantasy type of visual. Currently, Adidas emphasizes on product performance especially on movie and TV ad. And life style and fashion facts are emphasized mostly on fashion magazines and website.

Audience
These targeted young audience in their 15-29 who are media savvy and early adopters. Sudden change from everyday life with extraordinary ability stimulate the desire of deviation and ‘being super’

Key messages
The message from the ad is free, young, extraordinary, cool, creative, and extreme. The story exaggerated the benefit of the performance of product with various framing techniques with video camera. The music and light are ambiguous, slow, and fantasy-like. This is how Adidas gently frames its products.

By showing extra ordinary experience in the middle of night and coming back to real, ordinary life shows how your life would be different even though you haven’t thought about it. And how it is convenient! After your eye-opening experience, you are back in your bed just like other days.

Notice that this is about experience that product delivers to you not much about the product itself or brand.

Stage of involvement
This ad is more about extreme users and gives a motivation and inspiration to other type of users.

Situation of use
The product is released March in 2004 at first. The timing seems appropriate since people are getting interested in out door exercising by weather changes. Next version of products released November which is also good timing up to Christmas.

Situation of use
This ad is inspiring, indirectly persuasive about giving the different level expectation-whole experience- to people.
Appendix
adidas Net Sales by Division

Sport Style <1%
Sport Heritage 18%
Sport Performance 82%

adidas Net Sales by Region

Latin America 4%
Asia 19%
North America 20%
Europe 57%

adidas Own-Retail Sales by Channel

Internet 2%
Concept stores 33%
Concession corners 3%
Factory outlets 62%

Sport Performance Division Grew 14%: Sport Performance sales in the first nine months increased 14% on a currency-neutral basis driven by strong growth in footwear, apparel and hardware. Strong increases in nearly all major categories, in particular football which was positively impacted by the 2016 FIFA World Cup, contributed to this development. In euro terms, Sport Performance sales also improved 14% during the first nine months of 2016 to €4.077 billion from €3.510 billion in the prior year.

Sport Heritage Division Up 15%: Currency-neutral sales in the Sport Heritage division grew strongly during the first nine months of 2016, up 15% compared to the prior year. This increase was driven by double-digit growth rates in both footwear and apparel. In euro terms, Sport Heritage sales also improved 15% to €1.145 billion in 2016 from €1.009 billion in 2015.

Sport Style Sales Grew Strongly: Sport Style sales increased 4% on a currency-neutral basis in the first nine months of 2016. In euro terms, revenues also improved 4% to €23 million in the first nine months of 2016 versus €21 million in the prior year. This development reflects positive market reaction to a strong product range.
adidas art contest winner