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HOLISTIC BRANDING OF PREMIUM BRANDS - EXAMPLE OF THE COMPANY “ADIDAS AG”

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Abstract: *Adidas* is considered one of the most well-known and successful sports brands, which strives for continuous development and progress, evident through frequent innovations and new models, as well as highly original advertising campaigns. The subject of this paper is to present and analyze how the global company *Adidas* manages its globally renowned brand. The aim of the paper is to prove whether customers believe in the quality of the *Adidas* brand or not. The methods used include the method of description, analysis and synthesis, method of proof and disproof, as well as statistical methods such as descriptive statistical analysis. The research was conducted with a sample of 125 respondents. Respondents expressed their agreement with the statements on a five-point Likert scale. The analysis of the collected data was performed using the statistical package IBM SPSS 21.0. The obtained results indicate a high level of loyalty among the respondents to this brand.

Keywords: brand, brand management, *Adidas* AG, business case

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Introduction

Elevated risks of recession in Europe and North America, as well as uncertainty regarding the speed and extent of recovery in China, will also impact the sports goods industry. In addition, company-specific challenges such as high inventory levels predict that the Yeezy partnership will affect the company's operational and financial performance. Furthermore, one-time costs of up to €200 million are expected in 2023 as part of the company's current strategic plan. Sales are expected to decline at a single-digit rate, and an operating loss of €700 million is anticipated in 2023. Statements related to the future are subject to uncertainties beyond the company's control. Global economic growth of global GDP (World Bank Global Economic Prospects) is predicted to increase by only 1.7% in 2023. Developed economies are expected to grow by just 0.5%. The global sports equipment industry will face several challenges. Rising energy and raw material prices increase input costs, while prolonged high inflation negatively affects consumption. However, the speed and extent of recovery remain unclear. To remain competitive and ensure sustainable success, Adidas consciously takes risks and continually explores and develops opportunities. The risk management policy describes the principles, processes, tools, risk areas, key responsibilities, reporting requirements, deadlines, and communications within the company. The system focuses on the identification, evaluation, management, systematic reporting, and monitoring of risks and opportunities.

Adidas' mission statement: "To be the best sports brand in the world. We are at our best when we are credible, inclusive, sustainable leaders with a #1-2 market share in every strategic category." *Adidas* strives for innovation, creativity, and cutting-edge technology. There are not many brands that embrace diversity and inclusion like *Adidas*. That's why all of its stores offer products for everyone, regardless of age, gender, size, or sporting abilities. *Adidas* promotes sports as a lifestyle and provides products that support it. *Adidas'* purpose is to motivate athletes to reach their maximum performance potential. *Adidas* firmly believes that "impossible is nothing." The best way for *Adidas* to prove this is by constantly innovating sports apparel and ultra-performance equipment. Focus on unwavering power of unity and collaborative work. Always collaborates with the best experts, chemists, and engineers in clothing and footwear technology. The brand is involved in programs that can help improve the lives of people dedicated to sports.

Literature review

Brand management refers to the process of maintaining and improving a brand's image and reputation in the market. It involves various strategies and activities aimed at creating positive associations and perceptions among the target

customers (Olins, 2003; Dašić, Ratković 2022; Tošić, 2022). Effective brand management ensures consistency in brand messaging and a strong emotional connection with the consumers (Ratković, Dašić, 2023). It encompasses everything from brand positioning and messaging to visual identity and customer experience.

One of the key aspects of brand management is brand positioning. It involves defining and communicating the unique value proposition of a brand in the marketplace (Kapferer, 2012; Dašić, Jeličić, 2016). This includes identifying the target audience, understanding their needs and preferences, and highlighting how the brand fulfills those needs better than its competitors. Effective positioning helps to differentiate the brand from others, allowing it to stand out in the crowded marketplace (van Gelder, 2005; Dašić, 2016)

Another critical aspect of brand management is maintaining brand consistency. This entails ensuring that the brand's messaging, visuals, and overall identity stay aligned across all touchpoints (Clifton, R., Simmons, A. (2004; Anholt, 2005) Stern, 2006, Dašić, et al., 2021). Consistency is vital in building a strong brand image and establishing trust among consumers. It helps in creating recognition and recall, as customers can easily associate certain attributes with the brand. Brand consistency also enables a seamless and cohesive customer experience, both online and offline (Anholt, Hildreth, 2010).

Brand management plays a significant role in the success of a company. It helps businesses shape their brand's image, position it effectively in the market, and ensure consistency in messaging and customer experience. Effective brand management can lead to increased brand loyalty, customer engagement, and ultimately, higher sales and profitability. Therefore, it is crucial for organizations to invest time and resources in managing their brands strategically and consistently (Penezić, 2021; Stern, 2008).

Brand management is a crucial aspect for companies to build a strong and recognizable presence in the market (Stanković, 2022). *Adidas*, a global sportswear brand, serves as an excellent example of effective brand management. Through its innovative marketing strategies, consistent quality, and strong brand image, *Adidas* has succeeded in capturing the attention and loyalty of consumers worldwide. Their intelligent approach to brand management has allowed them to stay ahead of the competition and maintain their position as a leader in the sportswear industry.

One of *Adidas'* key strengths lies in its ability to create innovative marketing campaigns that resonate with consumers. The brand has a deep understanding of its target market and consistently delivers messages that align with consumers' needs and desires. For instance, *Adidas* collaborated with popular artists, athletes, and influencers to create meaningful and impactful campaigns. By associating its brand with these individuals, *Adidas* effectively conveys its core values of athleticism, creativity, and inspiration. Such intelligent marketing strategies have

not only helped *Adidas* to maintain its relevance, but also translated into increased sales and brand loyalty among consumers.

Another crucial element of brand management for *Adidas* is delivering consistent quality products. *Adidas* places a strong emphasis on research and development, constantly innovating and improving their products to meet the demands of athletes and sports enthusiasts. Through this commitment to quality, *Adidas* has become synonymous with high-performance sportswear. College students, being active individuals with a keen interest in fitness and sports, are especially drawn to *Adidas* for its durable and stylish products. Consistency in product quality reinforces the brand's image and helps in building trust among customers, helping *Adidas* stay competitive in the market.

Lastly, strong brand image plays a vital role in *Adidas*' brand management strategy. The brand has successfully crafted a distinct and memorable identity, recognized and respected by consumers worldwide. *Adidas*' iconic three-stripe logo and signature tagline, "Impossible is Nothing", have become synonymous with excellence, empowerment, and success. The brand consistently reinforces this image through its marketing campaigns, product design, and sponsorship of major sports events. College students, who are drawn to brands that project a positive and aspirational image, find *Adidas* especially appealing due to its association with top athletes and teams. This strong brand image enables *Adidas* to stand out in a crowded market, attracting and retaining loyal customers.

Methodology

Adidas - a name mentioned in all sectors of sports worldwide, using three leading principles: designing the best for sports needs, protecting athletes from injuries, and making the product sustainable and durable.

The subject of this research is to present and analyze how the global company *Adidas* manages its globally renowned brand. The aim is to determine whether customers trust the quality of the *Adidas* brand. The scientific methods used in the practical part of the research include: the method of description, analysis and synthesis, the method of proof and disproof, survey method, and statistical methods, specifically descriptive statistical analysis (mean and standard deviation) for each statement in the data processing method. The research was conducted with a sample of 125 respondents (the data was collected from March 10 to June 15, 2023). Out of a total of 13 questions, three questions are related to general respondent data, with a total of ten statements reflecting the management of the *Adidas* brand. Respondents expressed their agreement with these statements on a five-point Likert scale. The analysis of the collected data was performed using the statistical package IBM SPSS 21.0 (The Statistical Package for the Social Sciences). For this research, an anonymous questionnaire was used, which was available to Internet and social media users. The data was analyzed

using Google Docs and Excel. Based on the research problem and the defined subject of the research, the following research questions were posed:

- 1: Does the company *Adidas* manage the brand effectively?
- 2: Does the *Adidas* brand encourage customers to engage in more recreation and sports activities?
- 3: Does the quality of *Adidas* brand products influence consumer loyalty?
- 4: Are consumers willing to pay a higher price for the *Adidas* brand?
- 5: Do consumers have a positive opinion of the *Adidas* brand?

Results and analysis of research

Table 1. Sample Structure (n = 125)

DEMOGRAPHIC PROFILE	NUMBER OF RESPONDENTS (n)	PERCENTAGE (%)
1GENDER		
Men	76	60.8
Women	49	39.2
AGE		
under 18 years of age	17	13.6
from 19-30 years of age	46	36.8
from 31-50 years of age	43	34.4
from 51 and above	19	15.2
EDUCATIONAL LEVEL		
Elementary School and below	19	15.2
High School or equivalent	18	14.4
College or Technical School	59	47.2
Bachelor's Degree or Higher	29	23.2

Source: author

From Table 1, we can conclude that there is a significantly larger number of male respondents between the ages of 19-30. Concerning educational qualifications, it is noticeable that the majority of respondents have a secondary education level, while the fewest respondents are skilled and unskilled workers.

Table 2. Statement: The company *Adidas* manages the brand effectively.

	Frequency	Percent	Valid Percent	Cumulative Percent
"I strongly disagree"	2	1.6	1.6	1.6
"I mostly disagree"	8	6.4	6.4	8.0
"Neither agree nor disagree"	15	12.0	12.0	20.0
"I mostly agree"	49	39.2	39.2	59.2
"I strongly agree"	51	40.8	40.8	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Management quality	125	1.00	5.00	4.1120	.08592	.96064	.923
Valid N (listwise)	125						

Source: author

The fact that the respondents mostly agree with the statement is confirmed by the average value of 4.11, which provides a positive answer to the first research question, that the company *Adidas* effectively manages its brand.

Table 3. When you think of the *Adidas* brand, which of the following responses first comes to your mind?

	Frequency	Percent	Valid Percent	Cumulative Percent
"quality"	37	29.6	29.6	29.6
"design"	7	5.6	5.6	35.2
"innovation"	7	5.6	5.6	40.8
"sports activity, recreation"	56	44.8	44.8	85.6
"healthy living"	3	2.4	2.4	88.0
"running"	7	5.6	5.6	93.6
"comfort"	6	4.8	4.8	98.4
"other"	2	1.6	1.6	100.0
Total	125	100.0	100.0	

Source: author

Note: The majority of respondents, even 50.4% of them, consider that sports activity, i.e. recreation (including running), is the first thing that comes to their mind when they hear about the *Adidas* brand, which provides a positive answer to the second research question.

Table 4. Statement: *Adidas* motivates increased sports activity and recreation through its promotional activities.

	Frequency	Percent	Valid Percent	Cumulative Percent
"I strongly disagree"	4	3.2	3.2	3.2
"I mostly disagree"	13	10.4	10.4	13.6
"Neither agree nor disagree"	19	15.2	15.2	28.8
"I mostly agree"	72	57.6	57.6	86.4
"I strongly agree"	17	13.6	13.6	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Promotional Activities	125	1.00	5.00	3.6800	.08470	.94698	.897
Valid N (listwise)	125						

Source: author

Note: The average value of 3.68 indicates that surveyed consumers mostly agree with the statement that *Adidas* motivates them to increase sports activity and recreation through its promotional activities.

Table 5. Statement: *Adidas* products are of high quality.

	Frequency	Percent	Valid Percent	Cumulative Percent
"I strongly disagree"	5	4.0	4.0	4.0
"I mostly disagree"	7	5.6	5.6	9.6
"Neither agree nor disagree"	15	12.0	12.0	21.6
"I mostly agree"	35	28.0	28.0	49.6
"I strongly agree"	63	50.4	50.4	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Product quality	125	1.00	5.00	4.1520	.09775	1.09291	1.194
Valid N (listwise)	125						

Source: author

Note: The average value of 4.15 indicates that surveyed consumers mostly agree with the statement that *Adidas* products are of high quality.

Table 6. What, as a buyer of *Adidas* brand, has the most influence on your decision to purchase their products?

Note: Quality is a factor that respondents believe has the most influence on their decision to purchase *Adidas* products, which increases consumer loyalty.

	Frequency	Percent	Valid Percent	Cumulative Percent
"innovation"	5	4.0	4.0	4.0
"quality"	79	63.2	63.2	67.2
"design"	6	4.8	4.8	72.0
"comfort"	25	20.0	20.0	92.0
"price"	6	4.8	4.8	96.8
"service"	2	1.6	1.6	98.4
"other"	2	1.6	1.6	100.0
Total	125	100.0	100.0	

Source: author

Table 7. Statement: The quality of *Adidas* products encourages repeat purchases.

	Frequency	Percent	Valid Percent	Cumulative Percent
"I strongly disagree"	2	1.6	1.6	1.6
"I mostly disagree"	9	7.2	7.2	8.8
"Neither agree nor disagree"	19	15.2	15.2	24.0
"I mostly agree"	58	46.4	46.4	70.4
"I strongly agree"	37	29.6	29.6	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Purchase influence	125	1.00	5.00	3.9520	.94062	.885
Valid N (listwise)	125					

Source: author

Note: The average value (3.99) indicates that surveyed consumers mostly agree with the statement, which provides a positive answer to the third research question.

Table 8. Statement: To what extent does price influence your choice when purchasing *Adidas* products?

	Frequency	Percent	Valid Percent	Cumulative Percent
"Strongly influences"	8	6.4	6.4	6.4
"Mostly influences"	10	8.0	8.0	14.4
"Neither influences nor does not influence"	76	60.8	60.8	75.2
Valid "Mostly does not influence"	27	21.6	21.6	96.8
"Does not influence at all"	4	3.2	3.2	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Purchase influence	125	1.00	5.00	3.0720	.07377	.82478	.680
Valid N (listwise)	125						

Source: author

Note: When it comes to the price, surveyed consumers are undecided. Consumers believe in the quality of their products and are therefore less price-sensitive (**3.07**), which means they are loyal to the brand.

Table 9. Statement: I am willing to pay a higher price for the *Adidas* brand.

	Frequency	Percent	Valid Percent	Cumulative Percent
"I strongly disagree"	5	4.0	4.0	4.0
"I mostly disagree"	8	6.4	6.4	10.4
"Neither agree nor disagree"	24	19.2	19.2	29.6
Valid "I mostly agree"	27	21.6	21.6	51.2
"I strongly agree"	61	48.8	48.8	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Minimum	Maximum	Mean		Std. Deviation	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Price	125	1.00	5.00	4.0480	.10214	1.14198	1.304
Valid N (listwise)	125						

Source: author

Note: The average value of **4.05** indicates that surveyed consumers mostly agree with the statement, providing a positive answer to the fourth research question.

Table 10. Statement: *Adidas* is a leader in the sports equipment field.

	Frequency	Percent	Valid Percent	Cumulative Percent
"I strongly disagree"	2	1.6	1.6	1.6
"I mostly disagree"	8	6.4	6.4	8.0
"Neither agree nor disagree"	51	40.8	40.8	48.8
"I mostly agree"	24	19.2	19.2	68.0
"I strongly agree"	40	32.0	32.0	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Range	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Leader in the field of sports equipment	125	4.00	1.00	5.00	3.7360	.09238	1.03288	1.067
Valid N	125							

Source: author

Note: The average value of **3.74** suggests that respondents mostly agree with the statement that *Adidas* is one of the leaders in the field of sports equipment.

Table 11. Overall, I have a positive opinion about the *Adidas* brand.

	Frequency	Percent	Valid Percent	Cumulative Percent
"I strongly disagree"	8	6.4	6.4	6.4
"I disagree"	9	7.2	7.2	13.6
"Neither agree nor disagree"	11	8.8	8.8	22.4
"I mostly agree"	31	24.8	24.8	47.2
"I strongly agree"	66	52.8	52.8	100.0
Total	125	100.0	100.0	

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Quality compared to competitors	125	1.00	5.00	4.1040	1.21698	1.481
Valid N (listwise)	125					

Source: author

Note: The statement is further confirmed by the average value of 4.11, providing a positive answer to the fifth research question.

Conclusion

Adidas' intelligent approach to brand management is evident in its successful marketing strategies, consistent quality products, and distinct brand image. By understanding its target market, conveying the right message, and delivering on consumer expectations, *Adidas* has built a strong global presence. The brand's appeal to college students is a testament to its intelligence and comprehension of its consumers. Through brand management, *Adidas* continues to thrive in the highly competitive sportswear industry.

The results obtained from this research are analyzed in the context of the research questions. The analysis of the results confirms all five research questions. The assumption that the company *Adidas* effectively manages its brand has been confirmed. Customers perceive the *Adidas* brand as one that encourages people to engage in more recreation and sports activities. *Adidas'* promotional activities are seen by consumers as motivation for sports activities and recreation. The quality of *Adidas* brand products contributes to customer loyalty, meaning that the quality of their products encourages customers to make repeat purchases. Consumers believe in the quality of their products, making them less price change-sensitive. Surveyed consumers believe that *Adidas* brand customers are less sensitive to price changes. On the other hand, it is important to emphasize that consumers perceive the *Adidas* brand as one of the leaders in the field of sports equipment (offering the highest quality products). The results indicate a high level of loyalty among the respondents to this brand.

Conflicts of inerests

The authors declare no conflict of interest

Author Contributions

Conceptualization: M.R., Formal Analysis: M.R., Ž.T., V.P., Investigation: Ž.T., Methodology: V.P., Ž.T., Data curation: V.P., Resources: Ž.T., Writing – original draft: M.R, Writing – review & editing: M.R., Ž.T., V.P. All authors have read and agreed to the published version of the manuscript.

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