

Analysis of Sport Brand Puma's Marketing Strategies Based on 4P Theory

Hetong Wang*

Hangzhou Foreign Language School, Hangzhou, 310000, China

*Corresponding author: 20150435639@mail.sdufe.edu.cn

Abstract. According to the current market sports brands, its competition is particularly intense. There are a lot of new brands being created and emerging. Their products can sometimes be interesting and in keeping with contemporary trends. At the same time, there are also some brands that have been around for a long time and are very stable in this market. Classic products can effectively attract consumers, especially some loyal fans. This paper takes Puma, a famous sports brand in China, as the research object, analyzes the advantages and disadvantages of Puma's marketing strategy, and puts forward suggestions on Puma's digital marketing strategy, aiming at providing reference for sports brands. The article includes five parts: introduction, current problems that Puma encounters, how Puma addresses those problems, recommendations, and conclusion. Puma has already been the one of the most famous sports brand, but it faces some challenges, including how to improve its brand image and how to attract more consumers to keep its profits. To solve some problems, suggestions are mentioned in this article.

Keywords: Marketing strategies; digital advertisement; sports brand; challenges; innovations.

1. Introduction

In the contemporary society, most sports brands are facing the challenges of declining business volumes and market transformation, especially in the post-pandemic era, consumers' consumption habits have changed, and many brands need to re-examine their market positioning and product lines. For instance, one of the most popular and famous sports brand, Nike has suffered during the pandemic, facing inventory overruns and declining sales. Adidas is in the market transformation, gradually reducing physical stores, turning to online sales, and strengthen the interaction with young consumers [1]. Both are beginning to actively leverage social media and digital marketing strategies to adapt to emerging consumer trends. Puma, a major global athletic and lifestyle brand created in 1948 by Rudolf Dassler, faces various issues including sustainability concerns, strong competitiveness, supply chain weaknesses, and altering consumer tastes. Puma uses a broad range of marketing techniques, such as digital interaction, experiential marketing, celebrity endorsements, and a strong emphasis on sustainability, to address these problems and increase brand awareness and loyalty. In the future, Puma intends to improve community involvement, grow into emerging markets, innovate product development, invest in digital transformation, and bolster its sustainability initiatives. Puma hopes to maintain its position as a market leader in the cutthroat sportswear sector and win over socially concerned customers by addressing these issues head-on. This study utilizes 4P marketing analysis to examine the usefulness of Puma's marketing strategies.

2. Current Problems

2.1. Competition

In the current sports products market, Puma faces the situation that the fierce competition from successfully established brands such as Nike and Adidas, as well as emerging competitors like Anta and Lululemon [2]. For those that have already set up their brand identity and had a great number of loyal fans, they are more likely to keep their market share and competitiveness in the sports market. For instance, if Nike does not launch their new product in the new quarter, some loyal fans will continue to buy the classic big swoosh hoodie. Nike can continue gain much profits without putting

a lot of effort on creating and designing new products. Furthermore, there are some fake products of Puma in the competitive market. Those counterfeits are attractive due to their cheaper price, but quality is a really big issue. For instance, countries with low level of regulatory enforcement against counterfeiting sell knockoffs of shoes and clothing under the Puma brand. Because it is going to lower the company's potential revenue and harms the reputation of the athletic goods brand, this internal aspect is a strategic concern.

2.2. Brand Image

Puma is trying to become the world's top sports brand, creating designs, selling and marketing footwear, clothing, and accessories in over 130 countries. Its impact is all over the world. Puma was found in 1948. The overall image of Puma blends athletic performance with lifestyle appeal. First, In the intense competition among countless sports brand, some consumers may view Puma as a low-quality option, especially compared to competitors like Nike or Adidas. Second, with a crowded market, Puma may struggle to differentiate itself, leading to brand dilution and lack of clear identity [3]. It should take a great deal of effort to improve this serious issue. In order to deal with problems of brand image, Puma emphasizes innovation, sustainability, and youthful aesthetic. Puma has already made collaborations with celebrities and designers to delve into streetwear culture, combing elements of sports and fashion. The ultimate goal is to inspire brand confidence and empowerment through movement [4]. However, there are still some concerns. Mixed success with celebrity endorsement may trigger inconsistent brand messaging to consumers and lead to an inaccurate perception, since the target consumers may not be that clear. For example, the signing with Selena Gomez causes the debate. Even though it is attractive to certain individuals, it did not reach the same level of impact as others, which lead some people started to question Puma about its effectiveness of celebrity endorsements to some extent.

2.3. Supply Chain

Because the selling of Puma brand takes place in all over the world, the overseas manufacturing is one of concerns. A significant portion of Puma's products is made in counties with lower labor costs. This can lead to consider wages, work time, conditions, and so on. Moreover, coordinating logistics across a number of countries can cause delays and increasing transport costs, including money and time. Different countries have different regulations and policies. Puma has to address some changes happened in fluctuating transport rates.

3. Marketing Strategies

Puma has employed various marketing strategies to establish and maintain its competitiveness as a prominent sports products brand. This study will use 4P marketing analysis to examine strategies that Puma uses [5]. These strategies are able to ensure Puma's competitiveness and profitability. The first one is promotion. This point has many branches, such as advertising, discount, public relations, direct sales, etc. It is conceivable that advertising is the most important component in promotion. The most obvious and leading advertising strategy of Puma is athletes and team endorsements. Puma has great experience with high-profile athletes and sports teams to disseminate its products [6]. Puma has sponsorship with different fields of sports. Some notable examples are football, basketball, running, and so on. Puma provides jerseys and football boots for football players. Puma has sponsored several top football clubs, like Arsenal FC, AC Milan, Dortmund. For basketball, Puma has endorsed a lot of NBA super stars. LaMelo Ball is one of examples. According to Forbes, LaMelo Ball had already signed with Puma before the NBA draft. He is attracted by Puma's worldwide reputation, and its highly athletic spirit. He has a mutually beneficial relationship with Puma. On StockX, LaMelo Ball's MB.01 is very at the center of the trend, according to Haines. "Only released in December of last year, it's already become one of the top-selling performance basketball silhouettes on StockX." Moreover, the fact is that the increasing profits of Puma is partly associated with signing with LaMelo

Ball. In the report of Puma in February 23, 2022. The full year sale increased by 32% to € 6,805 million, compared with full year sales in 2020: € 5,234 million. As a result, Puma designs signature shoes for the LaMelo Ball, among other specials. Not only can the reputation of their own brand spread, but also can make more money. For LaMelo Ball, he could get his signature shoe, which could become even more popular thanks to Puma's promotion. Endorsement with athletes and teams is extremely effective way to spread Puma's reputation and gain profits rapidly. The second tactic is place. The multichannel strategy for reaching target consumers is effective. Authorized resellers, distributors, outlets are the most common ways to sell Puma's product. Because of their reliability, people are willing to buy products from these easily accessible places. Furthermore, with the rapid development of technology and online trades, Puma turns part of its selling to the Internet. There are e-commerce websites and apps, as well as third-party websites, available [7]. The costs of online trade drastically reduce the costs, since rent, money for cabinets, shelves can be avoided. Price is also a crucial part in mixed 4P analysis. In the competitive market, appropriate prices would be more attractive to consumers. The prices can be determined by the entire market. In a downturn, smart pricing is a must. For example, during the pandemic, most people will not buy sports goods at a high price, when the disposable income is relatively low, because sports products are not necessities. Moreover, Puma should be flexible in responding to market reactions. For example, based on consumer perceptions of the higher value of some products as indicated by market research, the company may decide to raise the price of some of its products. The last one is product. A successful brand should include products for professional athletes, enthusiasts, and casual amateur. The wide range of products can appeal to as many consumers as possible. The business is expected to mix its products and the trend of sports, especially popular ones.

4. Recommendation

4.1. Enhance Digital Presence

In the contemporary market, not only sports market, almost all brand utilize the Internet to promote their products. It is a radical change from using traditional ways to digital marketing. Digital marketing has several benefits. The first one is wider reach. The extent of the traditional marketing is limited by geography or demography, but digital marketing allows brands to reach a wider range, which can be global taking the advantage of online platforms. Also, digital marketing has advantage for companies. It is cost-effective [8]. People just need to list the information they want to display and create a website. This will maximize their interests [9]. Unlike traditional methods, companies need to spend a lot of money on advertising agencies or TV companies to promote their products. Furthermore, target consumers are another big concerns that companies has to consider [10]. With digital marketing, companies are able to post their advertisement precisely to individuals who are interested in sports or other related products. Relevant audiences are more likely to be attracted to buy Puma's products.

4.2. Broaden Collaborations

Even though Puma has connected with a lot of athletes and teams, they still need to do more. They can invest in some young potential stars. If they become more popular and liked in the future, their commercial value, or the interests of Puma, can be maximized. Puma can also negotiate with some already famous people and sign contracts. This is the most direct way, because loyal fans and irrational fans of these stars will always buy related products in order to support these people.

4.3. Data Analytic

Data analytics provides a solid base for Puma to reach its goals of maximizing profits. The first benefit is informing decision-making. Managers have to make countless decisions. But if they want to maximize profits, they must analyze the psychology and behavior of consumers and then make the most rational judgment. It helps Puma identify which products to promote, which products to improve

and innovate, which markets to enter and so on. Moreover, one problem that Puma faces is supply chain. Using data analytics can address this problem to some extent. By analyzing data across the supply chain, Puma is able to identify and recognize inefficiencies [11]. Then, after figuring out problems, Puma is more likely to manage inventory levels more effectively, reduce its costs, and enable resources are better allocated. Overstock may delay the producing and selling process of products.

5. Conclusion

In summary, Puma is a leading sports brand, and continues to improve and develop. However, competition among sports brands is fierce. There are not only many new brands, but also classic brands that have been established for a long time. So there are some problems that Puma has to face. Puma has to deal with problems of the intense competition, how to build up its brand image, how to allocate their limited resources effectively, and other things. In order to solve these problems, Puma has its own unique and certain marketing strategy of 4P analysis, which includes the promotion, endorsement with famous and potential athletes and teams, sponsorship, digital engagement, and innovative products; place; price; and product. This article has elaborated on Puma's marketing strategy through these aspects and given some examples. As this study has already mentioned, Puma can spread their reputation out and strengthen its advantages by enhancing digital presence, broadening collaborations, focusing on community engagement, and using data analytic. By e-commerce, authorized third parties trade can dramatically increase Puma's sales. Also, endorsements and sponsorship play critical roles. Lastly, a successful company should also take market reactions into consideration, and rapidly respond to these changes. All in all, Puma's competitive edge comes from its distinctive brand identity, creative product design, and high-profile partnerships with sportsmen and celebrities. These attributes appeal to both fashion-conscious customers and sports fans. Its market share is impacted by fierce rivalry from companies like Adidas and Nike, though. Furthermore, despite its advancements in sustainability, Puma continues to face negative opinions regarding its influence on the environment. Its revenues may fluctuate due to its reliance on trendy partnerships, and in certain areas, its market position is weaker than that of its rivals. Its ability to balance these advantages and disadvantages will determine how long it can stay on the market.

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