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# THE NEW AGE IGNITION

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# Introduction

# Introduction

Puma, highly regarded as one of the top brands in running shoes as far as comfort and performance, is now looking to move back into basketball shoes after a nearly two-decade hiatus. This report will discuss the strengths and weaknesses of our company's current position in the basketball shoe sector, give background on the competitive landscape and ultimately define a more narrow target market and develop a marketing plan for the imminent launch of our new line. We believe that as creative leaders in the Sportlifestyle sector it is our duty to create a better tomorrow for prosperity. A better world in our vision—the PUMAVision—would be safer, more peaceful, and more creative than the world we know today. Our new line will cater to the needs of a more creative demographic who value the freedom of customization and variety as much as they do the style, comfort, and performance that our shoes already offer.





# SWOT ANALYSIS

# SWOT ANALYSIS

## Strength

- People find the shoes to be very comfortable and accommodating for different shapes of feet. (Amazon reviews)
- People who have shopped with Puma before and know what size they are with our brand or use an actual store all have sparkling reviews Puma has some of the lowest price points among major competitors.
- Compared to Puma, flagship style Nike running shoe cost ~60% more while basketball shoes cost 20-30% more.  
(store.nike.com/us)
- Compared to Puma, flagship style Adidas shoe cost ~80% about 20% more with some styles exceeding even those numbers.  
(www.adidas.com/us)
- Puma is aligning itself with the younger generation of basketball stars (Bagley, Ayton, Zhaire Smith, Porter Jr.), and established stars Demarcus Cousins and Rudy Gay.

## Weakness

- Online store/customer service: weak customer service and response. Customers extremely unenthused by the lack of support their getting and the trials and tribulations of the buying journey.  
(Trust Pilot Reviews)
- Weak market share compared to competitors in the footwear segment. (Statistica.com)
- Little to no growth at all this decade up until 2017 when they grew revenue by 41.17% but that is still about 9x less than Nike and almost 5x less than Adidas.





# SWOT ANALYSIS

## Opportunities

- Disposable income in the United States has been on a steady incline over the last 5 years so people should have more money to spend on individual items. (Not just that they may purchase more, but they may be willing to pay a higher price for some items. (fred.stlouisfed.org)
- Jay-Z just named creative director for Puma basketball
- This moves Puma quickly down the curve in regards to understanding pop culture.
- Jay-Z is a mogul of pop-culture with music, entertainment, even helping with 2k basketball video game Jay-Z is well recognized by the youth and young adults. (Steingberg)

## Threats

- Competitors have control over some of the top stars in the market we are trying to penetrate:
- Nike: Giannis Antetokounmpo, Anthony Davis, Kevin Durant, Devin Booker;
- Adidas: James Harden, Joel Embiid, Damian Lillard, Kristaps Porzingis
- Currently, these faces are more recognizable and marketable than Puma's incoming class of sponsees.
- Higher net income for competitors allows them to retain old stars and more heavily compete for new ones.





# Brief Product Description



# Brief Product Description

- Will produce both on-court and off-court sneakers like Jordan.
- The shoes will be not only comfortable for the performance but also will be fancy and elaborately designed.
- Like the existing most powerful companies, which are Nike (LeBron), Under Armor (Curry), Adidas (Harden), the design of the shoes will be inspired by competitive players whom we will sponsor and support.
- Basic colors of the shoes will represent the teams, which our contracted players are assigned; we will allow the customers to personalize their own shoes to represent their identities.
- We will share the designs and ideas with young players who have the great potential and will change the design each year with their careers and stories.
- Shoes will be highly customizable to cater to our creative target market.





# Target Market

# Target Market

This first market segment consists of the younger generations from ages 13-18 in the United States. According to data pulled, Teen Purchasing Power-Fast Facts: • 25.6 million: Number of teens in the U.S. (13-18 years old.) • \$208.7 billion: Total U.S. teen spending. (Products bought by and for teens.) • 18%: Amount of their income teens spend on food. • 14x: The amount of more money spent by adults, as a proportion of their income. • 63 million: Number of kids who are affecting purchases when adding in 10-12 and 19-24 year-olds. • \$91.1 billion: Total annual teen income in the U.S. • \$117.6 billion: Annual amount of money families spend on teens for food, apparel, personal care, and entertainment. (Purchasing power of teen, 2018)

Teens are part of the larger Generation Z demographic group — those born between 1996 and 2015. We are focusing on the group what is called “digital natives” where the kids are the first generation to always have the Internet at their disposal. They grew up in a world that is seamlessly connected. Teens are brand conscious, they look for quality products and rely on social media to advise them. (Kaplan 2017) Our brand has been revitalized with its recent return to basketball and has entertainers such as Jay-Z, Rihanna and Selena Gomez serving as creative brand ambassadors. The newfound spotlight and social media exposure easily make the products cool and trendy.



# Target Market

On top of it, we have placed ourselves in the affordable pricing range compare to names like Nike, Adidas. With this in mind, we are able to set our shoes at a relatively cheaper price and differentiate our products as the trendy, new school icon. Celebrity exposure and engagement through e-commerce will allow us to effectively market our product to this segment.

For the second market segment, we think age group contributes largely on how certain groups of people behave such as what is being considered cool, high status, fashionable...etc, however, we are also targetting customers who are possessed with the creative genes. We are focusing on people who share the tireless, think outside the box, work independently mentality, and all and all a dreamer. Many Entrepreneurs share these genes, and we are certainly looking at ways to find the resemblance of themselves in reflection of our product.



# Target Market

The third market segment consists of millennial fans of the NBA. Millennials stream sports more often. In a research conducted by McKinsey & company, millennial sports fans report using streaming websites and apps almost twice as much as Generation X. They are also more likely to admit to using unauthorized sports streaming sites, such as Reddit streams. Millennials are social fans. 60% of millennial sports fans check scores and sports news on social media versus only 40% for Generation X. Twice as many millennials use Twitter, and five times as many use Snapchat or Instagram for that purpose. Facebook is the leading social platform for both groups, but YouTube dominates sports highlights for millennials. (Singer D, 2017)

With the focus on presenting the future, and the trends in basketball, we have made our statement by signing contracts with a few top draftees of the 2018-2019 NBA draft class, which includes the #1 draft pick DeAndre Ayton and #2 draft pick, Marvin Bagley, #13th pick Michael Porter Jr... For millennials fans who have followed the NBA for years, where they have seen the #24 Kobe, the rise of LeBron, and now witnessing the infamous Golden State Warriors, who are just way too overpowered for anyone on earth, now is the time to follow something more exciting and by the culture.



# Target Market

Getting back to basketball at this moment is perfecting time as last time we had someone big was when Vince Carter was still half man, half amazing departing from Toronto. We now see ourselves as the brand with heritage and history, yet we are the new age and center of attention. (Fits perfectly with millennials mindset). (Perez, J, 2018) Therefore, we have an opportunity to attract millennials NBA fans to our new product across the world through advertisements within streaming websites, star endorsements, and phone applications.







# Persona

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Eric, 26 years old

Grew up and was raised in Springfield, Massachusetts, has been a Boston Celtics Fan his entire life. One of his favorite memories was when the Boston Celtics won their 17th championship in 2008 as it has been over 22 years since their last banner. He grew up in what was so called the golden age of NBA, where he witnessed the late Jordan Era, seeing how Kobe and Shaq dominated, the rise of King James, and now the superstar team, Golden State Warriors. He has enough jerseys to wear and has posters from middle school hanging on the wall in his room. After his team's unstoppable season last year, where third-year guard Terry Rozier rose to the occasion in absence of all-star point guard Kyrie Irving and helped to take the team to Game 7 of the Eastern Conference Final. Scary Terry so they called him. As a millennial himself, Mike is very much attracted by Rozier's intense play style and loves his swag and the new school attitudes off the court. Mike also plays pick up basketball over the weekend. As he is still trying to pay off his student loan, Mike has been balling in his old hyperdunk for the longest time. He is looking for alternative shoe options unlike the Currys and the Lebrons, which are simply way too expensive for the price he could afford for a pair of basketball shoes. He would prefer something that is cool, trendy, yet budget-friendly.



Kobe, 18 years old

Starts a day with his high school basketball team practice at 6:30 am every day; his dream and the biggest goal of life is to get 1st pick of NBA draft like Deandre Ayton. As much as he is interested in basketball and desire to be one of top players, he loves to post and share his fashion of basketball shoes on his Facebook and Instagram. Another major goal is to be famous not only with his performance but also in fashion like Odell Beckham Jr. and Michael Jordan. With his great passion for basketball performance and fashion, he always experiences hard times to find the right products with the reasonable price. Budget restrictions make him feel depressed and push him to the workplace until the late night. Moreover, he saves his money on the foods to buy another pair of basketball shoe; his family is worried about his physical status, which has a direct relationship with his performance.

Emma, 45, years old

A creative designer who engages in the fashion business. Among diverse fashion fields, she always tries to focus on fashion in the sports industry. She has tried to merge her love and passion for sports with her wardrobe. As a big fan of NBA, she focuses to design unique and creative clothes and shoes for basketball players and fans. Her role models are Michael Jordan, Karl Lagerfeld, and Rihanna who have great influence in the sport fashion industries. They participate and put great effort to generate unique designs with the sports products, which are for both on and off courts. Among various creative artists, Emma desires to become like Rihanna who has collaboration product lines with Puma. Emma always has thought that prices of Nike, Adidas, and Under Armor are too expensive to afford.

Since she earns more than \$100,000 per year, she could pay for most products that she wants to buy; however, she thinks prices are overpriced compared to customer satisfaction with products and their designs. Therefore, she always desires to make and have chances to buy valuable products at reasonable prices like products from Puma x Rihanna. Following the reasonable price, she always has a feeling of dissatisfaction with product customize services from sports branding companies.



# Persona

To personalize her shoes, she has spent to pay extra money. With her displeasure, she is looking up the company, which can satisfy her needs and wants. Lastly, as a creative designer, she has a lot of information on teenage fashion. She had an interview last month that most teenagers, who have the great passion in fashion, have similar opinions with her thought: want to see and buy a creative and valuable product with the reasonable and affordable price.



# Objectives



## Objectives #1

- Accomplish 10% Revenue growth in footwear sales for the fiscal year 2019 by introducing and marketing Puma Basketball shoes.

## Objective #2:

- Expand brand awareness by reaching a certain number of followers on our social media accounts (exposures).

## Objective #3:

- Improve our brand image by releasing signature shoes for players (NBA/WNBA), build up the shared association of creative genes between the fans and their favorite players. We are here to create.



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