

**Marketing Communications:**

**Under Armour Case Study**

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## **Executive Summary**

### The Problem

We have been asked to evaluate the marketing segmentation strategy for Under Armour. Specifically, if they should maintain their emphasis on targeting women, or transition towards a more generic audience approach. While their recent “I Will What I Want” campaign saw great ROI, they are faced with the dilemma to continue down this path or not due to the concern that they won’t be able to maintain the momentum that has made this initiative successful. There is a question of whether this market segmentation strategy is sustainable, or merely a one-off campaign that found short-term success.

### The Answer

- Appeal to a general audience and pocket the success of their “I Will What I Want” campaign.
- Use everyday people to reinforce relatability, authenticity, and aspiration to their brand image and ads.

### **Reasons:**

- By listening to consumers on social media and other platforms, Under Armour can understand what consumers want
- Maximize profits by appealing to a wider audience
- People want to relate to the company; they want to feel like they fit in and can be a part of a brand community, so using real people is going to resonate with consumers and build a connection
- Using real people keeps costs down

### Rationale

- Appeal to a wider audience- focusing too much on women may deter men from the company, as they may see it as “girly” or “feminine”- don’t restrict and self-sabotage your brand
- By using more inclusive and realistic people in ads, Under Armour expands their audience and increases likeability among consumers
- People value authenticity –celebrities getting paid for starring in an Under Armour ad won’t have as much credibility as real customers providing testimonials from their own lives

## Situation Analysis

- Under Armour – founded in 1996 – sweat-wicking material to replace cotton in athletic clothes
- Main competitors – Nike, Adidas
- “I Will What I Want” campaign – recognize strong women who paved their own paths and didn’t let outside pressures define them
  - Most impressions from any Under Armour campaign
  - 28% increase on women’s sales, 42% increase in website traffic
  - Caused women’s apparel to account for 30% of Under Armour sales
- Health and sports apparel industries are growing worldwide

### Strengths:

- Strong brand image: “delivering technical apparel positioned as innovative and modern” (page 1, paragraph 1)
- Successful Celebrity Endorsements: Misty Copeland, Gisele Bundchen, Steph Curry, Kelsey Plum, Aliyah Boston, etc.
  - Leverage partnerships with loved athletes serving as brand ambassadors to help increase reach and credibility
- Athleticwear product diversity: cater a wide range of products to different types of sports/activities and lifestyles
  - Running, basketball, pickleball, yoga, military & tactical...you name it!
  - Appeal to a broad audience while simultaneously being able to address specific preferences within each niche activity market

### Weaknesses:

- Heavy reliance on celebrity endorsements: if their athlete ambassadors get involved in controversy, it reflects on their brand name
- Limited International presence: “Unlike many competitors, [Under Armour](#) has barely improved its international reach in recent years. While Nike and Adidas look for a balance between their domestic and international businesses, Under Armour has focused on its North American business to try to gain significant market share. This strategy worked for the company early on, but the company's reliance on the North American market has been an issue of late as the North American apparel market hit a slump.” ([Forbes, 2017](#))
- Overreliance on performance athletics: while they have a lot of diversity in the athleticwear they offer (as mentioned in the strengths), they lack diversity in pushing and promoting casual wear athleisure with their narrow focus on performance athletics – unlike Nike and Adidas whose sweatshirts, sweatpants and zip-ups gain lots of attention

**Favorable Conditions:**

- There has become a shift towards more casual and versatile clothing in the athletic department (athleisure) driven by the Covid lockdown
- The global demand for sports apparel is constantly growing and looking for new entrants
- The digital marketing and e-commerce landscape is drastically growing, sparked by the Covid lockdown when online shopping was all there was
  - With this, there's a rise in athlete ambassadors and fitness influencers across all platforms
- There's an increasing emphasis on health and wellness globally, with more and more people prioritizing activity and fitness
- The Summer Olympics are coming up this Summer which will serve as a motivational catalyst for increasing the active lifestyle of the average consumer, leading to more sales in activewear clothing
  - This will also increase eyes on and exposure of many athletes through media coverage

**Threats:**

- High market saturation
- Economic uncertainty
- “Dupes” – like manufacturers such as Amazon creating and selling “look-alikes” of popular products for a much lower price, stealing business from high-quality, name brands

**SWOT Analysis**

The "I Will What I Want" campaign by Under Armour was highly successful due to its powerful messaging that celebrated strong women who defied societal pressures and carved their own paths. By resonating with consumers on an emotional level and promoting empowerment, the campaign garnered significant attention and engagement, resulting in a 28% increase in women's sales and a 42% increase in website traffic. This success was also fueled by Under Armour's strong brand image, successful celebrity endorsements, and diverse range of athleticwear products that cater to various sports and lifestyles.

Moving forward, Under Armour faces several concerning weaknesses and threats that could impact its growth and success. Firstly, the company's heavy reliance on celebrity endorsements poses a risk, as controversies involving athlete ambassadors could tarnish the brand's reputation. Additionally, Under Armour's limited international presence hampers its global expansion efforts, leaving it vulnerable to market fluctuations in the North American apparel market. Moreover, the company's overreliance on performance athletics and lack of emphasis on casual wear may limit its market reach and competitiveness compared to rivals like Nike and Adidas, who excel in this segment.

Despite favorable conditions such as the growing demand for sports apparel and the rise of digital marketing and e-commerce, Under Armour faces threats such as an oversaturated market, economic uncertainty, and the abundance of imitation products. These challenges could hinder the company's ability to differentiate itself in the market, maintain brand loyalty, and sustain growth. To address these weaknesses and threats, Under Armour should broaden its marketing approaches to match consumer preferences and market trends.

Moving forward, Under Armour can capitalize on several favorable conditions to create further success for the company. Firstly, the shift towards more casual and versatile clothing in the athletic department, driven by the COVID-19 lockdown, presents an opportunity for Under Armour to expand its product offerings and cater to evolving consumer preferences. Secondly, the rise of digital marketing and e-commerce, coupled with the increasing emphasis on health and wellness globally, presents avenues for Under Armour to enhance its online presence and engage with consumers. Under Armour can also leverage the upcoming Summer Olympics, bringing more attention to fitness, to promote its activewear.

## **Alternatives**

### **Alternative 1:**

- Under Armour should continue growing the female market
  - Under Armour's first choice is to continue targeting women. After their "I Will What I Want" campaign, the brand demonstrated their ability to resonate with female consumers and this option could result in long-term growth and inclusivity.

### **Pluses**

- Increased Brand Loyalty. By continuing to cater to women's needs and preferences, Under Armour can increase strong brand loyalty among female consumers. Targeting women can build long-term relationships and result in repeat purchases.
- Take advantage of previous success. Under Armour can build off their momentum from their "I Will What I Want" campaign. Under Armour can target the growing segment and gain more customers, capturing a larger share of the market.
- Positive brand image. Under Armour can build their reputation supporting inclusivity, specifically supporting women empowerment. This will resonate with consumers who advocate for diversity.
- Differentiate from competitors. Seeing as their recent campaign brought success for Under Armour, the brand can continue to focus on women showing their commitment to inclusivity and empowering women. This would position Under Armour as the go-to athletic/athleisure brand for women.

### **Minuses**

- Does not address other market segments. While Under Armour had success with their recent campaign, continuing to solely target women could weaken their brand identity.
- Limited target market. While the women's athletic apparel segment is undoubtedly growing, it represents only a portion of the overall market. By narrowing their focus solely on women, Under Armour can miss out on opportunities to engage with other segments, such as men's athletic apparel or lifestyle products.
- Competitive market. While the women's athletic apparel sector is growing, it's saturated with many other brands fighting for consumer attention and loyalty.
- Potential Controversy. While Under Armour had success with their "I Will What I Want" campaign, there is still a future risk of negative perception for a future campaign when dealing with a topic like gender empowerment. Negative controversy could impact brand image and brand loyalty, prompting consumers to switch to a different brand.

*Analysis:* Continuing to target women, building on the success of their "I Will What I Want" campaign could foster increased brand loyalty by catering to women's needs and preferences.

However, in continuing to target women moving forward, Under Armour might face challenges with competing brands also targeting women, limiting their growth opportunities.

### **Alternative 2:**

- Appeal to a more general audience
  - After having success in resonating with female consumers, enforcing commitment to inclusivity, Under Armour could appeal to a more general audience with the goal to broaden their market reach and maximize revenue opportunities.

### **Pluses**

- Larger market segment. By appealing to a broader audience, Under Armour can reach a wider customer base, capturing market share from competitors and gaining traction in newer markets.
- Increased revenue streams. Expanding the target audience allows Under Armour to tap into new market segments beyond women's athletic apparel, such as men's athletic wear, athleisure wear, or lifestyle products. This diversification prevents the reliance on a single target audience and expands the brand's revenue streams.
- Smaller chance for controversy. When targeting a more general audience, Under Armour reduces the risk of potential controversies when addressing topics such as gender empowerment. This allows the brand to have a higher likelihood of maintaining a positive brand image.

### **Minuses**

- Increased competition. When targeting a more general audience, Under Armour will face increased competition from well-established brands that already serve a wide range of consumers.
- Brand Identity. Shifting focus from a specific demographic to a broader audience can weaken Under Armour's brand identity and message. This may confuse existing customers and weaken the brand's connection with its core audience, specifically women, and weaken the company's image and brand loyalty.
- Losing existing customers. By broadening its audience, Under Armour risks losing its existing customer base, specifically those initially attracted to the brand's emphasis on inclusivity and women empowerment. Deviating from this commitment might prompt consumers to question the brand's core values, potentially resulting in backlash and a decline in brand trust and loyalty.

*Analysis:* By broadening its target demographic, Under Armour aims to expand its market reach and maximize revenue opportunities. After the success from the “I Will What I Want” campaign, it would be beneficial to have access to a larger market segment, diversifying their revenue streams beyond women's athletic apparel. When targeting a more general audience, Under

Armour would need to maintain a strong brand identity and message as they are in a competitive market and do not want to risk losing preexisting loyal customers.

### **Alternative 3:**

- Under Armour should keep using celebrity endorsements
  - Under Armour saw success in their previous campaign utilizing celebrity figures such as Misty Copeland and Gisele Bündchen. By continuing to partner with influential figures who embody the brand's values and resonate with its target audience, Under Armour can reinforce its commitment to empowerment, performance, and inclusivity.

### **Pluses:**

- They should capitalize on the strong emotional connection fans have with athletes they look up to, especially through the uprise in social media and brand deals, to help them level the playing field and then get a competitive advantage in brand loyalty over their two biggest competitors – Nike and Adidas.
- Athletes have a huge impact on purchasing power
  - “Athlete endorsements have a 4% impact on sales for the sponsoring brand.” ([zipdo, 2023](#))
  - “77% of consumers see a brand more favorably if it sponsors their favorite team.” ([zipdo, 2023](#))
  - “81% of fans consider sports sponsorships effective.” ([zipdo, 2023](#))
- Ex: If Caitlin Clark did a shoe deal with Under Armour, she has so much power that she would be able to get her fans to buy her line of shoes even if they’ve never bought from Under Armour
- Expands reach and visibility, and provides a positive association with the brand through aspirational appeal from people that admire those specific athletes

### **Minuses:**

- Securing top athletes is costly so there’s concerns with reaching a positive ROI
- They would become vulnerable to the reputation of each individual athlete
- Sometimes celebrity endorsements don’t seem sincere
- The media landscape is heavily saturated – it feels like every athlete has a deal with someone
- If you don’t find the right athletes that fit your brand identity, you risk diluting that brand identity that you need to stand out and have a memorable, competitive edge over Nike and Adidas



- Using celebrities runs a high risk of falling into a scandal or endorsing someone with values that don't align with the companies or the customers.

*Analysis:* In using celebrity endorsement, Under Armour would leverage the strong emotional connection fans have with celebrities, providing Under Armour with a competitive advantage in brand loyalty, expanding its reach, visibility, and positive brand association. When utilizing celebrity endorsements, Under Armour needs to select appropriate celebrities to ensure a favorable return on investment and mitigate the risk of involvement in scandals that could tarnish the brand's image and perception.

#### **Alternative 4:**

- Use real people in their advertising instead of celebrity endorsements.
  - Transitioning to using real people instead of celebrity endorsements after the "I Will What I Want" campaign can offer Under Armour a more authentic and relatable approach in promoting their brand. By featuring real individuals who embody the brand's values, Under Armour can connect with consumers and foster a sense of authenticity.

#### **Pluses:**

- By using real people, Under Armour can reinforce their authenticity. This will be especially useful if they are trying to appear authentic to the environmentalist segment and be gender inclusive.
- Using real people in ads also allows consumers to relate to the ad.
- Using real people also increases the amount of diversity in the ads, and in return increases their target market.
- Using real people to increase reliability and diversity creates a sense of community around the brand. Consumers may feel a stronger connection to the brand and may feel more loyal towards the brand.
- Using real people instead of celebs is also cost-effective and opens the door for UGC content. UGC content is like word-of-mouth marketing where credibility is higher and costs lower. UGC content also allows for engagement and feedback.

#### **Minuses:**

- Can diminish Under Armour image as a high-performance line. Can negatively impact the image they have built by using celebrity endorsements.
- Real people may not have as much influence or draw as much mass attention.
- Celebrities have a built-in fan following. By using a celeb endorsement, the brand can increase awareness and sales.

*Analysis:* Utilizing real people instead of celebrities would bolster Under Armour's authenticity and enhance relatability for consumers, strengthening its connection with them and potentially fostering increased brand loyalty. However, while this approach may be more cost-effective, it could also diminish Under Armour's perception as a high-performance brand and negatively affect its visibility and sales. Celebrities typically possess a built-in fan base that can drive awareness and sales, making their endorsement an asset for brand promotion.

## **Recommendation**

Under Armour's "I Will What I Want" campaign was extremely successful by positioning their products towards and for women. However, for Under Armour to continue its growth and successful campaigns it needs to appeal to an even broader audience. Under Armour will expand its audience and leverage using everyday people in its advertising efforts.

The reasoning behind utilizing these strategies begins with the importance of listening to consumers. Incorporating real people into advertising and campaigns shows that Under Armour values actively listening to their customer's wants. In return, Under Armour creates authenticity and relatability to their brand image and name while also being personable. An issue with pivoting a brand towards a larger audience is that creating personal connections becomes difficult. Essentially, if you try to appeal to everyone you are really appealing to no one. To combat this issue Under Armour will be utilizing social media to engage and listen to consumers' wants, utilizing TV ads to build connections with presented audiences, and guerilla marketing to reinforce a personal touch. Another fear of using real people instead of celebrities is losing the Under Armour high-end, aspirational feel to the product and brand image. However, by showcasing individuals with diverse backgrounds, Under Armour makes their product more accessible. Generalizing their audience and using everyday people humanizes their brand while achieving the aspirational feel that celebrities bring.

Using real people and expanding to a general audience will also help further Under Armour's business because it is significantly more cost-effective. Utilizing TV ads, social media, and Guerrilla marketing will allow Under Armour to target a broader audience while keeping costs at a minimum.

## **Plan of Execution**

### **Incorporating Everyday People and Appealing to General Audience**

The new positioning for the marketing plan for Under Armour is to incorporate everyday people in their campaigns and move to a more general audience. The goal is to appeal to more people by upholding relatability, authenticity, and creating aspiring messaging.

The three platforms and strategies Under Armour will utilize to run this campaign are social media, TV commercials, and alternative marketing forms.

The new target market that Under Armour is trying to reach is a broader and more inclusive one. Under Armour wants to reach beyond women and should conduct research to identify target demographics. The audience will be segmented by age, lifestyle, geographic location, and behavior.

### **Messaging and Tone**

The overall messaging should achieve the goal of showcasing individuals from diverse backgrounds and creating a brand that resonates with a broader audience. The messaging of ads will continue to uphold a motivational tone while also highlighting both the trials and triumphs of the everyday lives of everyday people, because unlike how celebrities are portrayed, their lives are not perfect. This will help foster a deeper connection and sense of empowerment with their audiences.

### **Social Media**

Social media will be utilized to push lifestyle content. The storytelling of the campaigns will showcase athletes and their day-to-day lives. The idea of using lifestyle marketing and showcasing the everyday lives of normal athletes will increase relatability. By promoting this type of content on social media, consumers can engage with the brand. Under Armour will then have a better idea of how to meet customer expectations and know how to address and fix concerns. Another target market that Under Armour can reach with social media is parents. Under Armour should create content that showcases parents with children in sports dressed in branded materials. The goal of this is to reach a large market that has the desire for their kids to perform the best and also has the budget to buy Under Armour. By implementing these types of content on social media, Under Armour is increasing engagement while also reinforcing authenticity. The overall tones of these campaigns should keep a level of inspiration while also creating a welcoming and relatable feel. The messaging should be similar to a “If I can do it so can you” feeling. These campaigns will be pushed out during the summer and winter when many sports are in their off-season. Instagram and TikTok will be the main platforms used to push these ads out. Each platform will have two ads running during the summer months (June-Aug) and winter months (Dec-Feb). The two ads will consist of the content stated above. For each ad, the call-to-action will be “shop for you.” The ads will link to Under Armour’s homepage

website. The ads will have the Under Armour logo and name appear at the beginning and the end of the ad.

### **TV Ads**

Television ads will also be used for this campaign. The ads will showcase everyday athletes who work hard in their daily lives. Some examples of commercials would be: a mother running from room to room, efficiently getting her children ready for school while in Under Armour shoes; kids enjoying a snowball fight while keeping warm in Under Armour beanies and boots; or a group of friends working out in the gym surrounded by their Under Armour water bottles and gym bags while wearing their Under Armour gear. These ads show how their products can be used in many ways. It also encourages viewers to think of purchasing Under Armour over other competitors in certain situations. An example of this would be choosing the brand for winter clothing because it offers warm apparel while still allowing the wearer to move freely. They offer comfy shoes for everyday use but also shoes for working out or different sports. Another television ad that can be used is focusing on young individuals in specific sports. An idea for this could be a compilation of young athletes who keep getting back up after falling down. This creates an aspirational tone for viewers and allows them to resonate with the ad. All of these ad ideas create a personal connection with the viewer because they can recognize themselves in the ads.

### **Alternative Marketing**

Under Armour would utilize guerilla marketing by having pop-up shops on college campuses. The shops would have their most popular shoes available to try out as well as apparel and other accessories. They would do this at the beginning of each semester to provide an opportunity for students to be prepared for the year. They could find the best shoes for them or even a backpack to start the new school year fresh. Focusing on college students would allow them to retain their younger audience and build brand loyalty.

Another way to use alternative marketing is to have online contests and challenges for customers of Under Armour. They could host virtual fitness competitions every week and give away prizes to the winners. Some ideas for contests are creating innovative workout videos, providing the best caption to a photo relating to the brand, designing new Under Armour apparel and the best design wins, or having customers track their workouts through Under Armour's app. Examples of prizes for the winners could be a gift card to their website, a selection of apparel to choose from, or for an even bigger challenge they could give away free shoes of the winner's choosing. This would boost brand awareness and lead to new customers.

Lastly, Under Armour can sponsor specific events to increase brand loyalty and reach a targeted audience. They would need to choose their sponsorships carefully to keep in line with their brand image. They could sponsor sports competitions, marathons, or events on a college campus. Many brands sponsor events for different groups just to increase brand awareness. They can provide merchandise to give out to everyone competing in an event or running a race, as well

as hand out Under Armour water bottles to everyone attending the event. They can also promote the event with the organization they're working with to reach a more niche audience who otherwise wouldn't be interested in the brand. By strategically sponsoring events, Under Armour can expand its reach and increase brand loyalty.