

The Role of Marketing in Active Sportswear and Equipment

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Introduction

"It was the best of times. It was the worst of times". In the Tale of Two Cities, Charles Dickens recognised that life is never simple. We live in what are recognised to be changing times and we must all adapt to the negatives and positives that this brings to our lives and work.

The Sports industry has undergone immense changes in the last thirty-seven years, and it has deployed, exploited and frequently advanced the concepts of marketing with great drama.

It was only just over thirty years ago that Professor Levitt, a Professor of Business at Harvard Business School, first propounded his concept of Product Life Cycles. This was to lay much of the foundation of modern Marketing theory and practice.¹

In these brief thirty years, the Sports Industry has rushed through Levitt's Life Cycle stages and moved rapidly to the final stage, to maturity. In any mature industry there are two dominant themes: product innovation and marketing. Today both are vital to the future of the sports business.

My talk will cover five broad areas intended to cover some areas of mutual dependency for sports and man-made fibres and which, I believe, will link together and develop some of the elements which you have listened to earlier this afternoon.

First, I will demonstrate that the advancement and development of the sports industry offers one of the best mechanisms for the exploitation and prosperity of man-made fibres.

Second, the fact that there exists a strong body of evidence that the words, "man-made" and "synthetic" and other words used to represent such materials and fibres, generate strong negative feelings among consumers.

Third, I will then be emphasising that where man-made fibres are introduced into sports, they must do the whole job they promise without side effects or consumer disappointment.

Fourth, that to achieve real success in sports, man-made fibres will require support from all the techniques of what has become known as "Ingredient Branding".

Fifth and final, that the way marketing so dominates sports today, any such "Ingredient Branding" needs to involve co-branding with top quality sports brands.

The Sports Market

For most of this century,- the main driving power behind the advancement in clothing and outerwear was demand and research funding from the military. The defense requirements for improved high technology outerwear that came along as new weaponry and equipment was introduced, pushed the limits of known technology. All manufacturers of materials for clothing and footwear were given an opportunity to shine.

However, military markets were not to prove easy in the long-term. The requirements for tendering, for minimising costs and for having multiple suppliers for strategic reasons, create a difficult background against which to make good profits on a consistent year-on-year basis.

And today our world has changed even more. When Charles Handy talked of the future of work in his book "The Empty Raincoat", he quietly stated: "We shall miss one customer. The artificial customer of the Defense Industries of the West. Politically legitimate, the defense industry created a demand for advanced technology which spread knowledge and work throughout the economies of America, Britain and most Western Economies."²

As we moved into the 60's and 70's, society's interest in sports began to create new opportunities for material and fibre producers. Sports marketing as we know it today, began with sports footwear. It was an important time for both the world of marketing and the world of man-made fibres. The first shoes that began to change the market indicated the rationale for proper market segmentation and for designing products to suit each segment.

It may seem obvious now that the requirements for footwear for sprints, middle distance and long distance running are different but many of us here can still remember when the ubiquitous white "plimsoll" was sufficient for all and any sports activity except soccer and hill walking.

So, as a typical example of the early stages of the life cycle, advertising and promotion were used to establish the categories.

Examining the market needs from real knowledge of use and requirements identified that traditional materials supplying comfort and support on longer runs were hardly a necessity for the sprinter and that newer lighter weight materials could do a better job.

We, therefore, were observing the beginning of the athlete's acceptance of man-made fibres based on real performance and based on footwear that was different and did make a difference. So it was only when the product was right and appropriate to the target market that innovative marketing could kick in.

The marketing adopted here was typical of Stage Two of the Levitt Cycle and was based on establishing differentiation in selling product features.

Stage Three followed quickly and can be recognised in marketing terms from a change from selling the features to selling the benefits that those features give rise to. A change from "this golf ball has a two-piece construction and a surlyn cover" to "this ball gives you greater distance off the tee."

And when you start to sell the emotion, the "Just Do It" factor, you are indicating a market moving into its mature stage.

The danger of a mature market is that it can quickly become a commodity market where everything revolves around price and brand.

One major way of dealing with life cycles that are coming to an end is via Innovation.

Consequently, all those involved in the development of innovative materials especially, although not exclusively man-made fibres, have a wonderful marketplace in which to test and exploit their ideas. With the excitement of sports participation, the fascination to do better at whatever level and the aggressive desire and often huge financial gain from winning at the professional level, the sports area is one where new materials receive a very fair reception.

It is at that level that sports marketing is so important to all of us. The sports market has been a great growth area and offers attractive future potential. With so many aspects of sport, especially sportswear, cascading into everyday life, the market gets very crowded. All these offerings make life very confusing for the consumer. The answer to the problem of making wise choices at times of fast changing technology or when you do not really know what your requirements are and are faced by a proliferation of products, is to go with a branded product. Consequently, every marketing tool possible is used and honed in the sports world. The bigger brands use them to maintain and increase dominance and the smaller ones to try and get a piece of the pie.

Real men don't wear Polyester

I am an avid reader of the National Geographic magazine and in May of 1988 it published an outstanding article which has stayed with me since. It's title was "Wool, Fabric of History". "For 12,000 years", it proclaimed, " This fibre has figured on the loom of civilisation as an integral part of human life".

Most of my own working life has been spent in the Leather Industry, first as a technician and then as a marketer. In the 1954 Cantor Lectures, Henry Phillips said, "Leather making is still often referred to by scientists outside the industry as a mysterious craft. But there has been a revolution. Leather making is not now a novel, isolated, industry, it is just one of many fibre industries."

So my life has been spent helping to manage and market another component material which is actually another natural material like wool. In my career, one definitive message has come across loud and clear. Consumers like natural things. Indeed, the leather industry's second largest error of the last fifty years has been a failure to market that key aspect of their product. Its first error has been a failure to market.

Earlier this year, we at FootJoy carried out a detailed study with consumers, which in part covered their perception of different materials. We were asking them in a situation related to golf gloves to compare leather against synthetic materials. This is a low anxiety category where you do not expect strong opinions but consumers are knowledgeable and like to be heard. While they are actually frequently unable to tell the difference in looks, touch and feel or for that matter in wear, we got uniform responses from right across the United States. The words "synthetic", "man-made" or "artificial" were strong negatives in our consumer's minds.

To succeed in marketing any component, it is vital that consumer views are known, acknowledged and addressed. In this instance, you start with consumers predicated towards a preference for the natural and a suspicion of the man-made. No one in marketing can overlook societal trends that dictate people's attitudes. You hear the comments on biologically evolved foodstuffs which say "it has a shelf life of two months but a half-life of ten thousand years". Man-made is synonymous with fake, with cheap, and with hard to dispose of. They are somehow "mutant" materials that bring back memories of alchemy in the Middle Ages. They are to be treated with great mistrust.

Consequently, in Australia the wool industry had the courage to advertise "Real men don't wear Polyester". It did have its tongue-in-cheek, but it was preying on real consumer feelings.

So what does this mean for the man-made fibre industry? Well, first I can tell you that these opinions are still widely held in the consumer mind even after a century in which technology has improved our life and more than half a century of dramatic development and improvement in man-made fibres. It is a negative perception that has to be counteracted.

Not marketing, but bad marketing caused much of the problem

The way to deal with this lies in two approaches: better products and better marketing. How do we know this? Well, perhaps we can do no better than looking back at our own industries some years ago.

I well remember the leather industry panicking in the late sixties and early seventies when synthetic footwear came to the market. Heavy advertising and PR persuaded large numbers of consumers to buy a pair of the new easy care Corfam Footwear. The problem was that no one bought a second pair. The shoes were just too uncomfortable and failed to offer the fit and the comfort that is required. The curious thing is, though, that if you look around you today the proportion of non-leather shoes that we wear for a huge variety of functional and casual purposes is very high indeed. This proportion has grown, not through heavy marketing of any synthetic material but through marketing the sheer benefits and functionality of the footwear.

This is proof that underlying trends have to be fully understood before you go to market. In the leather industry the actuality is that there is not enough raw material to go round. The raw material growth, dependent on the development of our agricultural and our interest in eating meat and drinking milk, has not been enough to meet the requirement for leather. Throughout history, this has been dealt with by replacing leather as and when better materials have been found. Wood for boats, metal for armour, glass for bottles. It can be argued that the product life cycle of leather has moved towards maturity with the widespread introduction of paper in or about the 13th or 14th centuries. More recently, the plastic and the man-made fibres industry has taken a share in what was once a leather market by providing materials for automobile upholstery, for ski boots and, of course, for many types of running and athletic shoes. Where leather remains of importance is in areas where its beauty or its performance is still exceptional.

So the work of the leather industry was a search for secure end uses and ways to extend the life cycle of the product by working harder on its unique properties. Product development and marketing are vital to stay out of commodity price-sensitive areas of the leather market. Most kinds of footwear, especially where the foot is largely covered, and high quality leathergoods and clothing are typical areas from which it should always be hard to dislodge leather. This latter was the point misunderstood in the Corfam campaign. There was certainly room for a leather substitute, but not in the category which Corfam attacked with the available man-made performance capability.

In the areas of man-made fibres, while the marketing of the nylon stocking was successful, the drip-dry shirt was an example of over-promoting a benefit without recognising the essential product weaknesses. Discomfort, static electricity and many other negative aspects moved the consumer back towards the benefits of natural materials for clothing, despite the acceptance of new materials in so many other areas.

At the end of the day our rather cynical consumer throughout the world had it firmly fixed in his mind that synthetic or man-made was bad when it came to clothing. This attitude has become as firmly fixed as is the lettering in a stick of English seaside rock.

So while marketing is certainly a vital part of the solution to customer misconceptions, even with slight misjudgments it can create its own problems.

The Way Forward – Ingredient Branding

It can be argued that some of the negative feelings about man-made fibres have come about because of poor marketing decisions, especially those which involve heavily over-promising. Very careful marketing is going to be needed to improve matters.

In looking at the importance of marketing in the sports business, we must start by recognising that there is a complete channel from manufacturer to consumer. The various roles of the sportsman, the sports club, the sports event, the retailer, the branded sports good manufacturer (who will frequently contract out the manufacturing) and the component manufacturer, all have to be recognised. Most of you here will work in the component industry and will be aware of the complexity and difficulty in getting the market to understand and appreciate your fibre or material.

We are dealing here with a component situation and component or ingredient branding is one of the most complex areas in which to work.

There have been some outstanding ingredient brand campaigns. They include companies like Intel®, BASF, Gore-Tex® and NutraSweet®.

The common characteristics of ingredient branding are based on an attempt to confer upon their ingredient products an image of quality and trust, particularly in categories where ingredients have previously been unbranded to consumers.

Mostly, reliance is placed heavily on consumer/end user demand to affect customer/manufacturer demand. In most cases, this pull strategy is characterised by the following:

- advertising to consumers to overcome manufacturers' skepticism or resistance to new ingredient brands
- shift to consumer relationship marketing, increased level of service and competitive pricing strategies to maintain leadership position as competition emerges
- extensive use of co-op advertising and logo placement on end-products
- control over end-product manufacturing process (often resulting in manufacturer dissatisfaction)

Particularly in the 1990's, we have seen a move back to nature and not a lot of room for man-made fibres in people's minds. This is not just a problem for fibres. When the non-sugar sweetener NutraSweet® first came to the marketplace in the early 1980's, it had big barriers to jump as a "synthetic" material. The big drink brands shied away from it, fearful of consumer reaction and concerned about some of the health issues that had arisen with previous products. It was somehow politically incorrect as a product. So, NutraSweet® was forced to go direct to the consumers and create a pull strategy for the product by such tactics as giving away free gumballs to try and persuade consumers that the NutraSweet® flavour tasted good.

This was a key element at the start of a US\$25m annual advertising and promotions campaign to "mainstream" the brand. Added to this was another key element of \$200m worth of exposure through co-op deals with food and beverage manufacturers.

By this method, NutraSweet® was able to co-brand with top line products from trusted brands and it backed this position with hefty expenditures on health studies and PR to support the value of the product to the consumer.

The campaign was successful to the extent that NutraSweet® became the accepted standard and the NutraSweet® logo attained 99% consumer recognition.

It has been said that the more recent Intel® campaign was inspired by the success of NutraSweet®.

Intel® also show the need to be very pro-active. Intel® had to push full front and centre to get the computer makers to come to the party and acknowledge and support the "Intel® Inside" campaign.

"Plastic is cheap", "it doesn't last", "it is a substitute material" and "it is hard to dispose of." These are difficult attitudes to reverse. The plastics industry has addressed it through a co-operative advertising campaign that raised consumer attitudes from a 52 to a 64 percent favourable mark. In advertising terms this means the difference between consumer antagonism and consumer contentment.

In March of this year, Plastic News reported that "Once a minimal annual advertising target rating point is met, public opinion about plastics' attributes - health, safety and environmental - grows and stays positive. The simple fact is that if the plastics industry doesn't communicate for itself about its strengths as well as its weaknesses, the anti-plastic messages from its commercial and environmental competitors will continue to distort public opinion."³

In managing ingredient branding you have to do things with your customers and alongside your customers. The mix of activities is very complex and costly if you intend to get to the top of the mind and stay there.

The Sports Market

My company, FootJoy, has been a footwear company since the mid-nineteenth century, and exclusively a golf footwear company since 1955. In 1980 we launched a golf glove with the name Sta-Sof® into a commodity market in which the main differentiation had been size: small, medium and large. Within three years this became the leading glove sold in the USA and within five years the leading glove sold in the world. Nearly twenty years and FootJoy gloves still are the world market leaders with a share of over thirty per cent. How was this achieved?

First and above all, the product was superior. Second, we launched it to a golf public who had a deep respect for the FootJoy brand and felt confident that this meant quality and value for money; that it was worth buying and testing. Third, we introduced a heavy promotional campaign including, for the first time for this category, TV advertising. As time has passed, the techniques needed to hold and maintain that position have been adjusted but the basic rules remain. Lose product integrity and you will lose your repeat sales. Lose your brand reputation and recognition and you will lose distribution and sales. And in a golf market which is clearly mature, although the industry and Wall Street is often unwilling to admit it, the major elements for the future are scintillating new products and strong brand management.

Increasingly throughout this decade consumers have gone into shops to buy their sports goods with a specific brand in their sight. In one study, figures as high as 58% for sports apparel, 69% for sports footwear and 54% for sports equipment.⁴ The sports market is one area that powerful marketing is needed to ensure products get visibility. These are typical scenarios in a mature area.

In the marketing of sports equipment and apparel, one major feature has been the use of athletes by the sports brands. This has been very successful and few sports companies would feel comfortable today if they did not have the endorsement of one or more major sports personalities in their area.

Care does need to be taken in this area as recent studies have shown that perhaps this increasingly costly activity is not all that it seems. While it has undoubtedly worked well for some, the clutter today is making it harder for the brand to get its message across.

Studies over the last few years increasingly show that consumers are having difficulty in making the linkage. In the UK, according to a study published late last year, only 3 soccer players were meaningfully linked through to the brand that sponsors them.⁵

Two things need to be recognised here. First, that you must deal with endorsements very carefully. They are part of a branding exercise and those you choose must be compatible with the touch and feel of the brand. Success over the last two decades has closely followed those who have been true to this maxim and where the brand spokesperson can be closely identified with the attributes of the company; and their style and behavior matches its attributes.

Second, there is evidence of a new evolution in sports marketing. This is driven by the increasing dominance of larger companies (which is another indicator of a mature market), with large marketing budgets. It is also driven by the new power of the media who with cable, satellite and digital TV, have new sources of revenue to use to compete for the best fixtures, as well as by the changes going on at retail. Now the big sports outlets are increasingly dominating the scene. This is leading to changes in the channel structure. Never before have the big sports clubs like Manchester United flexed their muscles as a brand and never before have the big sports associations like the Professional Golf Association wielded their power to bring more media money back into the sport. So,

expect to see changes in how the players earn their income and who owns the fixtures that they play.

The underlying theme here is that in a changing world, with a mature sports market where strong marketing is needed to extend the product life cycles and where the emotion is heavily played on, all major sports companies must utilise all their novel marketing ideas in ways that are strictly supportive of their brand's position. The Sports industry is full of famous examples where brand confusion has quickly lead to loss of market share.

Complex times create opportunities as well as problems. The challenge for all of us here today is to face up to the changes that are going on and to adapt to deal with them. There have been some great man-made fibres produced in these last thirty years, some unbelievable technical and marketplace achievements. And there has been some very clever marketing carried out to support them. No doubt there are many more being discussed during these days here in Dornbirn. Yet as I look back, I see no product in this area since Gore-Tex® which has been proactively embraced by the consumer. You used to go to the store and look for the Gore-Tex® label because it was a cool thing to wear Gore-Tex®. Many of the newer materials are being bought because of fine functionality but they are not being bought with emotion, not being bought with passion.

So the challenge to the man-made fibres industry that comes with the coming of the new millennium is to advance the technology and give the consumer great products, but in doing so to add some leadership marketing alongside. Having a great product does not mean you always win. Marketing that works with individual products and categories certainly, but also consider the benefit of a stronger marketing push for man-made fibres themselves. I have discussed the Plastics industry and you are aware of the Cotton Council and the Wool Secretariat. Smart marketing and pro-active brand management can change things and can push back on societal challenges. Handling the negative of the "man-made" imagery is a huge task but it is not impossible.

"It was the best of times. It was the worst of times". Use your skills and demand the full potential of marketing to maximise to give the man-made fibres industry and the sports industries only the best of times.

Michael Redwood
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1. Theodore Levitt, Harvard Business Review Nov/Dec 1965
2. Charles Handy, The Empty Raincoat. P37, 1994 Hutchinson, London
3. Plastic News 18th March 1998 p16
4. World Sports Activewear Spring 1996 p26, quoting a study by Kurt Salmon Associates. Figures relate to the USA.

5. Marketing Week 15th January 1998 p8