



LIVE 5 SEASON

CASE STUDY

XLRI • SPORTS BRANDS • PUMA INDIA

PUMA INDIA CASE STUDY

About PUMA India:

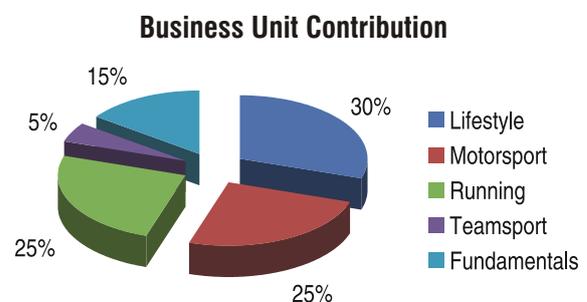
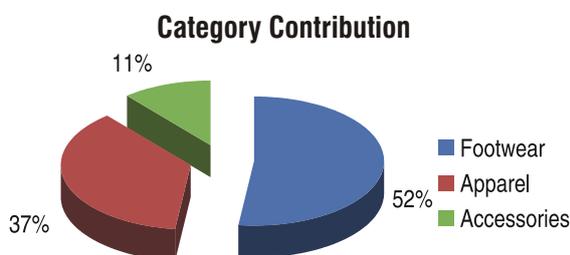
Established in 2006 and headquartered in Bangalore, PUMA India is a 100% subsidiary of PUMA SE - one of the world's leading Sportlifestyle companies that designs and develops footwear, apparel and accessories.

With a retail presence of 5 stores in 2006, PUMA India now has over 250 exclusive stores across India with a brand presence in more than 110 cities.

Having grown at an industry leading CAGR of 45% yoy since 2006, PUMA is the 2nd largest sportswear company in the country today, ahead of Nike- with a market share of approximately 28%

The PUMA Group owns the brands PUMA, Cobra Golf and Tretorn. The company, which was founded in 1948, distributes its products in more than 120 countries, employs more than 11,000 people worldwide and has headquarters in Herzogenaurach/Germany, Boston, London and Hong Kong.

India Business Snapshot:



The Sports Performance Market:

The Sports Performance wear industry has witnessed brisk growth in the last few years driven by rising income levels, amending lifestyles (with a greater focus on fitness) and the entry of foreign players like PUMA, Nike, Adidas, Reebok and newer entrants like Asics, Saucony, Skechers and New Balance.

The ever-increasing popularity of cricket, along with growing interest in sports such as football, running and tennis has contributed to the growth of the functional sportswear market in the country. The recent fitness revolution in India has resulted in a significant increase in the demand for performance gear.

The sports performance market size in India is estimated at Rs. 3,500 crore.

The Opportunity:

PUMA's global positioning is that of a 'Sportlifestyle' brand - with our Lifestyle products taking inspiration from performance and sport, and our Performance gear boasting style and design that one usually sees in Lifestyle products.

In 2013, PUMA embarked on the 'Year of Performance Innovation' with a slew of technologically advanced, revolutionary products in Performance wear - specifically Running. While these products still look great - they are characterized more by their innovative technology and revolutionary features and are high-performance products that are arguably the best in the market currently.

The Performance space is set to grow in a big way in the coming years and presents a huge opportunity for PUMA (and other players) to make their mark with fitness-conscious consumers.

The Background:

In recent years, Running has taken off in a massive way in India. The 2013 Mumbai Marathon saw more than 20,000 participants and there are a large number of timed, competitive runs that are held in various cities.

Nike has sponsored most of the bigger runs since the beginning - such as the Standard Chartered Mumbai Marathon and the TCS 10k in Bangalore.

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In 2012, PUMA assumed the title sponsorship of a corporate running property called PUMA Urban Stampede - the nation's only corporate relay race. The Bangalore race in 2012 saw more than 370 teams participate and the race also takes place in Hyderabad, Mumbai and Delhi.

With the launch of our high-performance, path-breaking running shoe - the Mobium Elite, PUMA also undertook a marketing campaign encompassing Outdoor (in Mum, Del & Blr), Digital and Cinema along with a heavy PR push.

Product & Marketing Background:

Since 2011, PUMA has made strides in the Performance and Running markets with the aim of becoming a serious contender in the Performance space.

Product:

FAAS Family: PUMA sponsors the fastest man in the world - Usain Bolt - so in 2011, our running shoes - named FAAS were launched in the market, inspired by the speed and style of Jamaicans. The FAAS range of footwear comes with PUMA's proprietary blend of EVA and rubber that creates one of the most resilient and durable yet lightweight foams in the industry. These shoes have been very successful but people often use them for lifestyle purposes since they are comfortable, lightweight and look good. FAAS comes in a few varieties to cater to different cushioning needs.

Mobium: Launched in 2012, the Mobiums are a path-breaking shoe that is the product of 2 years of R&D. shoe in a category all its own - 'Adaptive Running'. The Mobium Elite adapts to the foot as it moves, expanding and contracting as the foot naturally does in stride.

The Mobium Elite is comprised of three advanced technologies, all proprietary to PUMA: Expansion Pods, the Windlass Chassis, and the Mobium Band, which together operate as a system to move the foot through an entire gait cycle to encourage a more efficient mid-foot strike.

Bioweb: Modeled after a spider web, these lightweight materials in the Bioweb provide flexible support without sacrificing durability. The supportive heel wrap provides impact protection and optimum cushioning. Bioweb is the ideal training and Gym shoe.

Marketing Tie-Ups:

PUMA has a long term partnership with Runners For Life – the country's foremost Running Company with an established reputation for conducting marathons, ultra-marathons and engaging with serious runners around India. RFL organizes The PUMA Urban Stampede and the company itself has a large number of serious runners.

PUMA also has 3 Running Ambassadors who are all marathoners or distance runners who have competed internationally. They are Anu Vaidyanathan, Shayamal Vallabhjee and Girish Mallya.

The LIME Challenge:

Prepare a marketing strategy to establish PUMA as the leading brand in the Performance Space. The key challenges would be:

1. Overtake incumbents (traditionally Nike and Adidas are the go-to brands for Performance products) and become the brand of choice for high-performance and running products by serious runners
2. Increase contribution of the Performance category to the business (from 25% to at least 35%)

Through the course of the exercise we would also want to know:

- Consumer perception of PUMA as a Performance brand
- SWOT analysis of Marketing and Product strategies of PUMA vis-à-vis competitors
- Drivers of the Performance segment in India
- How can PUMA address the gaps in consumer perception (if any)
- Better engagement of our existing tie-ups with runners and RFL

Mentor:

Issac John, Head - Marketing • issac.john@puma.com