Description and Justification of Target Market

Primary Target Market:

After researching the different potential markets we realized that the target market group we will primarily focus towards is the male and female athlete of all age groups, mid to upper social class associated with sporting teams or events.

Under Armour has also targeted consumers with a healthy fit lifestyle and athletes in various sports that have a strong desire for high quality comfortable fitting apparel and accessories. It was mentioned in Bizjournal that some personal traits of people that would purchase Under Armour products would be characterized as ambitious, competitive and over achievers, as well as higher social class individuals (Lambert). As Under Amour’s demographic segmentation has expanded in the US, they have been able to market toward male college athletes between the ages of 17-24 as well as expanding their product offerings to men, women, and the youth (Lambert).

We plan to implement this strategy in our target market when entering Singapore, because of the high amount of active young adults (hpb.gov). To start off, Under Armour has started to make a stronger push toward the female population in the US, and will use these same tactics in Singapore (Lambert). This includes sporting apparel that is not only comfortable for their daily activities, such as exercising or even running errands, but apparel that is fashionable and trendy, especially for the wider female age group.

According to the 2013 Singapore Demographic Profile, there are 504,717 females and 488,785 males between the ages of 15 and 24 whom make up approximately 18.6% of the total population (Index Mundi). First off, women’s wear in today’s society makes up for 30% of Under Amour’s total business and the growth is “eclipsing men’s” (Palmieri, WWD). Typically,
females are more brand consciousness and tend to keep up with the latest styles compared to men. According to the WWD, modern Asian women in their early twenties have progressively put more effort and focus on their physical appearance, which is why style and brand quality is extremely important to consider when marketing the Under Armour apparel. The Singaporean woman is looking to be relaxed, as well as stylish and attractive, because being beautiful indicates success (Palmieri, WWD). Fifty nine percent of Asian women feel that it is important to look good on a daily basis, compared to the 39% of U.S women, because to them, it is considered to be just as critical as a good career or education (Palmieri, WWD). Men, also put a great emphasis on physical appearance as well.

Singaporean men emphasize on face and dignity. They are very sensitive on social standing and personal qualities, such as good name, character and self-esteem by peers (Kwintessential). By marketing Under Armour to Singapore, the young male demographic will purchase the exclusive apparel as another factor to determine an individual’s distinction in society and gain the acceptance of their peers because of the distinguished brand name. These young males rely on their parents for their personal expenses, and want to continuously give their families a great reputation by dressing well at all times.

While Under Armour will sell their products to all consumers of all social classes who engage in athletics, fitness, and many outdoors activities, their primary target group is toward consumers with a higher income level that are more financially stable. For instance, the Under Armour aerodynamic sport bra's, which are lined with fashionable neon patterns, range up to $58, because of the support they provide through their high-technology textiles (CNN Money). Typically, paying $58 dollars for a sports-bra seems unnecessary to the average consumer, however for our primary high-income consumer, it is reasonable. They would not mind spending
more money for a high quality product, because this product would engage in the
“shoppertainment” value that the ideal Singaporean man and woman looks for.

As the company continues to move forward, they are looking to expand their focus to yet
a younger consumer ranging from ages 8-18 who typically participate in school, recreational,
community, or traveling sports.

Secondary Target Market:

While Under Armour’s primary target market focuses on the youth, student male and
female athlete and fitness groups, professional athletes are a secondary target market. To be
number “one” is a label that athletes everywhere strive to attain in their respected sporting fields.
In order for Under Armour to continue to expand their global image and customer base, they are
targeting the professional athlete, sports team, and the everyday sports fan.

By establishing partnerships with professional teams and athletes, which are utilizing
Under Armour products on a global scale as members of professional organizations in Singapore,
this opens up another secondary market of the non-athletes or “sports believers”. These people
are typically known as the casual wearer or the not so physically active consumer. These people
love to partake in watching the games on television as well as attending them in person. These
consumers are the true loyal fans to their respective teams, and feel a real connection to a
particular player or team by wearing the Under Armour branded products that their favorite team
or athlete wears.

Positioning

We will position our product in such a way that it hits every person and gains the
maximum amount of exposure as possible. The strategy we will use is to position ourselves
against our competitors using our attributes. By doing so, we want to create the ideal go-to sporting apparel image and identity in our target market’s minds through effective strategies and appropriate actions.

Nike is our main global competitor, and has already established itself in Singapore. However, that does not discourage us nor does it limit us. Our main attribute is that we create our products with high quality fabrics that have specifically been designed to be lightweight and moisture absorbent for various environmental conditions (UnderArmour.com). Competitors, like Nike, only create specific lines for individual sports, rather than for different temperatures. Also, by advertising Heatgear and Coldgear, Singaporeans have a wide variety to choose from rather than being limited to only individual sport categories. For instance, young females and males in Singapore enjoy participating in popular sports like cricket, cycling, table tennis, gymnastics, as well as water activities (Singapore Sports Council). Nike does not offer any apparel solely for those sports, and run the risk of leaving customers in Singapore limited. Instead, by categorizing our main products to fit weather components, we are able to reach a much greater range. Furthermore, since Singapore is an island surrounded by the ocean, many of the people take advantage of water sports, such as sailing, kayaking and waterskiing (Singapore Sports Council). The moisture-absorbent fabric that Under Amour designs for their sporting apparel will allow these athletes to feel cool and comfortable at the same time, without having to worry about the spandex material of other brands irritating their skin. Another strategy we would implement is through user-related positioning.

Focusing back on our young target markets, it is vital to advertise in a way that is most appealing solely to them. Nike uses celebrities and other role models as one of their popular methods to promote their line, however we want to take a different approach. Instead of using
American celebrities, such as Kobe Bryant or Tiger Woods, we would have famous athletes from Singapore in our advertisements. For instance, 23-year-old Olympic swimmer Tao Li (Singapore Sports Council), would be shown wearing an Under Amour t-shirt in an advertisement as she trains for her next swimming meet. Through this, we will attract our primary and secondary target markets in an effective manner. Young teenagers and adults will see these young role models wearing Under Amour and therefore will be influenced to represent the same brand, since they are close in age. It is important for us to implement these young athletes in our methods so we are able impact our target markets in a more personal way. We would embed the impression that Under Amour is the ideal brand that will benefit our young consumer’s social self-identities.

**Competition**

Athletes everywhere strive to attain the title of being “the best” or “number one” in their respective sporting fields. In a market where being the best is considered to be very profitable, doors open for a lot of other sports apparel companies, generating a high level of competition.

The sports apparel performance industry has been increasing in growth day by day and is expecting to increase even more as the years go by. Through the years, Under Armour has earned worldwide recognition for their attractive apparel and clothing industries that produce high quality, fashionable clothing for men, women and children (UnderArmour.com). The athletic apparel and clothing industries sport many global brands and have made this small country turn into a world-class fashion hub.

Singapore’s three leading apparel and clothing companies are Ocean Sky International know for their elegant knitwear, Sing Lun Holdings who specialize in knitwear, have great
demand in the Chinese, Vietnamese, Malaysian and Sri Lankan markets and Unistar Goo-Way who also specialize in apparel and garment products (Global Industry Analyst).

According to the Global Industry Analyst, it is estimated that by 2015, the sports apparel industry will be worth 126.30 billion dollars. The sporting apparel companies that are currently located in Singapore and are the recognized label remain as the favorite to many of the people living there. Not only do these companies have a local presence (Global Industry Analyst), they also have an international appeal. They are a source of employment to many people of this small country, thus making it difficult for Under Armour to make inroads and compete with the companies that specialize in this market and local. However, with Under Armour’s globally growing recognizable brand they continue to create opportunities to be both competitive and very successful despite the fact that their competitors will have more resources and international recognition in their respective countries.

In order for Under Armour to continue to expand into Singapore, they would need to continue to use a global image to win the customers over and attract many of the fashionable consumers of Singapore.

**Entry Strategy**

Under Armor will have an exclusive distribution density when we enter Singapore. We will start with only selling Under Armor products in specialty Under Armor stores. The stores will feature athletic attire and accessories ranging from shoes and socks to athletic wear. It will allow consumers to only have to make one stop for the premium athletic attire they are looking for. These stores will serve as controlled testing for the company since we are looking to expand to a more selective distribution. This will include Under Armor outlet stores, which will sell last
seasons products, sold at lower than normal prices and department stores to make the product have a better place utility for the consumers.

The marketing strategy Under Armor will use to a pull strategy. Since we are bringing our own stores to Singapore there is no retailer to rely on for marketing. We will use our own marketing strategies and adapt the current ones we have in the United States to culturally fit Singapore. As previously mentioned, we will first incorporate Singaporean athletes to appeal to our athletic target market and then continue to grow from there. The young females and males that are conscious of their physical appearance and social standing will be more drawn to the brand that they see famous athletes or celebrities wearing. It will give them a sense that they are “exclusive” and special enough to wear the same brand.

**Marketing Strategy**

*Price:*

When bringing the company to Singapore in order to improve our four P’s Under Armour is going to need to adapt to the price skimming method, so they can set very high prices to get maximum revenues. This is usually for people who can afford to buy the products. Based off of *Rivkin.com*, Singapore has one of the highest living standards in the world; all manner of goods, necessities and luxuries alike, are readily available.” By pricing our products above our competitor’s prices, we will not only have the ability to generate higher profits but it also allows us to make up for the loss and profit margin of the research and development costs. This comes from the in-house advertising, as well as the segmentation demographics and psychographics in Singapore. Under Armour’s product have developed a reputation that is unchangeable and will remain that way unless there is a dramatic change in the market.
Promotion:

In order for Under Armour to continue to grow it would need to continue to advertise as much as they do now. With television ads being their primary source of reaching the public, they have also reached many consumers through magazines and billboard ads. Besides promoting the brand through local celebrity endorsements, we would also like to increase consumer spending through promotional pricing. This is efficient, because during the seasonal changes our consumers are able to get rid of their old products and then return to purchase more of the Under Armour products. While giving incentives, such as discounts on a large quality of products purchased or offering special deals online such as free shipping and handling for purchases over $75, for example, our customer’s will continue to appreciate the benefits they receive with purchasing Under Armour products. As well as placing discounts on fairly new products, this will help the company build public relationships with consumers, wholesales, and retailers, while increasing public relations this will help build a greater level of trust in the company. We will get the company’s name out so that we can strive and profit as much as possible.

Place

Under Armour has been known to use indirect marketing channels, to get many of their products to the end consumer through wholesalers, then retailers. Once Under Armour is developed in Singapore we would use a direct marketing channel by establishing our own sales force and operating our own retailer store to be shipped directly to our location. We plan on accomplishing this task by using in house advertising and distributing our products to the end consumer through our retailer store as well as our online website. According to Rikvin.com,
154,00 small and medium companies have made the decision to set bases up in Singapore, because it has grown to be one of the ultimate locations to grow a business. In fact, businesses are using Singapore as a “springboard” in order to tap into emerging markets (Rivkin.com).

*Product:*

Since the introduction of Under Amour’s microfiber fabric technology, many companies globally have tried to replicate and imitate these products with many similar characteristics and traits selling them at a cheaper rate. Under Armour has been selling a wide variety of sports apparel such as clothing, accessories, and equipment for over 15 years. Known mainly for their variety of seasonal clothing, from shirts and shorts, to shoes and hats, they sell clothing for various weather conditions. These products are sold at a premium price, because they make very high quality products. In the future, we expect to compete for consumer preferences and expect to face greater competition, especially in pricing. Unfortunately, this will favor our competitors because without owning any fabric and process patents, we must charge a higher price. We want to avoid that so our target consumers do not resort to similar, cheaper products. We need to take advantage of the patents on products to ensure that our company succeeds. We will improve the fabric design by incorporating stronger materials so that the clothes do not rip and easily fade away. The patent in our products will give us exclusively rights to trademark our improved fabric technology attribute so that Under Amour does not lose credibility or popularity in Singapore.