
Under Armour's Willful Digital Moves

Created in 1996, Under Armour, which first created breathable, wicking materials to replace sweaty cotton found in the shirts worn under football pads, was a brand built on a tough-guy and football image. In less than two decades, founder Kevin Plank took Under Armour from a business run out of his grandmother's basement in Washington, DC, to a global business with just less than \$4 billion in sales. By 2013, Under Armour had expanded to shorts, shoes, and even hats, and was already a success within the men's athletic-wear market, competing with powerhouses such as Nike and Adidas. Its marketing and advertisement had focused on targeting men by delivering technical apparel positioned as innovative and modern. In 2013, Under Armour had \$2.3 billion in sales yet only \$500 million came from its women's apparel.¹ Plank was ready to expand into the female market segment.

"I Will What I Want" Campaign

In March 2013, Under Armour's rival, Adidas, ranked number two in the U.S. sportswear market, one spot in front of Under Armour, launched the "Unite All Originals" campaign targeting women using original artists popular on social media.² The ad campaign garnered only 400,000 views on YouTube, did not help boost Adidas's sales, and was considered a failure.³ Despite Adidas's lack of success in targeting female athletes, in 2014 Plank and his team believed they could do better and decided to take the risk of targeting women with a campaign titled "I Will What I Want."

At \$15 million, "I Will What I Want" was the largest global women's marketing campaign Under Armour had ever run. Plank and his team launched the campaign on a multichannel platform, with social media at its core.⁴ Debuting in July 2014, the "I Will What I Want" campaign first featured American Ballet Theatre ballerina soloist Misty Copeland dancing as a voice-over reminisced how she was rejected from a top ballet academy at the age of 13 for having the "wrong body for ballet."⁵ Copeland disproved the sentiment by beautifully and powerfully dancing for the remainder of the advertisement. Copeland's ad was created for

¹ Sapna Maheshwari, "Why Under Armour Made That Mesmerizing Ad with Ballerina Misty Copeland," BuzzFeed News, July 31, 2014, <http://www.buzzfeed.com/sapna/under-armour-powerful-new-misty-copeland-ad-kicks-off-recor#ookinO1r9> (accessed May 2, 2016).

² Anna Rudenko, "Adidas Launches the 'All In for #My Girls' Global Campaign," Popsop, March 14, 2013, <http://popsop.com/2013/03/adidas-launches-the-all-in-for-my-girls-global-campaign/> (accessed May 2, 2016).

³ "Under Armour: I Will What I Want, and Why It Works," Clapp Communications, <http://www.clappcommunications.com/company/blog/under-armour-i-will-what-i-want-and-why-it-works/> (accessed May 2, 2016).

⁴ "I Will What I Want," Facebook-Studio, <https://www.facebook-studio.com/gallery/submission/i-will-what-i-want> (accessed May 2, 2016).

⁵ E. J. Schultz, "Ad Age's 2014 Marketer of the Year: Under Armour," AdvertisingAge, December 8, 2014, <http://adage.com/article/news/marketer-year-armour/296088/> (accessed May 2, 2016).

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television, print, and the digital space and proved successful in all three.⁶ The YouTube ad went viral with 4 million views in the first week.⁷

Following the success of Copeland's ad, Leanne Fremar, senior VP and creative director of women's business, thought it was a good time to release the second phase of the campaign featuring supermodel Gisele Bündchen. Wanting to integrate a stronger web presence to the campaign, Fremar said, "Internally, there was a lot of discussion around creating something that really was going to live in the digital and social sphere and not be a traditional television spot or follow the playbook for a traditional sports campaign."⁸ The unexpected partnership between Bündchen and Under Armour resulted in a lot of social media backlash, which Under Armour used to its advantage.⁹ The ad experience integrated real-time social commentary from both fans and haters of Bündchen in response to her signing with Under Armour as she concentrated on a grueling boxing session and ignored the commentary displayed on the walls.¹⁰ Negative comments, such as "Gisele is just a model," poured in along with positive remarks such as, "Bravo! Gisele can do anything."

Fremar stated that the overall goal of the campaign was to celebrate women "who had the physical and mental strength to tune out the external pressures and turn inward and chart their own course."¹¹ This goal was clearly and succinctly conveyed through the unorthodox athletes chosen by Under Armour and the message clearly resonated with audiences, who spent an average of four minutes on the site during the campaign's peak.¹²

Success of Appealing to Female Customers

The "I Will What I Want" campaign's success surpassed what Plank had imagined. It produced 5 billion media impressions worldwide and a staggering \$35 million in earned media.¹³ Adrienne Lofton, senior vice president of global brand marketing at Under Armour, stated, "I Will What I Want was the highest earned impressions campaign we'd ever done, with more than 3 billion earned impressions. It was definitely a sign to everyone here that women can definitely be the category that sets the standard for the rest of the brand."¹⁴ The campaign resulted in a 28% increase in women's sales and a 42% increase in traffic to UA.com.¹⁵ Targeting the female market with this viral campaign proved to be a winning strategy for Under Armour.

⁶ "Misty Copeland - I Will What I Want," YouTube video, 1:00, posted by "Under Armour," July 30, 2014, https://www.youtube.com/watch?v=ZY0cdXr_1MA (accessed May 2, 2016).

⁷ Eliana Dockterman, "Under Armour's Stunning Ballerina Ad Aims to Lure Women from Lululemon," *Time*, August 5, 2014, <http://time.com/3083114/misty-copeland-under-armour-i-will-what-i-want/> (accessed May 2, 2016).

⁸ Minda Smiley, "Anatomy of an Ad: Under Armour and Droga5 on Creating the 'Very Unpolished' Gisele Bündchen Film," *The Drum*, July 27, 2015, <http://www.thedrum.com/news/2015/07/27/anatomy-ad-under-armour-and-droga5-creating-very-unpolished-gisele-b-ndchen-film> (accessed May 2, 2016).

⁹ "Under Armour Unveils Newest Chapter of I WILL WHAT I WANT™ Campaign Featuring Gisele Bündchen," Under Armour press release, September 4, 2014, <http://www.uabiz.com/releasedetail.cfm?ReleaseID=869180> (accessed May 2, 2016).

¹⁰ "Under Armour: Will Beats Noise," Droga5, <http://droga5.com/work/will-beats-noise/> (accessed May 2, 2016).

¹¹ <http://www.thedrum.com/news/2015/07/27/anatomy-ad-under-armour-and-droga5-creating-very-unpolished-gisele-b-ndchen-film>.

¹² "Droga5's Gisele Campaign for Under Armour Scores the Cyber Grand Prix at Cannes," *AdWeek*, June 14, 2015, <http://www.adweek.com/news/advertising-branding/droga5s-gisele-campaign-under-armour-scores-cyber-grand-prix-cannes-165541> (accessed May 2, 2016).

¹³ <https://www.facebook-studio.com/gallery/submission/i-will-what-i-want>.

¹⁴ Jeff Beer, "How Under Armour Uses a Scrappy Outsider Will to Get What It Wants," August 31, 2015, *Fast Company*, <http://www.fastcocreate.com/3050420/behind-the-brand/how-under-armour-uses-a-scrappy-outsider-will-to-get-what-it-wants> (accessed May 2, 2016).

¹⁵ <http://www.adweek.com/news/advertising-branding/droga5s-gisele-campaign-under-armour-scores-cyber-grand-prix-cannes-165541>.

Competitive Landscape

Following the success of the “I Will What I Want” campaign, Under Armour surpassed Adidas and moved from the number-three spot in the U.S. sportswear market to the number-two spot.¹⁶ This was a significant accomplishment for a company only 20 years old and represented just the beginning of where Plank wanted to take Under Armour. Plank’s goal was to move Under Armour to the number-one spot in front of Nike, but because of Nike’s strong brand awareness and history, it would need to continue with groundbreaking advertising campaigns similar to “I Will What I Want.” He had to consider what part of the business would focus on women and how to keep viral momentum. Plank also needed to be aware of other power players in the athletic-wear market such as lululemon athletica, which had 2014 revenues of \$1.8 billion and expected revenues of \$1.97 billion in 2015.¹⁷

Sports Marketing Advertisement

Celebrity endorsements

In the United States, celebrities were present in more than 15% of advertisements. That number increased internationally resulting in an estimated \$50 billion invested globally in celebrity endorsements.¹⁸ A celebrity’s endorsement of a brand helped build brand equity and increased brand awareness since consumers associated the celebrity with the brand. Signing a famous name to a brand had been found to increase a company’s sales by \$10 million annually and increase the company’s stock returns by 0.25%.¹⁹ For example, following Tiger Woods’s 1996 endorsement, Nike transformed its golf business from a \$120 million business in 1996 to a \$500 million business in 2006.²⁰

Tiger Woods was also an example of the risks of a celebrity endorsement. After his 2009 marital-infidelities scandal, Nike lost \$1.4 million in profit, 136,000 customers switched from Nike, and there were longer-term negative effects to its brand.²¹ Brands needed to be cautious, because the image of the celebrity representing their brands could change overnight.

Another aspect to consider was if the price of a celebrity endorsement was worth it. Companies signed celebrities to multi-million-dollar deals expecting a larger return on their investment. Brands such as Dove, however, embraced the everyday person in their advertisements instead of the hit movie star or basketball star of the moment and saved millions of dollars on endorsement deals. By celebrating the natural beauty of the everyday woman instead of publicizing a celebrity with a picture-perfect body, Dove increased sales and brand awareness.²²

¹⁶ Sara Germano, “Under Armour Overtakes Adidas in U.S. Sportswear Market,” *Wall Street Journal*, January 8, 2015, <http://www.wsj.com/articles/under-armour-overtakes-adidas-in-u-s-sportswear-market-1420753934> (accessed May 2, 2016).

¹⁷ Brent A. Miller, “Lululemon: Double Digit Revenue Growth Expected in 2015,” Seeking Alpha, March 29, 2015, <http://seekingalpha.com/article/3036186-lululemon-double-digit-revenue-growth-expected-in-2015> (accessed May 2, 2016).

¹⁸ Dean Crutchfield, “Celebrity Endorsements Still Push Product,” *AdvertisingAge*, September 22, 2010, <http://adage.com/article/cmo-strategy/marketing-celebrity-endorsements-push-product/146023/> (accessed May 2, 2016).

¹⁹ Douglas Karr, “Are Celebrity Endorsements a Viable Marketing Option?,” *Marketing Tech* (blog), May 6, 2015, <https://www.marketingtechblog.com/celebrity-endorsements/> (accessed May 2, 2016).

²⁰ Kevin YC Chung, Timothy Derdenger, and Kannan Srinivasan, “Economic Value of Celebrity Endorsements: Tiger Woods’ Impact on Sales of Nike Golf Balls,” September 12, 2011, <http://www.econ.ucla.edu/workshops/papers/io/celebrityendorsements.pdf> (accessed May 2, 2016).

²¹ Francesca Di Meglio, “Use Real People or Celebrities in Your Advertising Campaign?,” *Monster*, <http://www.monster.com/career-advice/article/real-people-or-celebrities-in-ads> (accessed May 2, 2016).

²² Jennifer Flagg, “What We Can Learn from Dove’s Marketing Strategies,” *Mechtronics*, August 23, 2013, <http://www.mechtron.com/blog/what-we-can-learn-from-doves-marketing-strategies/> (accessed May 2, 2016).

Word-of-mouth and viral marketing

Word-of-mouth and viral marketing had gained a lot of attention from companies that wanted to save money on their advertising and marketing budgets and have a greater impact on their consumers. Consumers' increased social connectivity was rapidly making marketing easier for companies by sharing, posting, and reposting videos until they become viral.²³ For example, Volvo's Epic Split video was shared more than 8 million times across social networks, making it one of the most-shared YouTube clips.²⁴ A big reason word-of-mouth and viral marketing were so successful was that 92% of consumers trust recommendations from friends and family over other forms of marketing and advertisement.²⁵ In 2014, Nike spent about \$3 billion on "demand creation," its terminology for marketing and advertising, and that number was expected to grow.²⁶ Of that amount, about \$56.4 million was spent on television advertisements through the end of June 2014.²⁷ As Nike's demand-creation expenses increased, so did its revenues—in 2014, it earned \$27.8 billion in revenue compared to the \$3 billion spent on demand creation. Although their budgets were not as large as Nike's, Adidas and Under Armour had marketing expenses of approximately \$1.8 billion and \$333 million, respectively, and revenues of approximately \$4.1 billion and \$3 billion.²⁸

Video advertisements went viral when they triggered a strong emotional response. Celebrities had not been proven to influence online video advertisement sharing.²⁹ Of the 100 most-shared video advertisements, only 13% had celebrities in them. There was a risk, however, in focusing on the viral nature of a video ad. Consumers tended to forget what brand the advertisement was associated with.³⁰ For example, only 7% of viewers could remember what brand was associated with the 2014 Chrysler Super Bowl advertisement featuring Bob Dylan.³⁰ A viral video advertisement that elicited a strong emotional response did not necessarily help consumers recall the brand.

Fitness market in the United States

By 2013, more than 45 million Americans belonged to a gym or fitness club and more than 25 million exercised at home.³¹ In 2014, more than 54 million Americans paid for gym memberships, and the average member visited his or her club more than 100 times.³² Niche gym memberships, wearable fitness trackers,

²³ Kimberly A. Whitler, "Why Word of Mouth Marketing is the Most Important Social Media," *Forbes*, July 17, 2014, <http://www.forbes.com/sites/kimberlywhitler/2014/07/17/why-word-of-mouth-marketing-is-the-most-important-social-media/2/#3d50c5454a95> (accessed May 2, 2016).

²⁴ Meg Carter, "How Volvo Trucks Pulled Off an Epic Split and a Game-Changing Campaign," *Fast Company*, June 18, 2014, <http://www.fastcocreate.com/3031654/cannes/how-volvo-trucks-pulled-off-an-epic-split-and-a-game-changing-campaign> (accessed May 11, 2015).

²⁵ <http://www.forbes.com/sites/kimberlywhitler/2014/07/17/why-word-of-mouth-marketing-is-the-most-important-social-media/#c034ce57a77c>.

²⁶ Pete Forester, "You Won't Believe How Much Nike Spends on 'Demand Creation'," *Complex*, July 26, 2014, <http://www.complex.com/sneakers/2014/07/nike-spends-3b-on-demand-creation>, (accessed May 11, 2016).

²⁷ Nathalie Tadena, "Nike Dominates Shoe Sector's TV Ad Spending," July 10, 2014, <http://blogs.wsj.com/cmo/2014/07/10/nike-dominates-shoe-sectors-tv-ad-spending/> (accessed May 2, 2016).

²⁸ Nunez Enterprises, "Nike's Demand Creation Expense: A Slam Dunk for The Company's Bottom Line," *Seeking Alpha*, December 31, 2015, <http://seekingalpha.com/article/3784346-nikes-demand-creation-expense-slam-dunk-companys-bottom-line?page=2> (accessed May 2, 2016); "Under Armour Reports Full Year Net Revenues Growth of 32%; Announces Creation of World's Largest Digital Health and Fitness Community," Under Armour press release, February 4, 2015, <http://investor.underarmour.com/releasedetail.cfm?ReleaseID=894686> (accessed May 2, 2016); and "Adidas Group Full Year 2014 Results," Adidas Group press release, March 5, 2015, <http://www.adidas-group.com/en/media/news-archive/press-releases/2015/adidas-group-full-year-2014-results/> (accessed May 2, 2016).

²⁹ Ayaz Nanji, "What Makes an Ad Go Viral Online?," *MarketingProfs*, May 27, 2014, <http://www.marketingprofs.com/charts/2014/25217/what-makes-an-ad-go-viral-online> (accessed May 2, 2016).

³⁰ "Fitness Industry Analysis 2016 – Costs & Trends," *Franchise Help*, Gallup, <https://www.franchisehelp.com/industry-reports/fitness-industry-report/> (accessed May 2, 2016).

³¹ Sandra Faleris, "The Exercise Market Going Strong," *Examiner*, September 3, 2013, <http://www.examiner.com/article/the-exercise-market-going-strong> (accessed May 2, 2016); "Number of Participants in Home Gym Exercise in the United States from 2006 to 2013 (in Millions)," Statista, <http://www.statista.com/statistics/191614/participants-in-home-gym-exercise-in-the-us-since-2006/> (accessed May 2, 2016).

³² <https://www.franchisehelp.com/industry-reports/fitness-industry-report/>.

and mobile applications supporting high-intensity interval training grew steadily through 2014 and 2015.³³ In addition, 58.4% of males and 52.7% of females exercised for at least 30 minutes three or more days per week.³⁴ By 2014, the U.S. women's nutrition market was more than \$125 billion. Health, fitness, and weight loss was a \$277 billion industry.³⁵ Globally, the health club industry was more than \$78 billion in 2014, and it grew annually by 2.2% between 2010 and 2015.³⁶ Worldwide sports apparel and footwear sales grew by 8% per year from 2013 to 2015, compared to 2% to 3% for general apparel.³⁷ The United States accounted for 36% of those sales; this \$97 billion industry was driven by fitness and wellness but also "athleisure" wear such as running shoes for nonrunners and yoga pants worn all day.³⁸ As a result, specialty-apparel manufacturers began to target specific activities, from Pilates to rock climbing, and allowed companies such as Athleta (owned by Gap) and lululemon athletica to enter the market in unique niches.³⁹ Women's apparel specifically grew 10% between 2014 and 2015.⁴⁰ The worldwide apparel market was estimated to grow to \$184 billion by 2020.⁴¹

Next Campaign?

The "I Will What I Want" campaign took women's apparel to 30% of Under Armour's sales, making Under Armour significantly more competitive with lululemon and Nike.⁴² The question for Plank was, what's next? He wondered if Under Armour should continue targeting and growing the female market segment. Or, should the company target a broader population to gain more traction on Nike and get closer to that number-one spot? The successful "I Will What I Want" campaign had gone viral, but it would be a challenge for Under Armour to continue that momentum. Plank voiced to various media outlets that he planned to make the company a \$10 billion brand by 2020, and having successful marketing campaigns was a key part to getting there.⁴³ He had seen success both with television and online advertisements but wasn't sure which route to take with the next campaign. Another topic he grappled with: should Under Armour keep paying famous athletes to be part of its advertisement campaigns or should it use more everyday people?

³³ Rachel Bachman, "Why a Few Minutes of Exercise Can Show Results," *Wall Street Journal*, April 18, 2016, <http://www.wsj.com/articles/why-a-few-minutes-of-exercise-can-show-results-1460993589?mod=djem10point> (accessed May 2, 2016).

³⁴ Rebecca Riffkin, "So Far in 2015, More Americans Exercising More Frequently," Gallup, July 29, 2015, <http://www.gallup.com/poll/184403/far-2015-americans-exercising-frequently.aspx> (accessed May 2, 2016).

³⁵ Kerri Krom, "The Health & Wellness Market is the Next Trillion Dollar Industry," *Women's Marketing* (blog), November 4, 2014, <http://www.womensmarketing.com/blog/2014/11/health-and-wellness-market/> (accessed May 2, 2016).

³⁶ "Fitness Market in the US," Business Scoot, <http://www.businesscoot.com/fitness-market-in-the-us-9/> (accessed May 2, 2016).

³⁷ Bradley Seth McNew, "Can Nike Inc and Under Armour Inc Survive an Athletic Apparel Bubble?," Motley Fool, April 12, 2015, <http://www.fool.com/investing/general/2015/04/12/can-nike-inc-and-under-armour-inc-survive-an-athle.aspx> (accessed May 3, 2016).

³⁸ "Athletic Lifestyles Keep Apparel Sales Healthy," Morgan Stanley, October 30, 2015, <http://www.morganstanley.com/ideas/global-athletic-wear-gear-for-growth> (accessed May 3, 2015).

³⁹ <http://www.certona.com/hitting-a-home-run-in-the-athletic-apparel-industry/>; and John Kell, "Nike Makes a Big Push into the Fast-Growing Women's Segment," *Fortune*, October 22, 2014, <http://fortune.com/2014/12/25/athletic-apparel-top-performer/> (accessed May 3, 2016).

⁴⁰ <http://fortune.com/2014/10/22/nike-women-business/>

⁴¹ "World Sports Apparel Market Is Estimated to Garner \$184.6 Billion by 2020 – Allied Market Research," MarketWatch, October 8, 2010, <http://www.marketwatch.com/story/world-sports-apparel-market-is-estimated-to-garner-1846-billion-by-2020---allied-market-research-2015-10-08-82032519> (accessed May 3, 2014).

⁴² <http://www.fastcocreate.com/3050420/behind-the-brand/how-under-armour-uses-a-scrappy-outsider-will-to-get-what-it-wants>

⁴³ Bruce Horowitz, "Under Armour Has Over-the-Top 2014," *USA Today*, <http://www.usatoday.com/story/money/business/2014/12/22/under-armour-sports-apparel-sporting-goods-kevin-plank/20243203/> (accessed May 3, 2016).