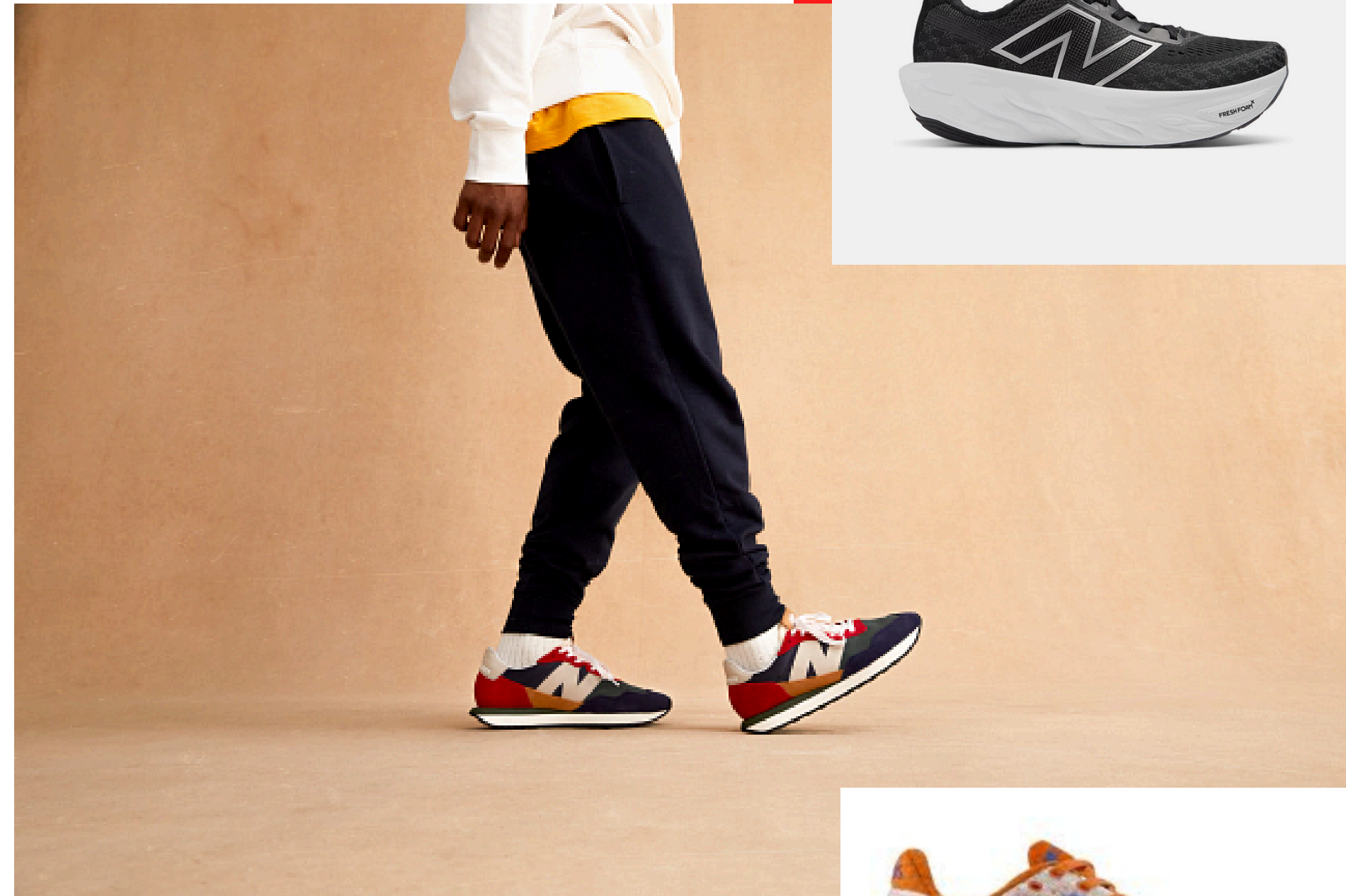


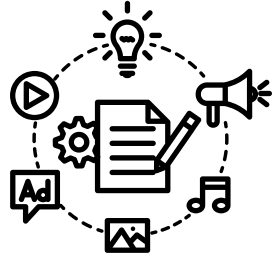


DEMI MARKETING REPORT: NEW BALANCE RUNNING SHOES



Isis Jolie Ramirez, Delila Moreno, Marilyn Goodridge, Esther Komperda





AGENDA

- Background
- Marketing Problems
- Segmentation Criteria Used
- Research Methodolgy
 - Perceputal Mapping, Factor Analysis, Conjoint Analysis
- Recommendations
 - Pricing Strategy
 - New Shoe Line: Design
 - New Shoe Line: Material/Durability
 - Sponsorships/Events
- Recap
- Problem Solved



BACKGROUND



New Balance

- It was founded in 1906 in Boston, MA as “New Balance Arch Support Company”
- The company primarily sold arch supports, later expanding to footwear
- Made running shoes, but later became fashionable beyond that around the 1980s
- Washington D.C. street culture popularized the brand and established its retro style
- More niche, appeals to a smaller market

MARKETING PROBLEM

Although New Balance has been around for *decades*, the brand still **struggles to have a larger global presence**. Shoe brand competitors, such as Nike or Adidas, remain to be as popular as ever. Due to its **niche market**, customers are more likely to choose other brands over NB.

We believe NB **needs to revamp their brand** through **various marketing strategies**.

We would like to **expand its market** beyond that of just a running shoe or comfort-oriented styles; the shoe brand should **cater to a broad range** of sports and athletic activities. In addition, we want consumers to be able to see the value of their products, with **every purchase** being **worth every penny**.



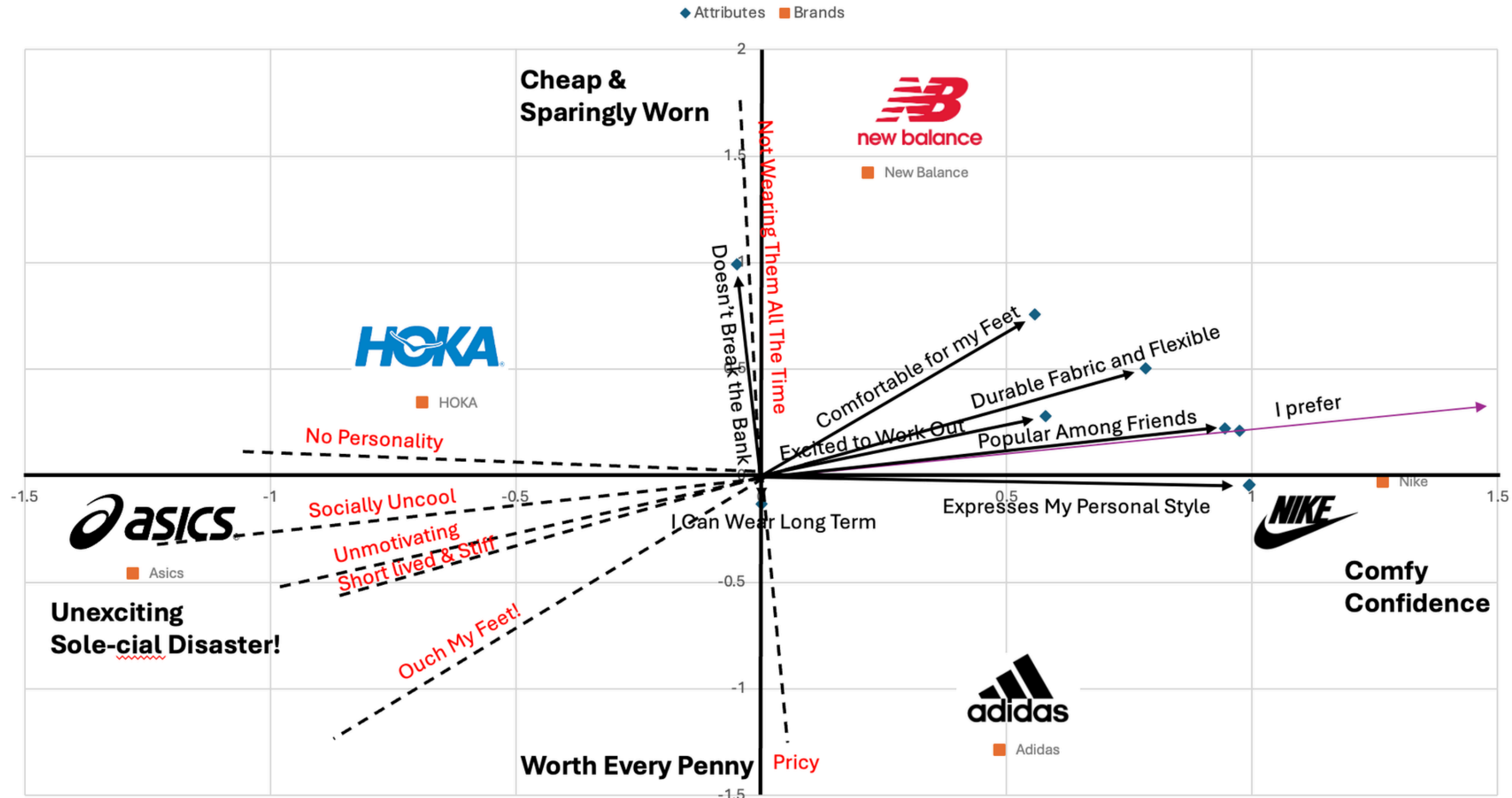
PERCEPTUAL MAP: Attributes/Vectors

RUNNING SHOES PERCEPTION MAP



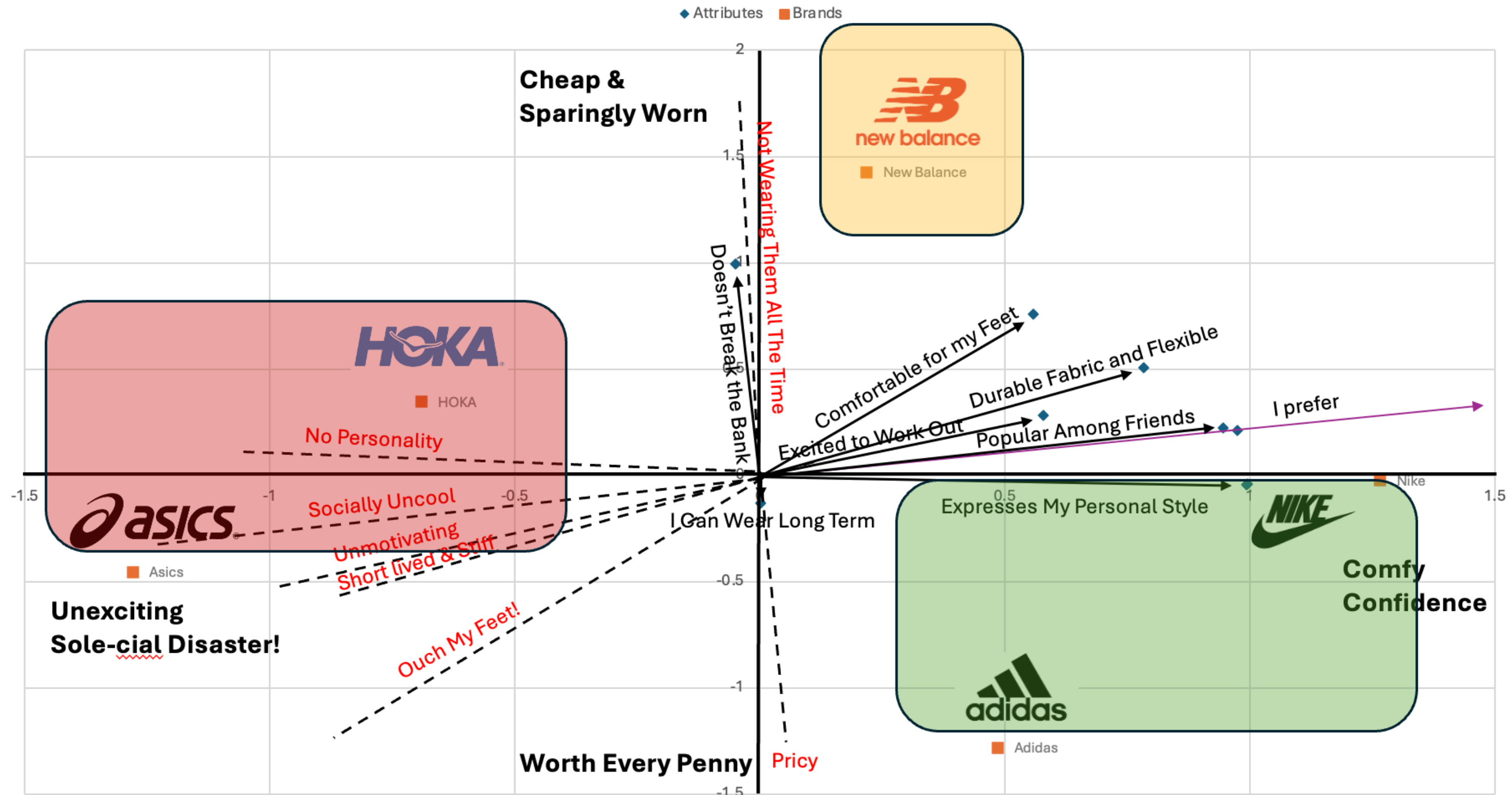
PERCEPTUAL MAP: Attributes/Vectors

RUNNING SHOES PERCEPTION MAP



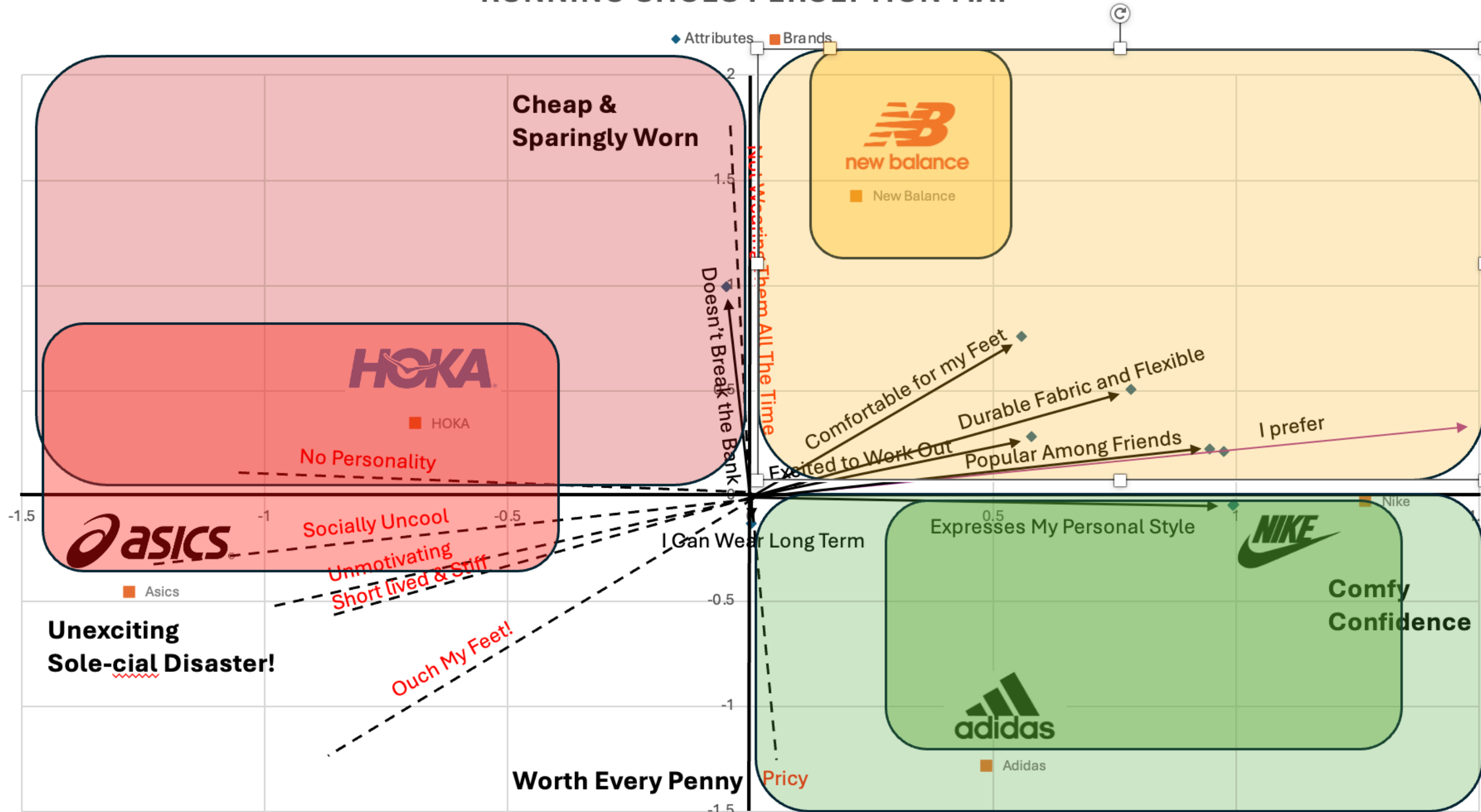
PERCEPTUAL MAP: Grouping

RUNNING SHOES PERCEPTION MAP



PERCEPTUAL MAP: Grouping

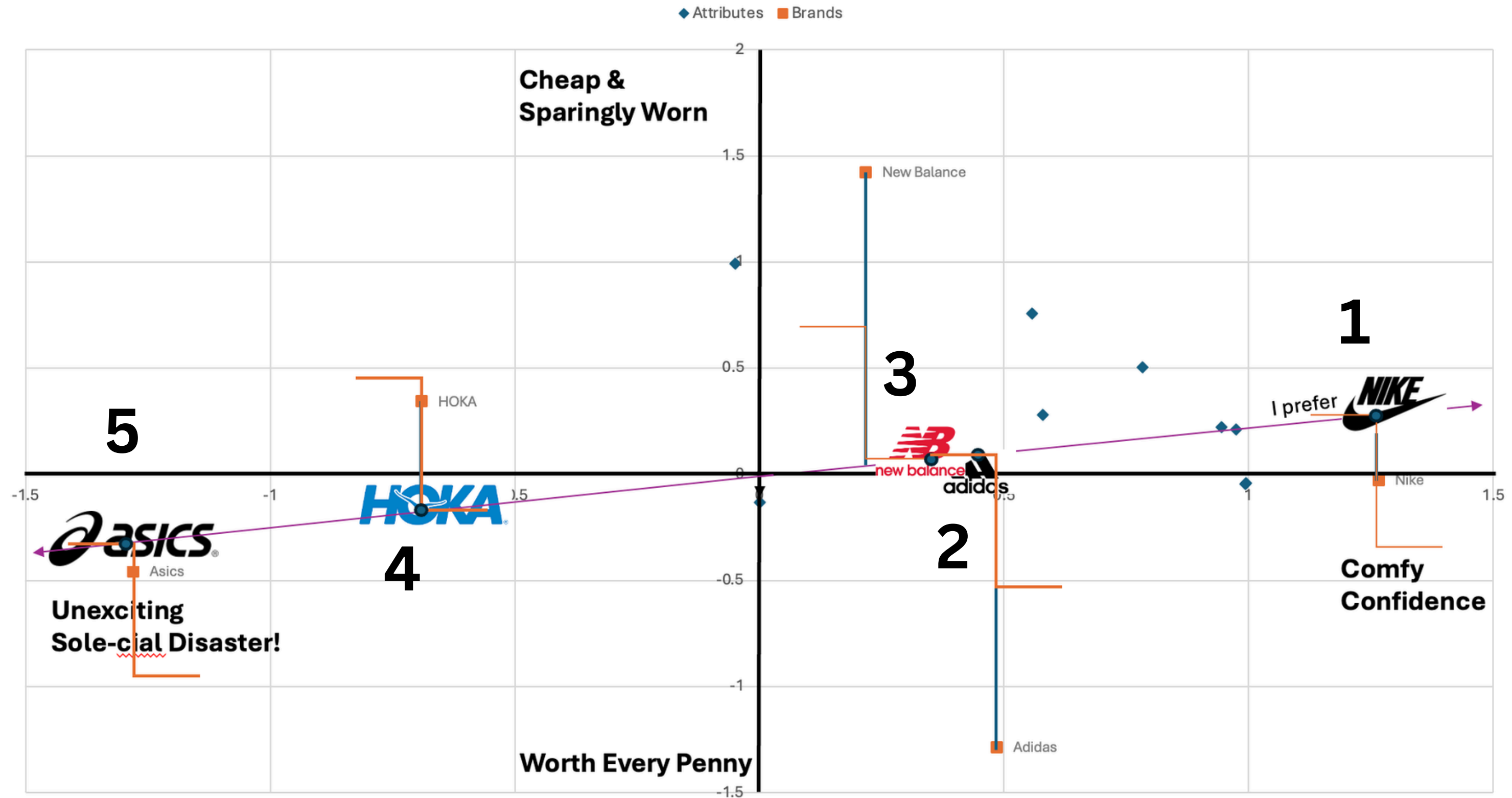
RUNNING SHOES PERCEPTION MAP



X axis is emotional/social
Y axis is functional

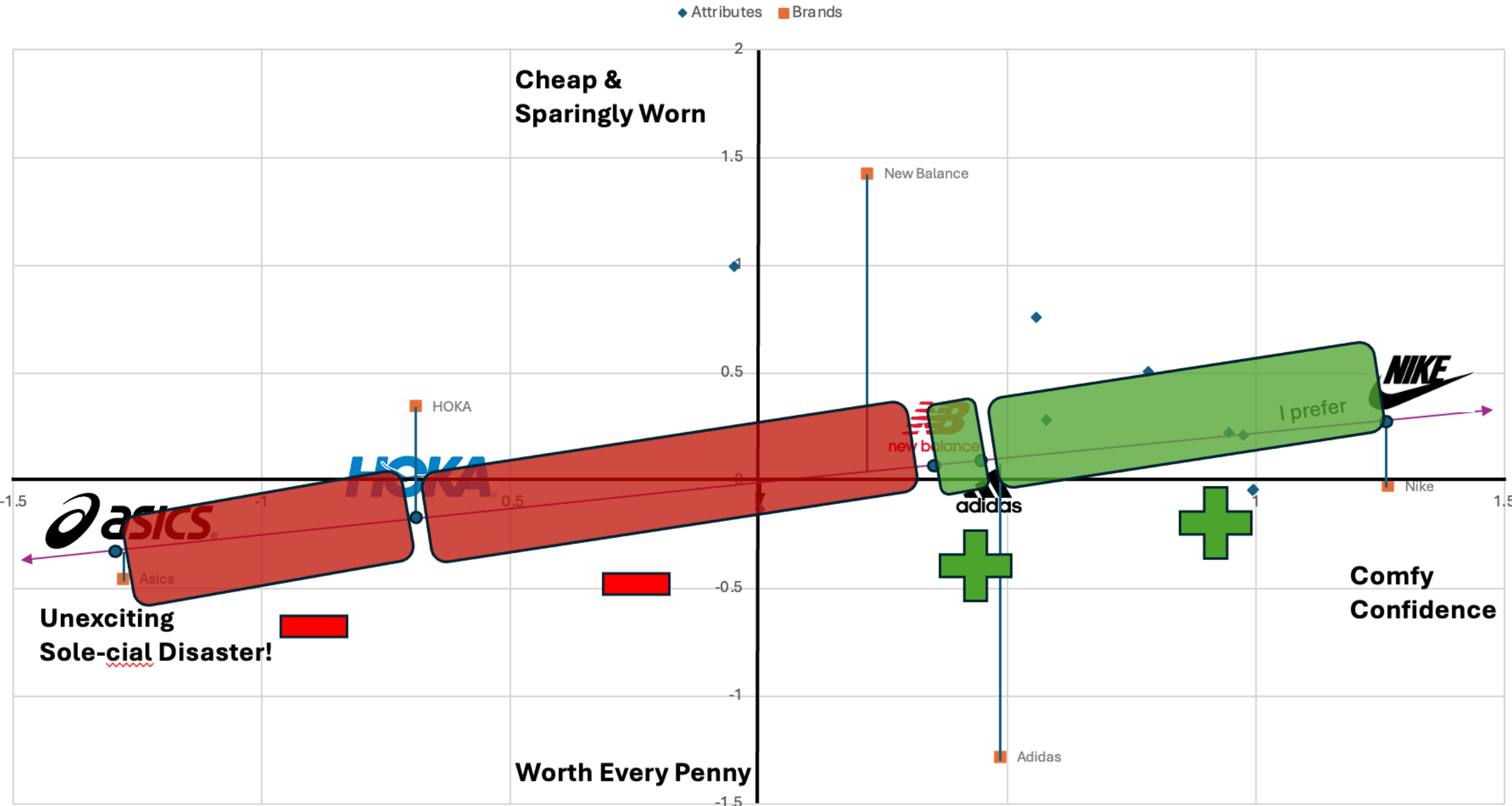
PERCEPTUAL MAP: Preference Order

RUNNING SHOES PERCEPTION MAP

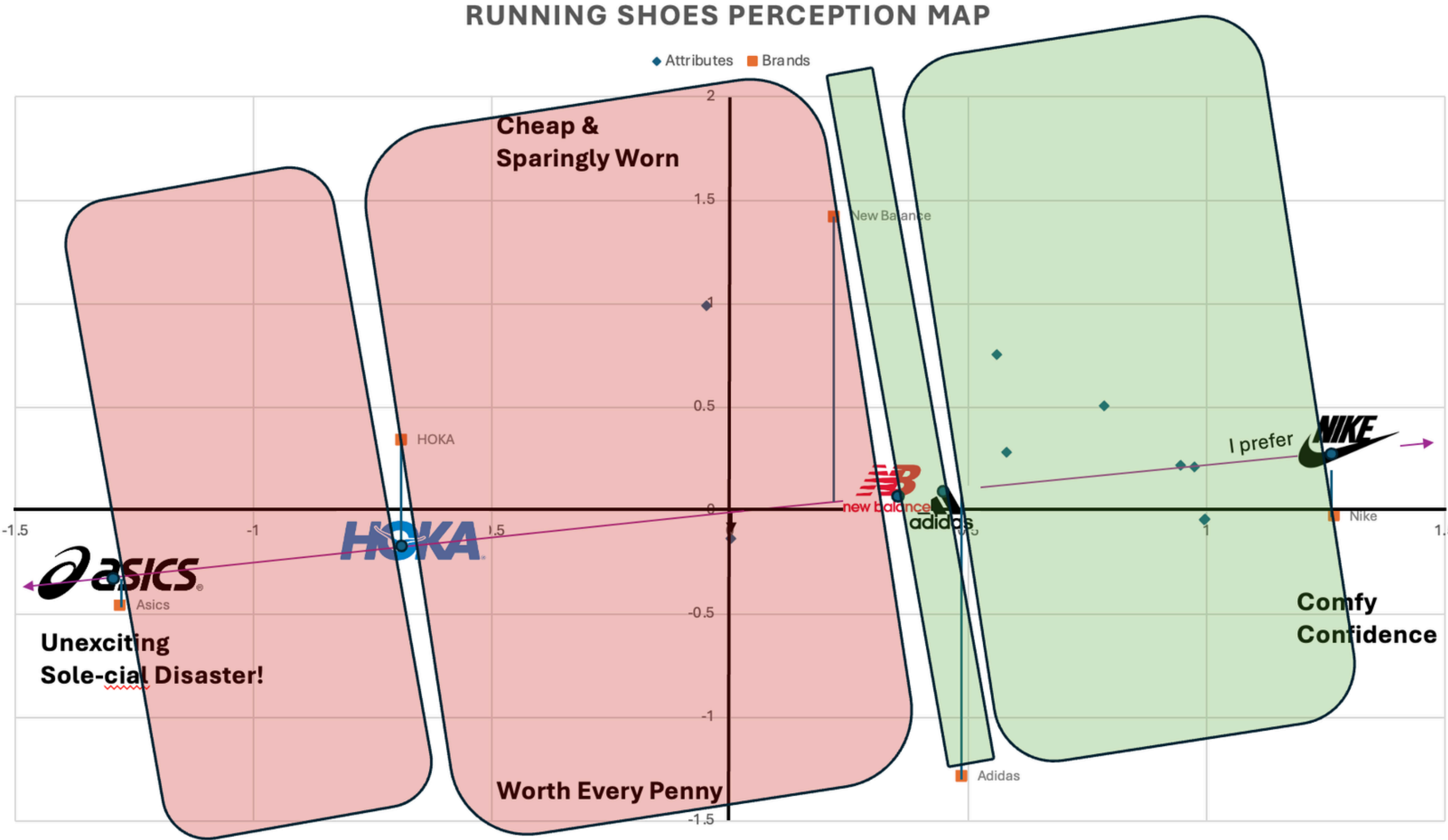


PERCEPTUAL MAP: Spaces

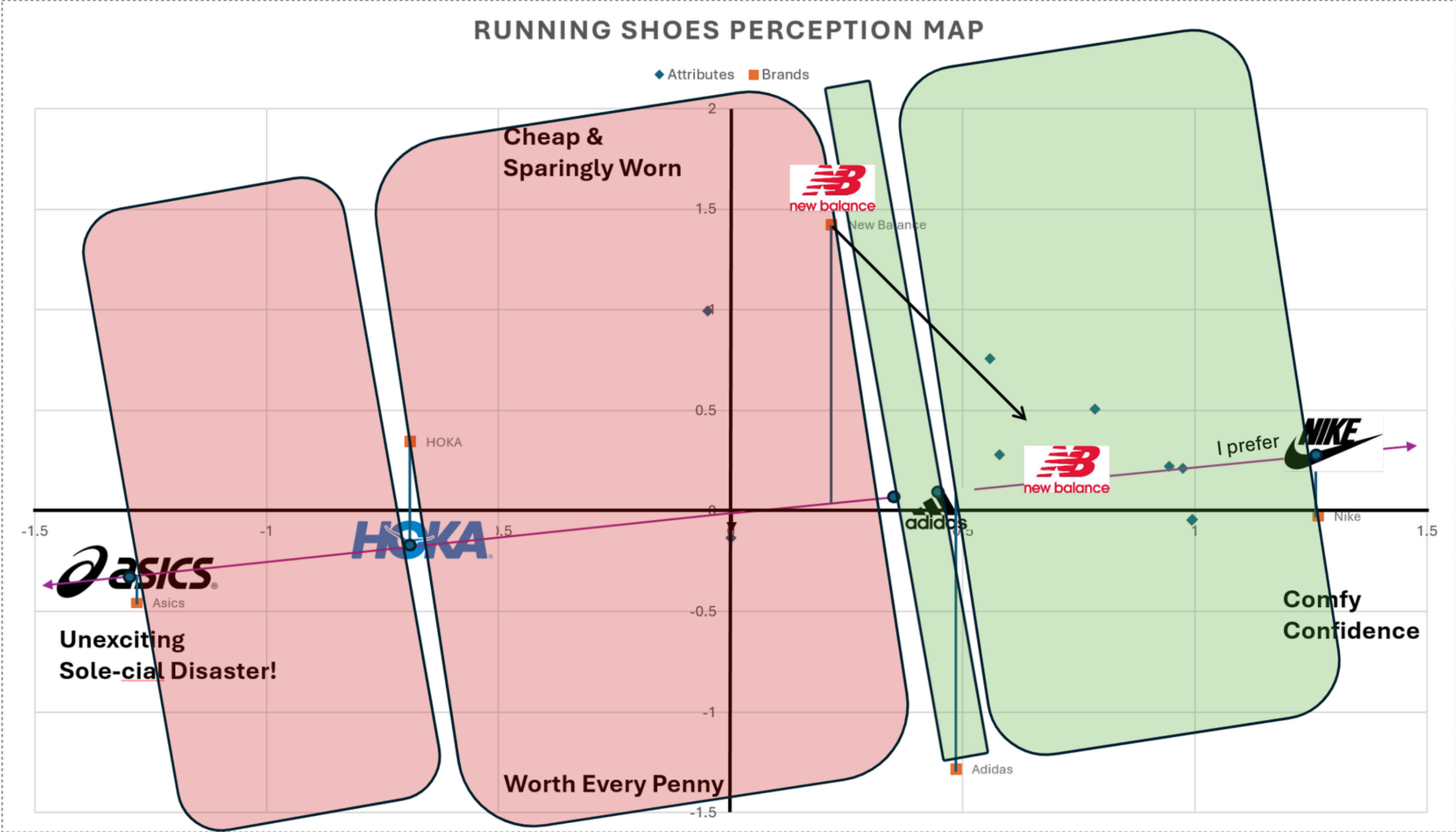
RUNNING SHOES PERCEPTION MAP



PERCEPTUAL MAP: Spaces



PERCEPTUAL MAP: Repositioning



SEGMENTATION CRITERIA USED

- We gathered our data from a Qualtrics survey of 34 respondents between the ages of 18–25 who prioritize their health and fitness.
- We had them scale our attributes, then used data to run factor analysis and made the perceptual map.
- Based on the results we determined our repositioning strategy and came up with suggestions to reach our desired repositioned location.
- **Problem: We need to be repositioned to be viewed as more “Worth Every Penny” and “Comfy Confidence”**

Attributes:

- Comfortable for my feet
- Durable Fabric & Flexible
- I Can Wear Long Term
- Doesn't Break the Bank
- Makes Me Excited to Work Out
- Expresses My Personal Style
- Popular Amongst My Friends
- Boosts My Confidence
- I Prefer This Brand

Axis:

- The X axis is emotional and social
- The Y axis is functional

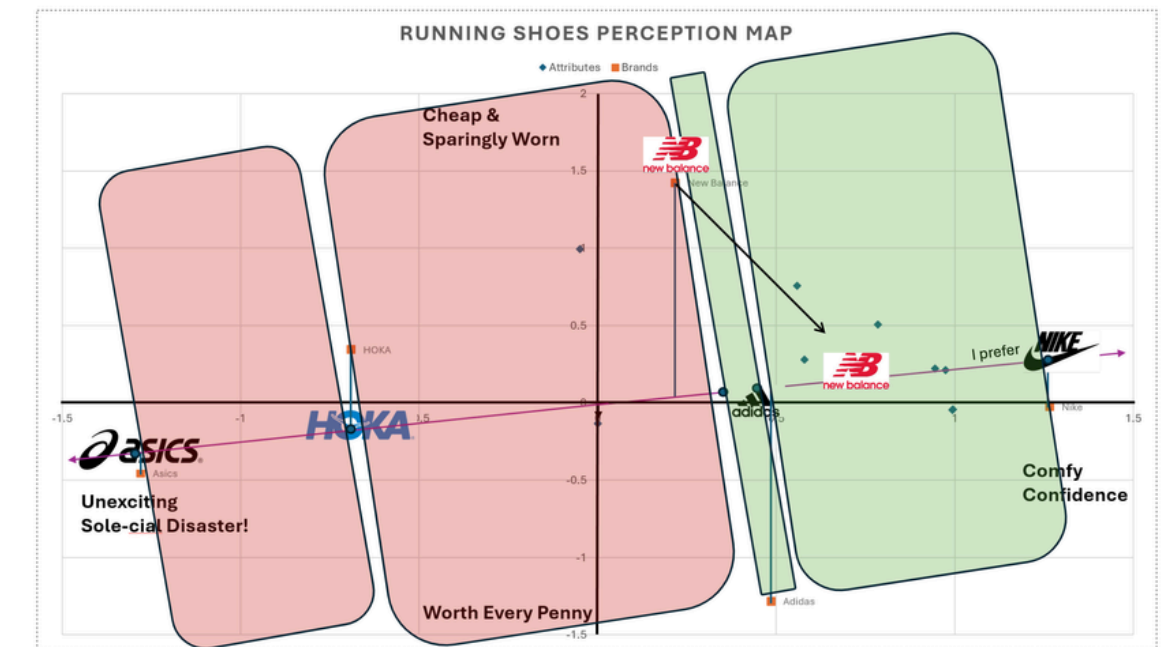
qualtrics[®] XM

OVERVIEW OF METHODOLOGY

Beginning steps we took.

Tool overview, design survey, collected data, analyze data

- Designed and launched Qualtrics Survey
- Collected data from 34 respondents (18-25)
- Analyzed results using factor analysis
- Created perceptual map (X-Axis Emotional & Social, Y axis Functional)
 - Goal to shift towards “Worth Every Penny” & “Comfy Confidence”
- Key Attributes to consumers:
 - Comfort & Durability
 - Affordability
 - Style & Confidence
 - Popularity



What do you care most about in brand identity? 34 ⓘ

D&TQ2 - What do you care most about in brand identity?	Percentage
Ethical Practices	21%
Positive Reputation	71%
Popularity	9%

RECOMMENDATIONS!

We want New Balance to be **valuable** and **worth every penny**.

PRICING
STRATEGY



NEW SHOE LINE
(Designs)



NEW SHOE LINE
(Materials/Quality)



SPONSORSHIP/
EVENTS

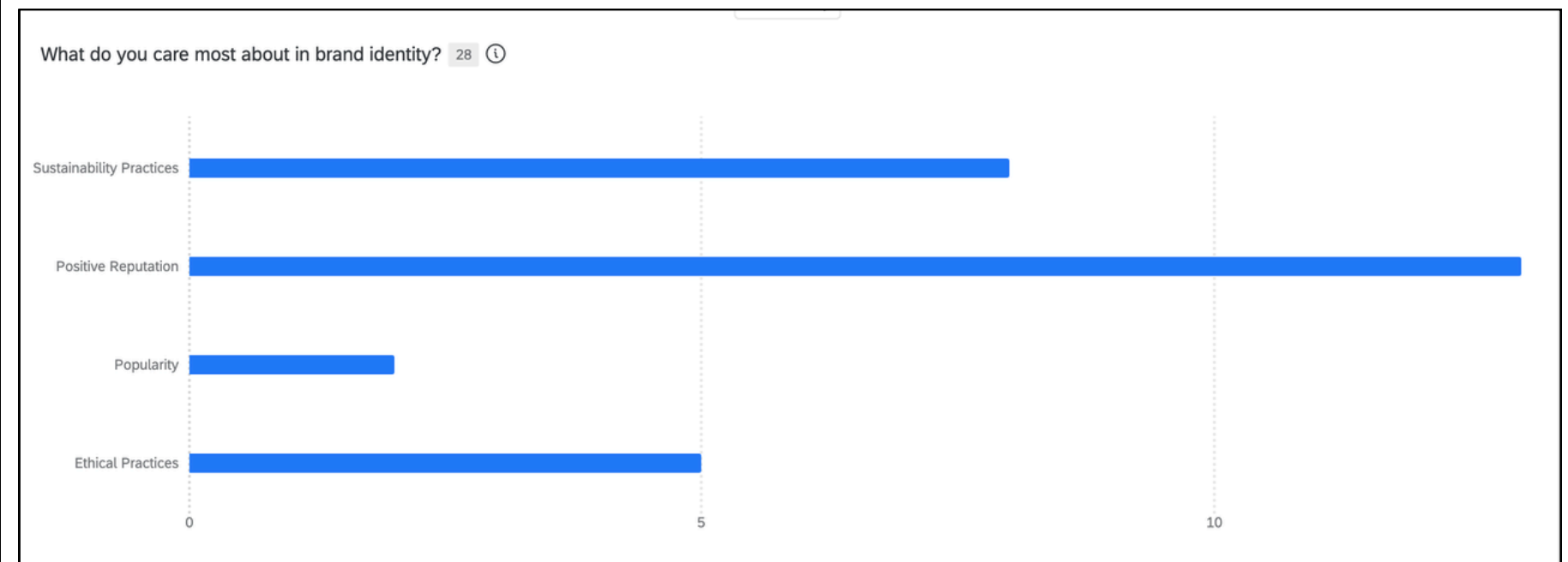
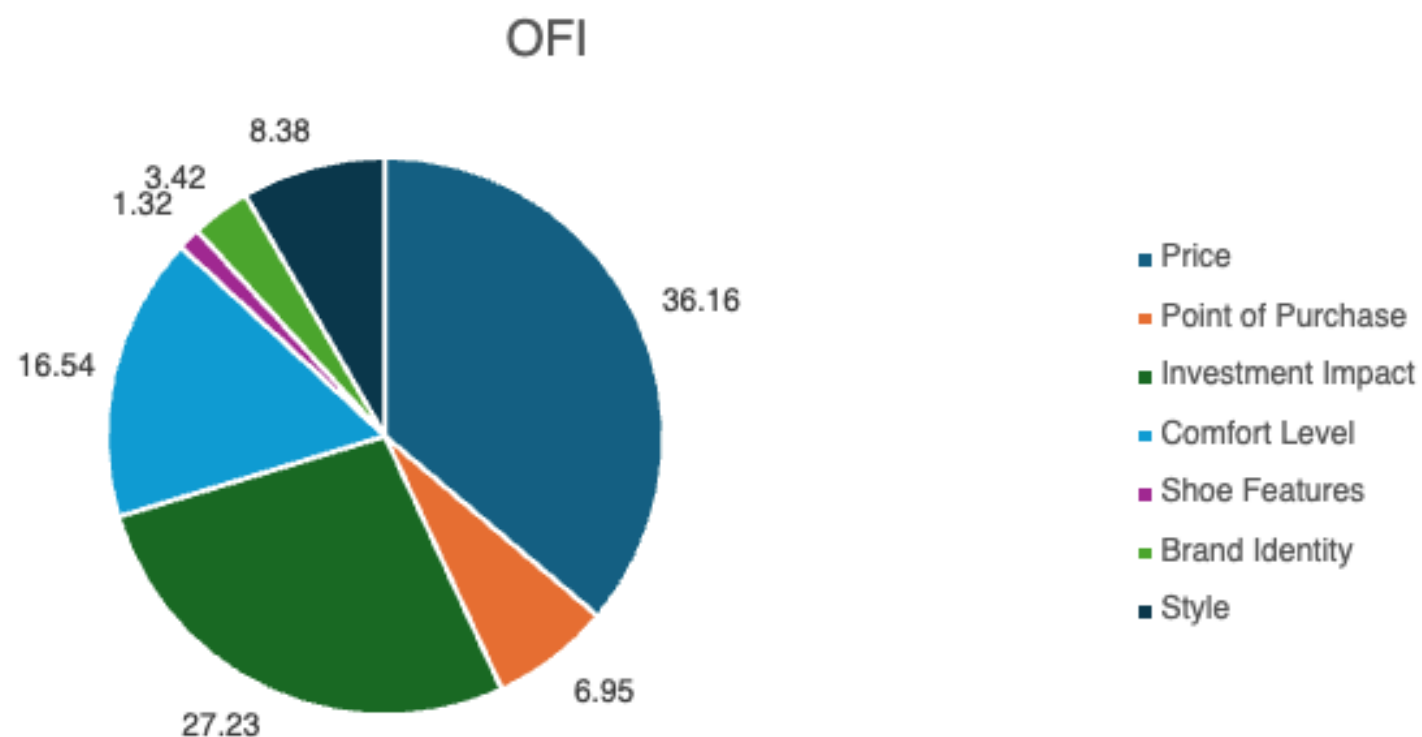
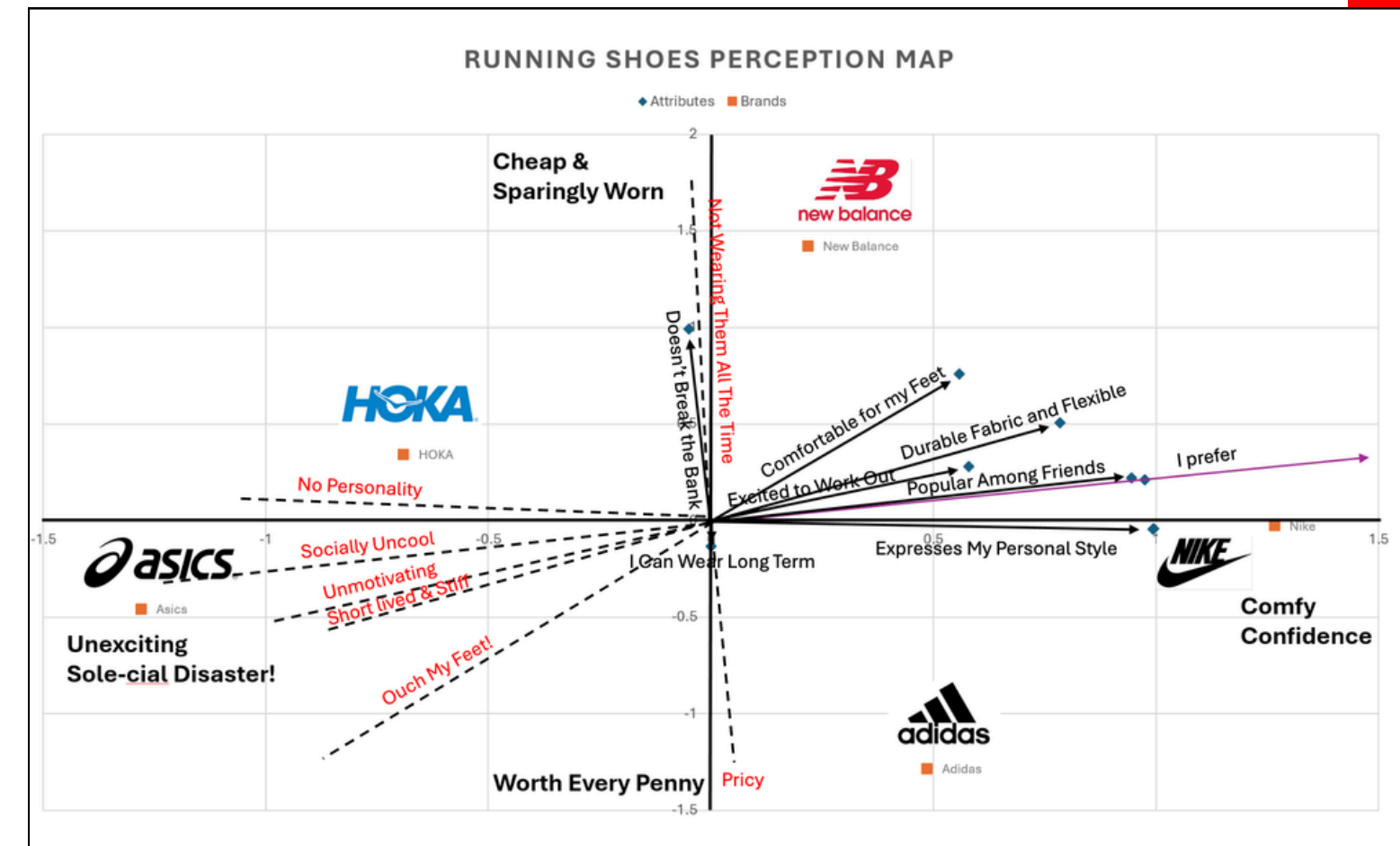


RECOMMENDATION 1: PRICING STRATEGY

WHY?

- Based on PM survey, **positive reputation** most important = need to make the shoe valuable and worth the purchase.
- Based on CA survey, **price & investment impact** are most important features in choosing the right shoe.

A pricing strategy will allow the brand to divert from being associated as “cheap” to more “valuable,” while also maintaining good shoe pricing and feature range for customers with different incomes or backgrounds.

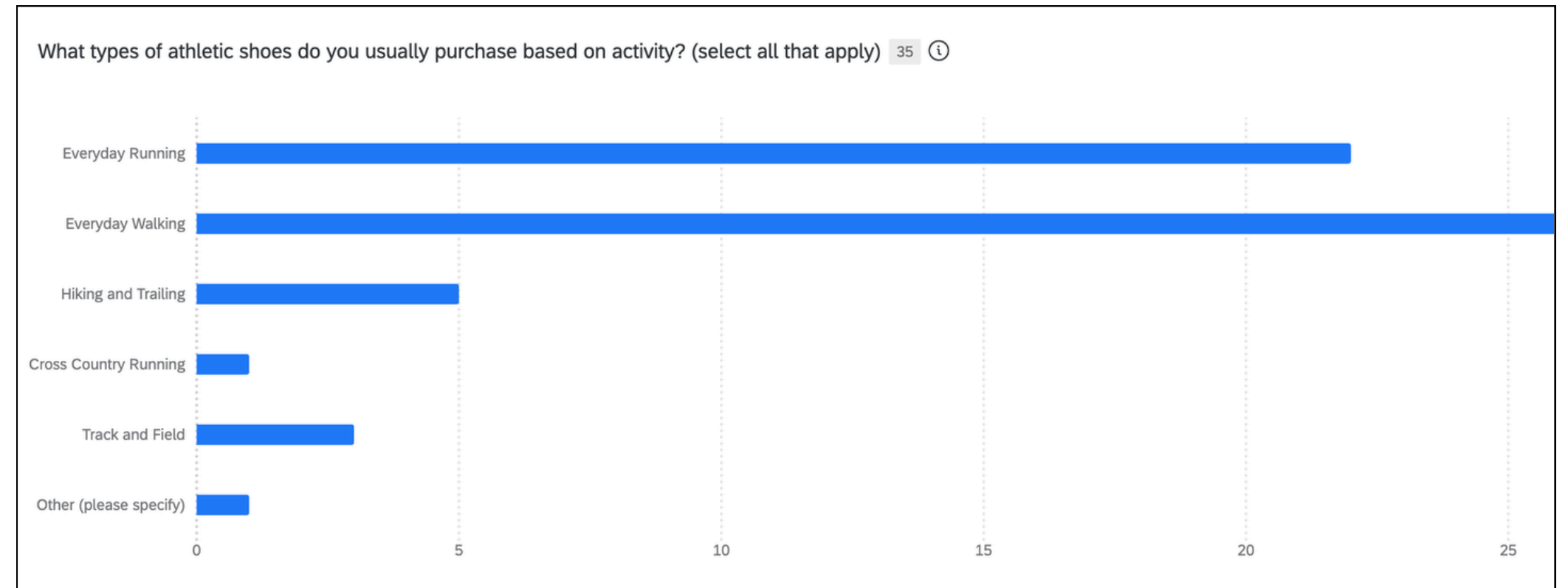
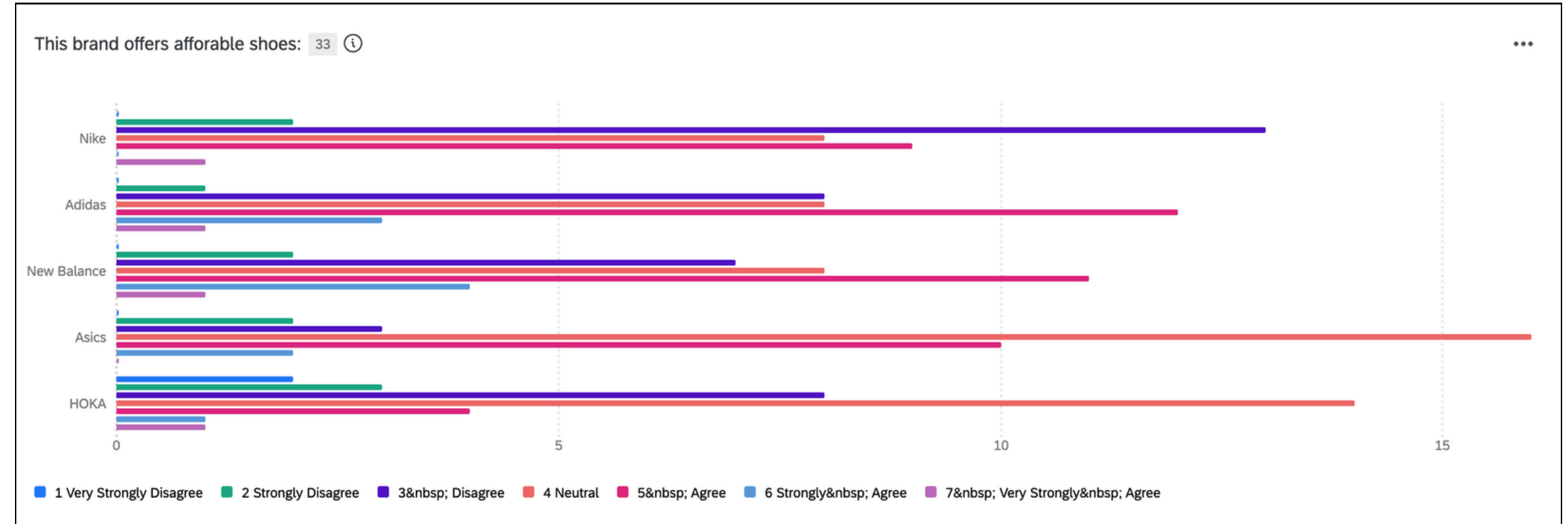
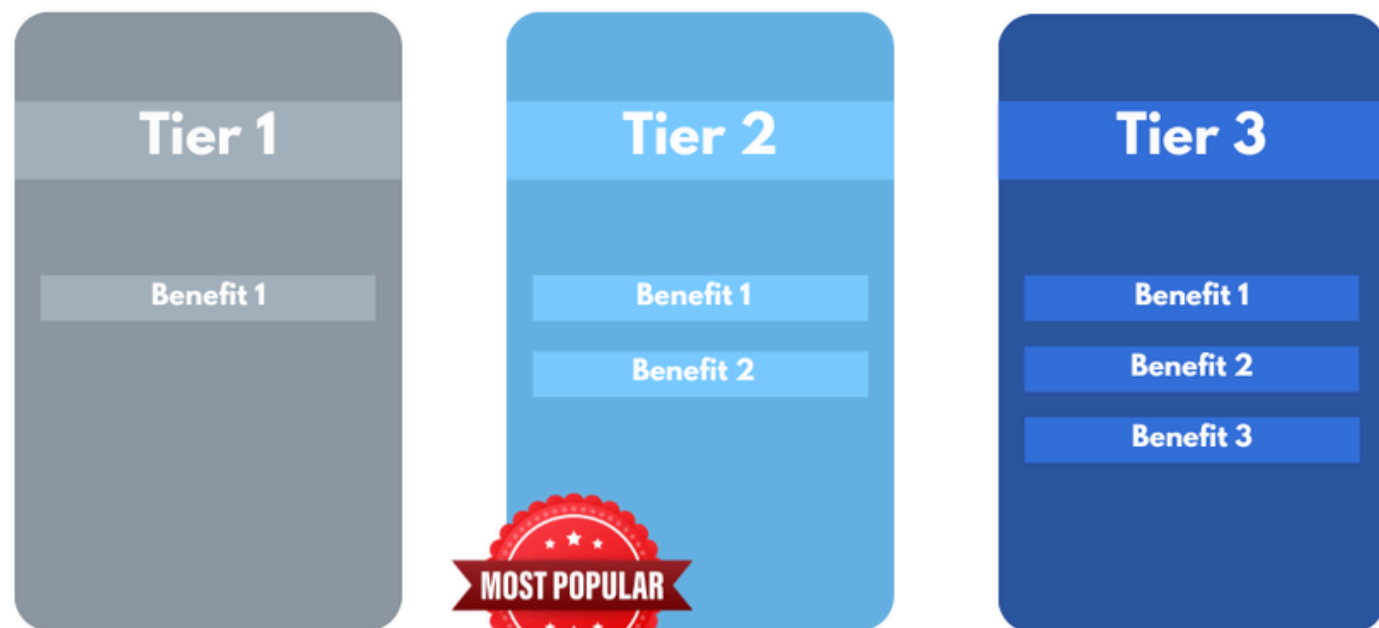


How?

- Implement a tiered-level pricing strategy to satisfy customers in an affordable yet valuable shoe that fits their needs.

Goals:

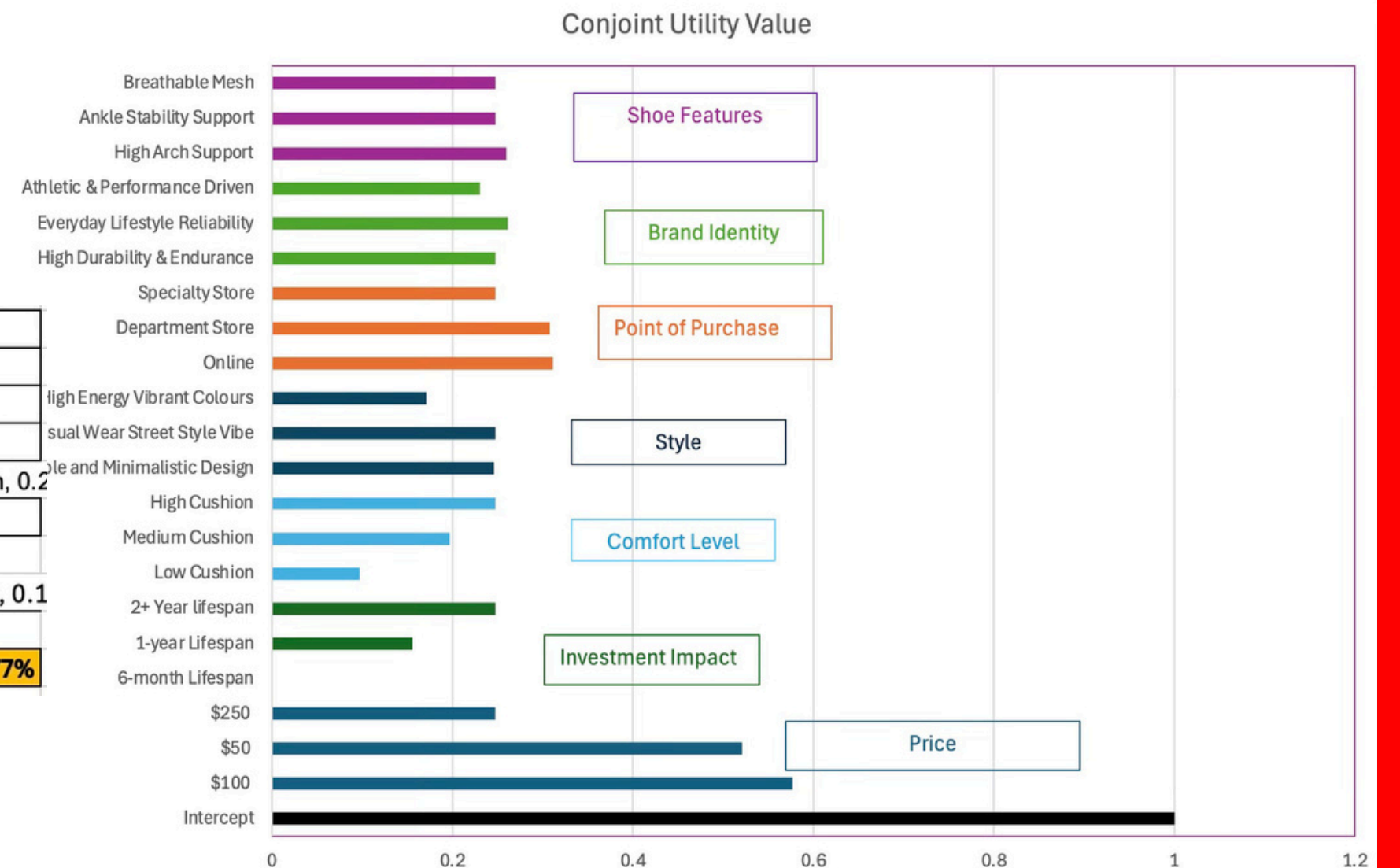
- Attracts a wider customer base, making us go up in value.
- Enhances perceived value of our shoe brand and better reputation!



RECOMMENDATION 2: NEW SHOE LINE (DESIGN)

WHY?

	COMPETITOR #1	#2	#3
Price	\$50, .52	\$250, .24	\$100, .57
Point of Purchase	Department Store, .30	Specialty Store, .24	Online, .31
Comfort Level	Medium Cushion, .19	High Cushion, .24	Low Cushion, .09
Brand Identity	High Durability & Endurance, 0.24	Everyday Lifestyle Reliability, 0.26	Athletic & Performance Driven, 0.2
Investment Impact	2+ Year Lifespan, 0.24	1- Year Lifespan, 0.15	6-month Lifespan, 0.00
Shoe Features	Ankle Stability Support, 0.24	Breathable Mesh, 0.24	High Arch Support, 0.26
Style	High Energy Vibrant Colours, 0.17	Simple and Minimalistic Design, 0.24	High Energy Vibrant Colours, 0.1
	Total TPU: 1.9	Total TPU: 1.61	Total TPU: 1.63
Market Share	26.54%	22.49%	22.77%



Survey lead to data revealing customers did not prefer the most decreased price; Instead, valued lifespan durability as well as design and visuals

Will allow room to move on PM x-axis of “Comfy Confidence “

HOW

	Best	Worst
Price	\$100, .57	\$250, 0.24
Point of Purchase	Online, 0.31	Specialty Store, 0.24
Comfort Level	High Cushion, 0.24	Low Cushion, 0.09
Brand Identity	Everyday Lifestyle Reliability, 0.26	Everyday Lifestyle Reliability, 0.26
Investment Impact	2+ Year Lifespan, 0.24	6-month Lifespan, 0.00
Shoe Features	High Arch Support, 0.26	Breathable Mesh, 0.24
Style	High Energy Vibrant Colours, 0.17	High Energy Vibrant Colours, 0.17
	Total TPU: 2.12	Total TPU: 1.21

	US
Price	\$100, .57
Point of Purchase	Department Store, .30
Comfort Level	Medium Cushion, .19
Brand Identity	High Durability & Endurance, .24
Investment Impact	2+ Year Life span, 0.24
Shoe Features	Breathable Mesh, 0.24
Style	Simple and Minimalistic Design, .24
	Total TPU: 2.02
	Market Share: 28%

To move Closer to competitors & x-axis/ vector "Comfy Confidence",we took data from our most Ideal shoe preferred by consumers & found a midpoint

Trade Offs: 2+ year lifespan over high cushion comfort levels
Sweet Spots: Point of Purchase + Styles

Developing a new line of athletic shoes that focuses on endurance and durability and modern designs and will allow our athletes to perform with style

FOR REFERENCE

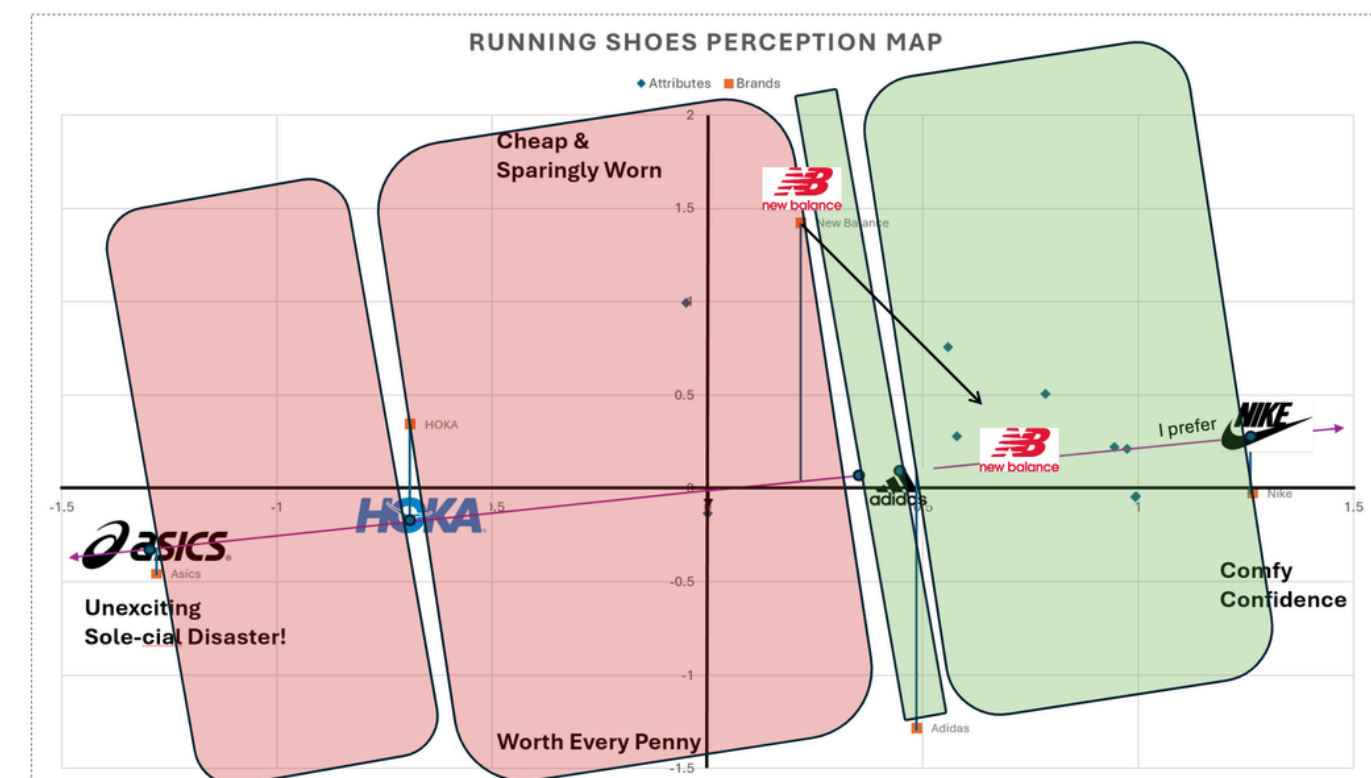
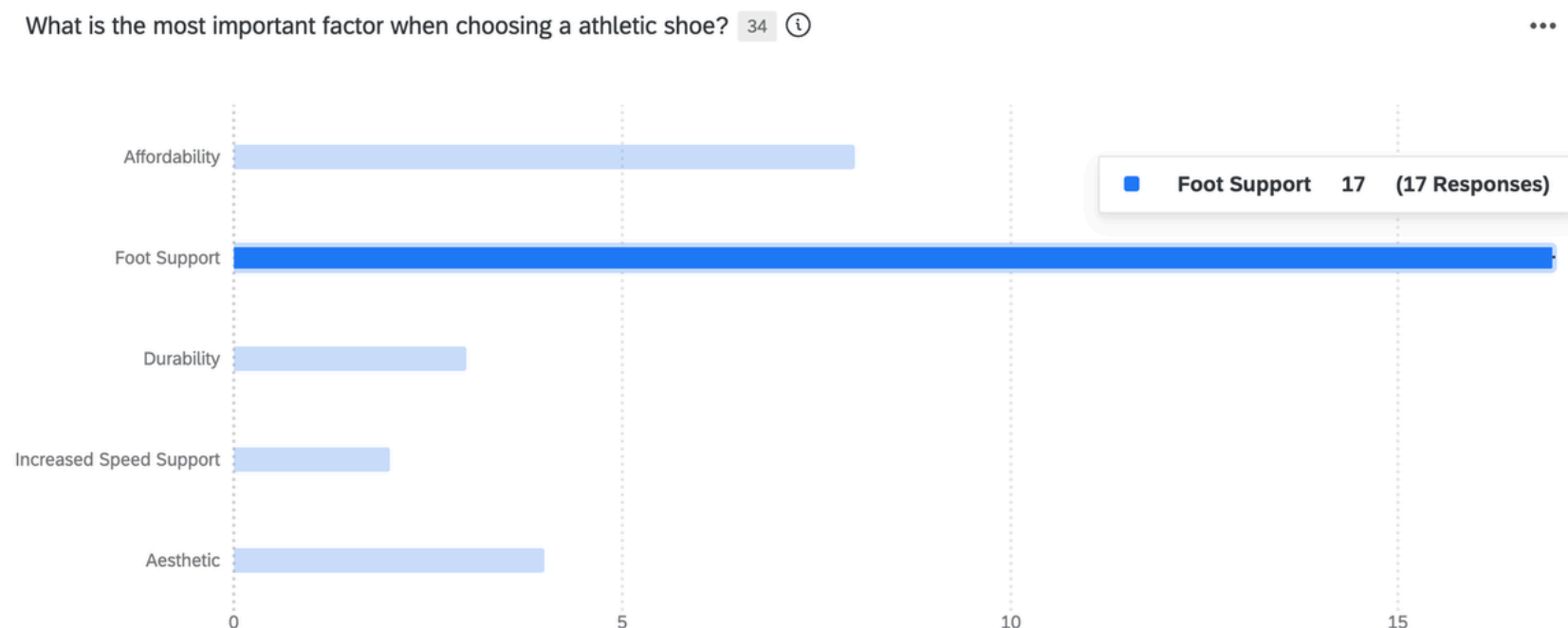
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	Total TPU: 1.9	Total TPU: 1.61	Total TPU: 1.63
Market Share	26.54%	22.49%	22.77%

RECOMMENDATION 3: NEW SHOE LINE (Materials/Quality)

- In order to be viewed as “Worth Every Penny” the new product line we want to launch will be slightly elevated from the current running shoes on the New Balance market.
- With the use of high-quality materials such as higher-quality foam midsole support, we will reposition into desired territory.
- 17/34 survey respondents said foot support was the most important factor.
- According to RunRepeat, our competition uses PEBA and TPEE foam.



How?

- Introduce a new line called Full Finish, making 3 main lines.
- Portrays that there is a focus on foot support and it is durable.
- Fresh Foam focuses on softness and uses EVA / EVA + PEBA foam.
- FuelCell focuses on speed, rebound, and energy using PEBA foam.
- New Full Finish will focus on being durable all-around using TPEE foam.

Premium foams overview

Brand	Foam	Top feature
Nike	ZoomX (Pebax)	Energy return
ASICS	FF Turbo (Nylon)	Durability
ASICS	FF Turbo+ (PEBA)	Performance
Adidas	Lightstrike Pro (TPEE)	Super-durable all-rounder
Saucony	PWRRUN PB (Pebax)	Comfort
Saucony	PWRRUN HG (Pebax)	Performance
Saucony	IncrediRUN (TPEE)	Energy Return
Puma	Nitro Elite (PEBA + EVA / A-TPU)	Durability
Hoka	Unnamed (PEBA)	Responsive
Decathlon	VFOAM (Pebax) / VFOAM PLUS (Pebax + EVA)	Affordable
Mizuno	Energy Lite+ (PEBA)	Bounce
Reebok	Floatride (Pebax)	Low price
Li-Ning	BOOM (Pebax)	Bounce
On	Helion HF (Pebax)	Energy return
New Balance	FuelCell (PEBA)	Softness



New Men Women Kids Running



What is the difference between Fresh Foam and FuelCell?

What is the difference between Fresh Foam and Fuel Cell Technology in our shoes

Feb 21, 2022 Knowledge

Detail

Fresh Foam offers softness underfoot to help keep you comfortable mile after mile. [Shop Fresh Foam](#)

FuelCell is the perfect combo of speed, rebound and energy return. [Shop FuelCell](#)

Both platforms were developed in our [Sports Research Lab](#) using athletes from all over the world to achieve an optimal ride for your run.



RECOMMENDATION 4: Sponsorship/Events

- Perceptual Map shows to be closer to “Worth Every Penny” & “Comfy Confidence” there is opportunity to reinforce identity to be go-to brand for performance, comfort, and confidence especially in endurance sports
- Sponsoring marathons and fitness events aligns with our core audience
 - Active, Health conscious - while repositioning

How often do you engage in physical activity in a typical month? 35 ⓘ

D&TQ5 - How often do you engage in physical activity in a typical month?	Percentage
None	6%
Rarely (once a week)	23%
2-3 times a week	37%
4-5 times a week	23%
Daily	11%

What is your preferred or ideal style of athletic shoe for your lifestyle? (select one) 40 ⓘ



How

- Sponsor Marathon & Fitness Events
 - Boston Marathon (New Balance's Boston Roots)
- Sponsoring marathons and fitness events aligns with our core audience
 - Active, Health conscious - while repositioning
- Exclusive Marathon Merchandise
 - Limited edition Boston Marathon gear creating exclusivity
- “Run with Confidence Campaign”
 - Runners/ Fitness influencers use branded hashtag



“RUN WITH CONFIDENCE”



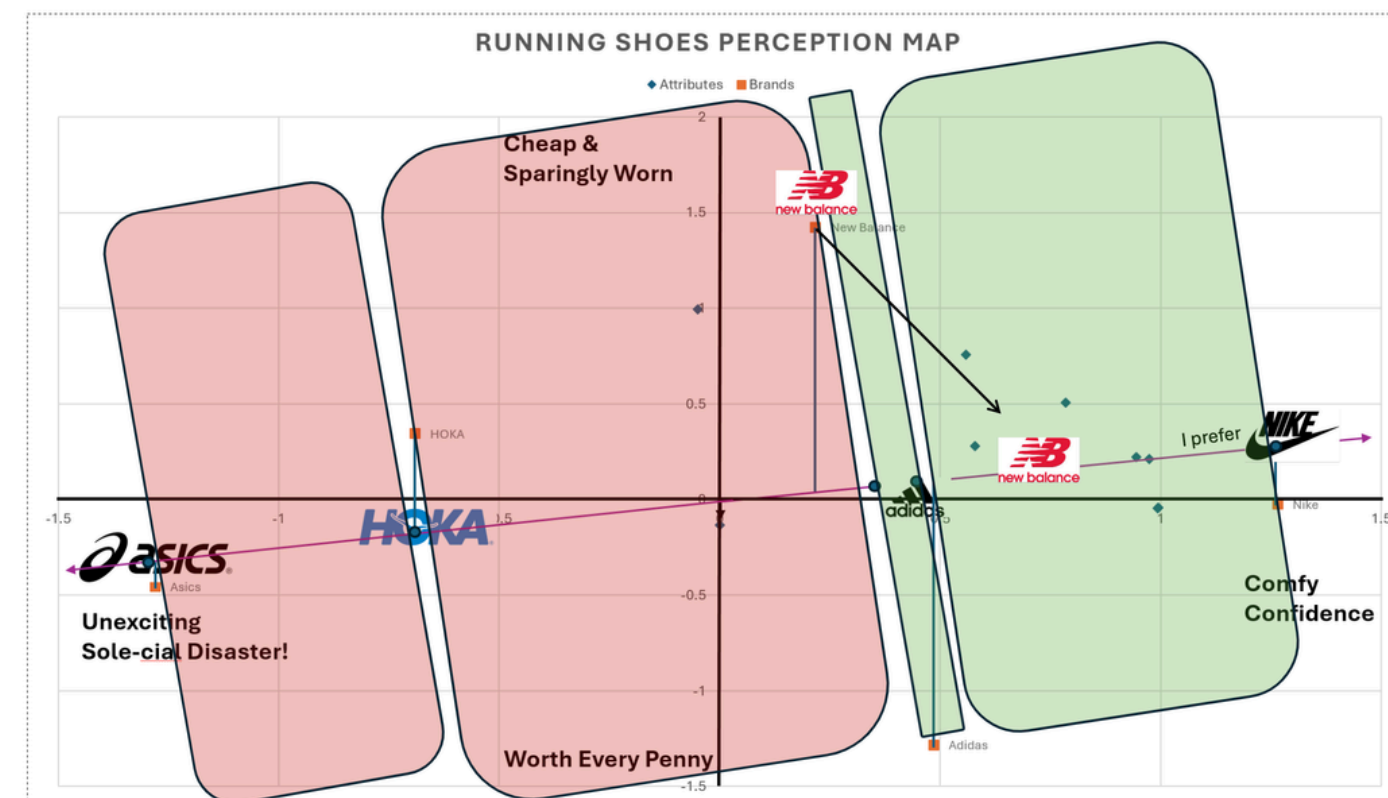
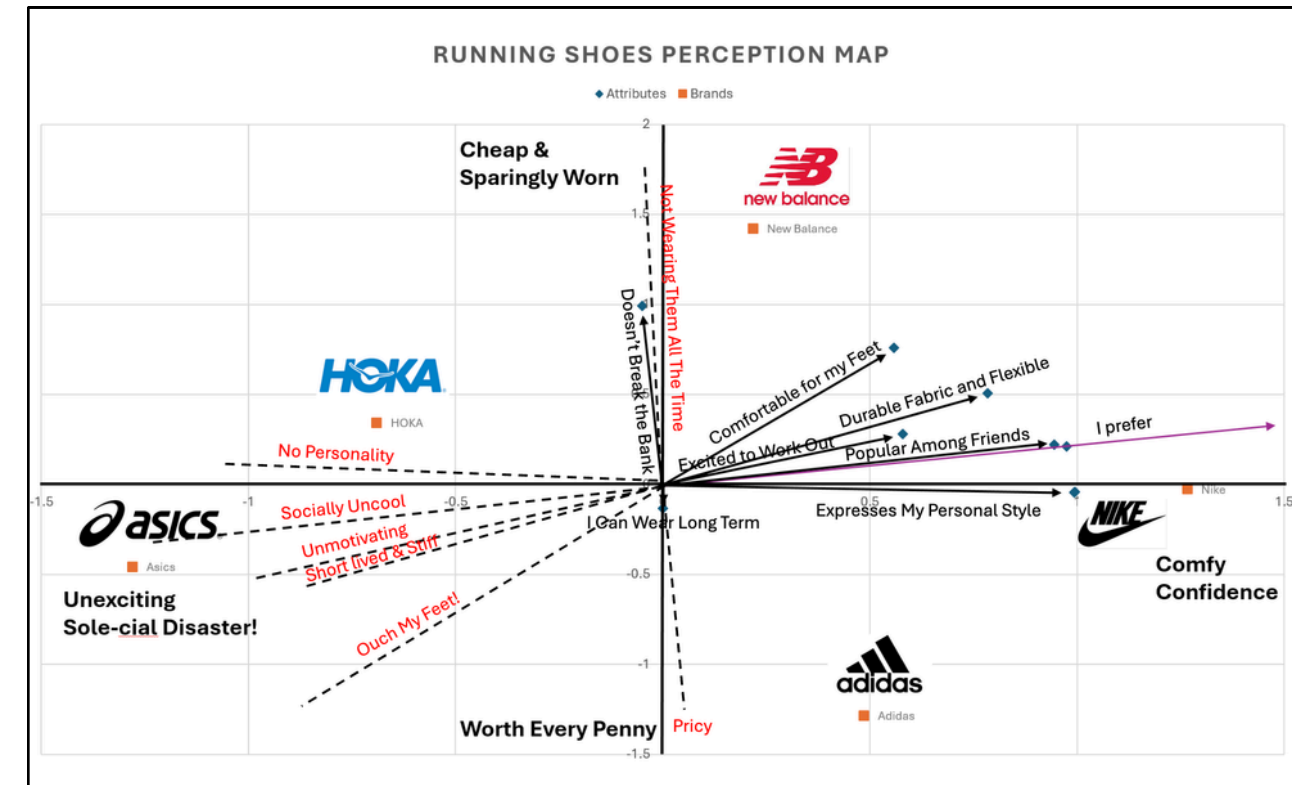
RECAP



- Background & Marketing Problems
 - Identified key brand perception gaps (Not seen as “Worth Every Penny” & “Comfy Confidence”)
 - Strengthen emotional & functional appeal
- Segmentation & Research Methodology
 - conscious consumers (18-25)
 - Perceptual Mapping, Factor Analysis, and Conjoint Analysis
- Key Recommendations
 - Pricing Strategy - Improve perceived value
 - New Show Line (Design) - Modern, Stylish performance
 - New Show Line (Material/Durability) - High quality, long lasting materials
 - Sponsorships/Events - Strengthen presence in endurance sports (e.g Boston Marathon)

PROBLEMS SOLVED

- Perception of “Cheap”
- Customers will now see the value in their purchases
- Market Expansion
- Improve marketing strategies with stronger campaigns



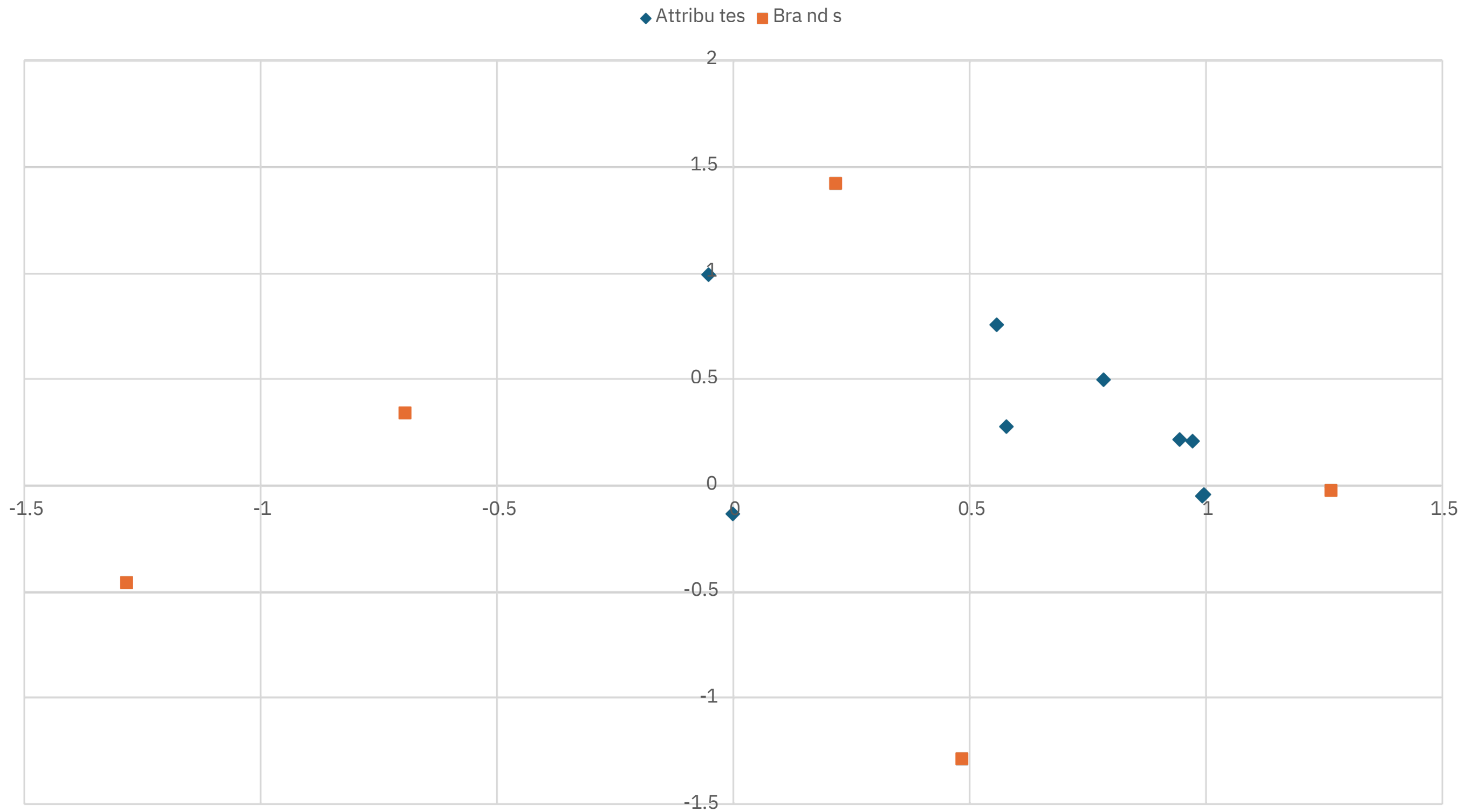


THANK YOU!

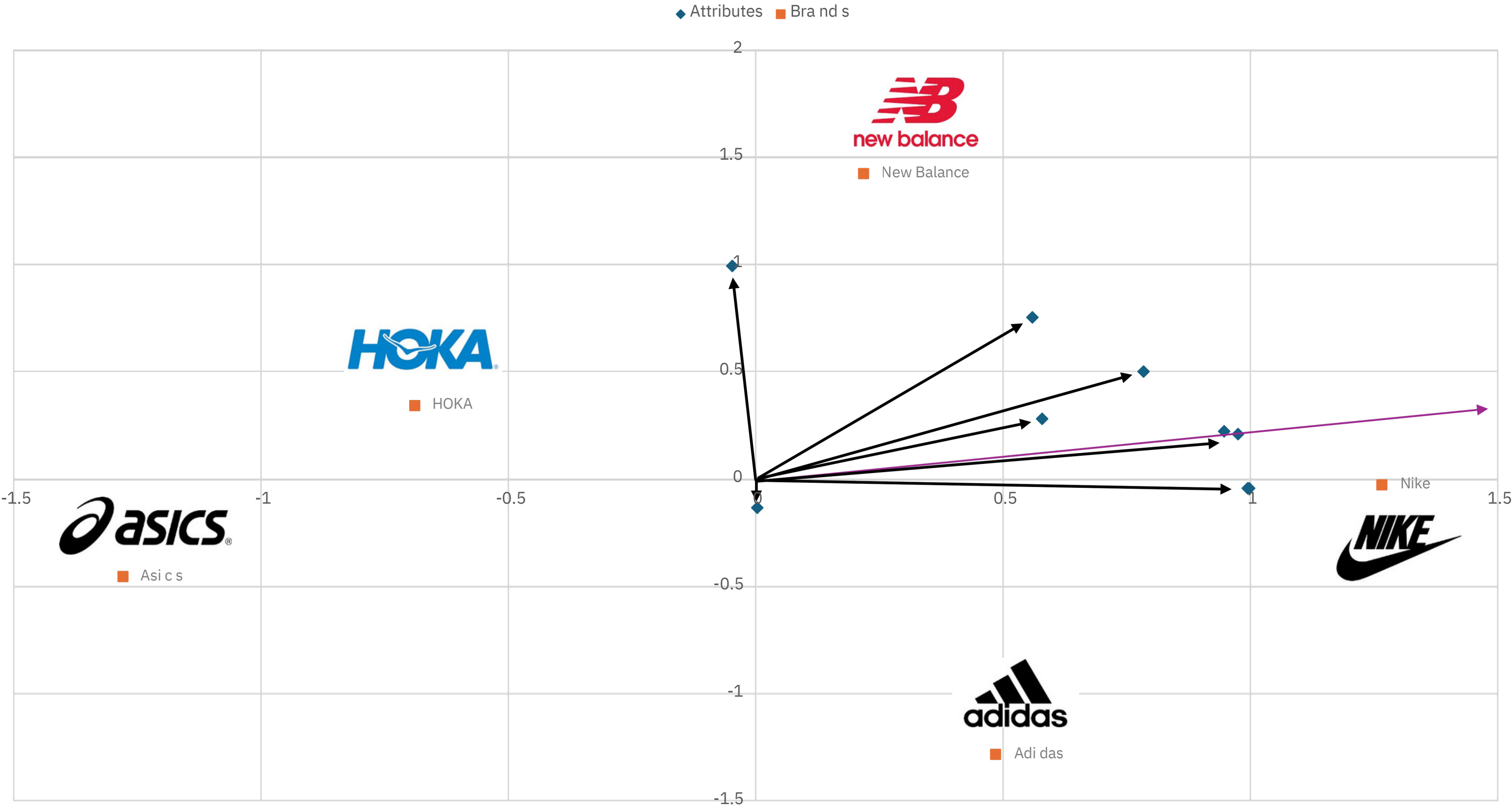
QUESTIONS?

APPENDIX

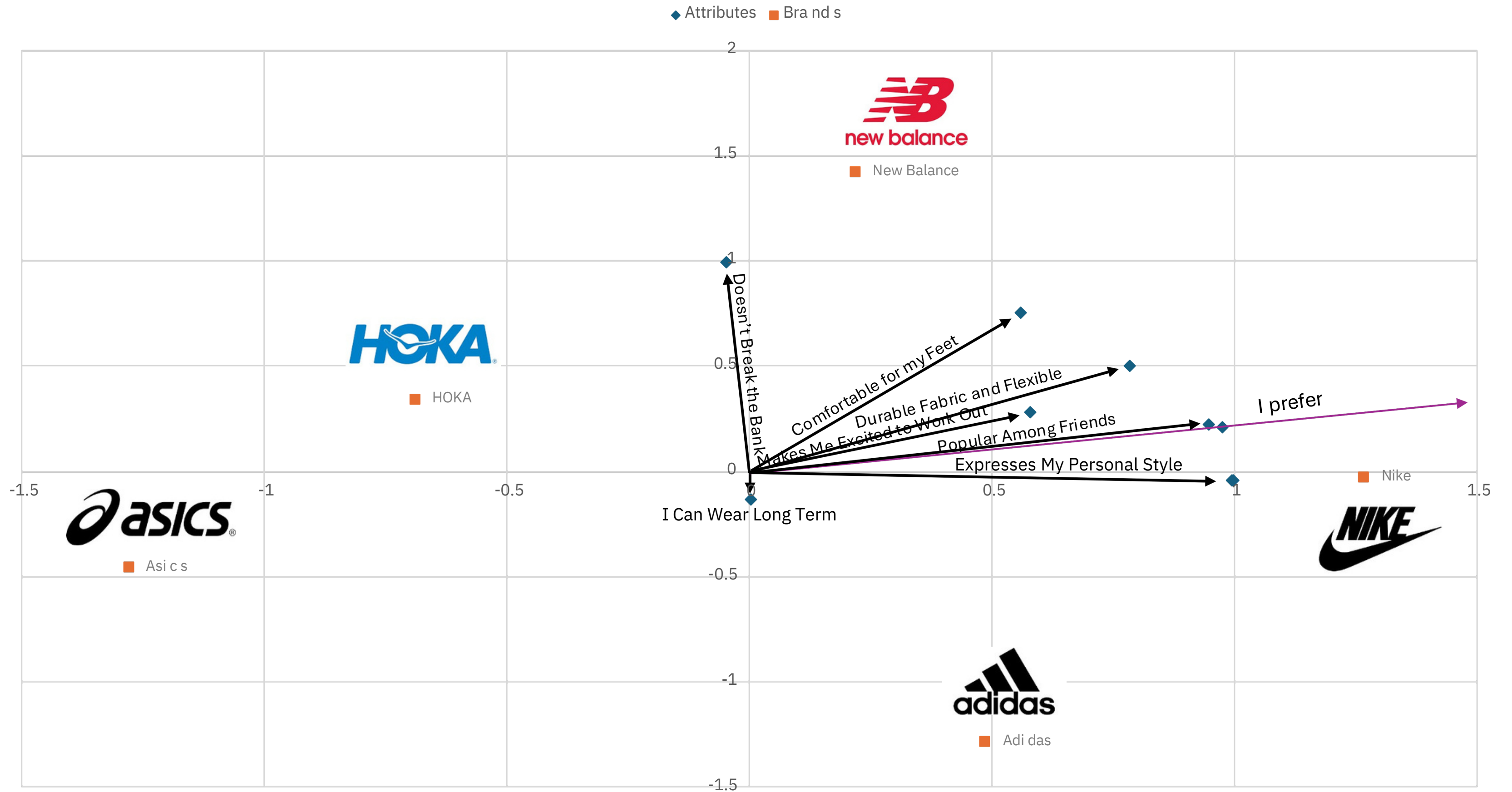
RUNNING SHOES PERCEPTION MAP



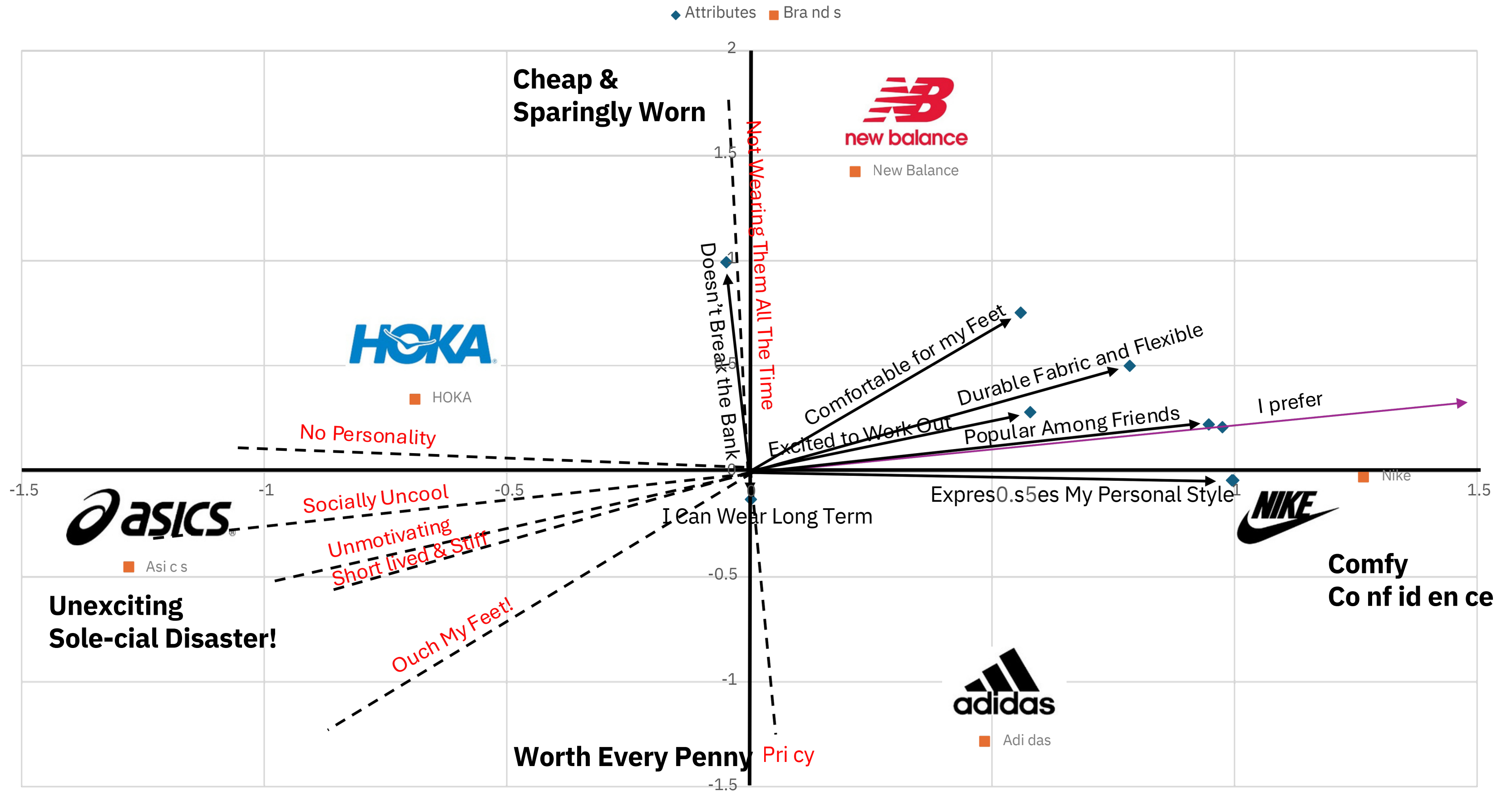
RUNNING SHOES PERCEPTION MAP



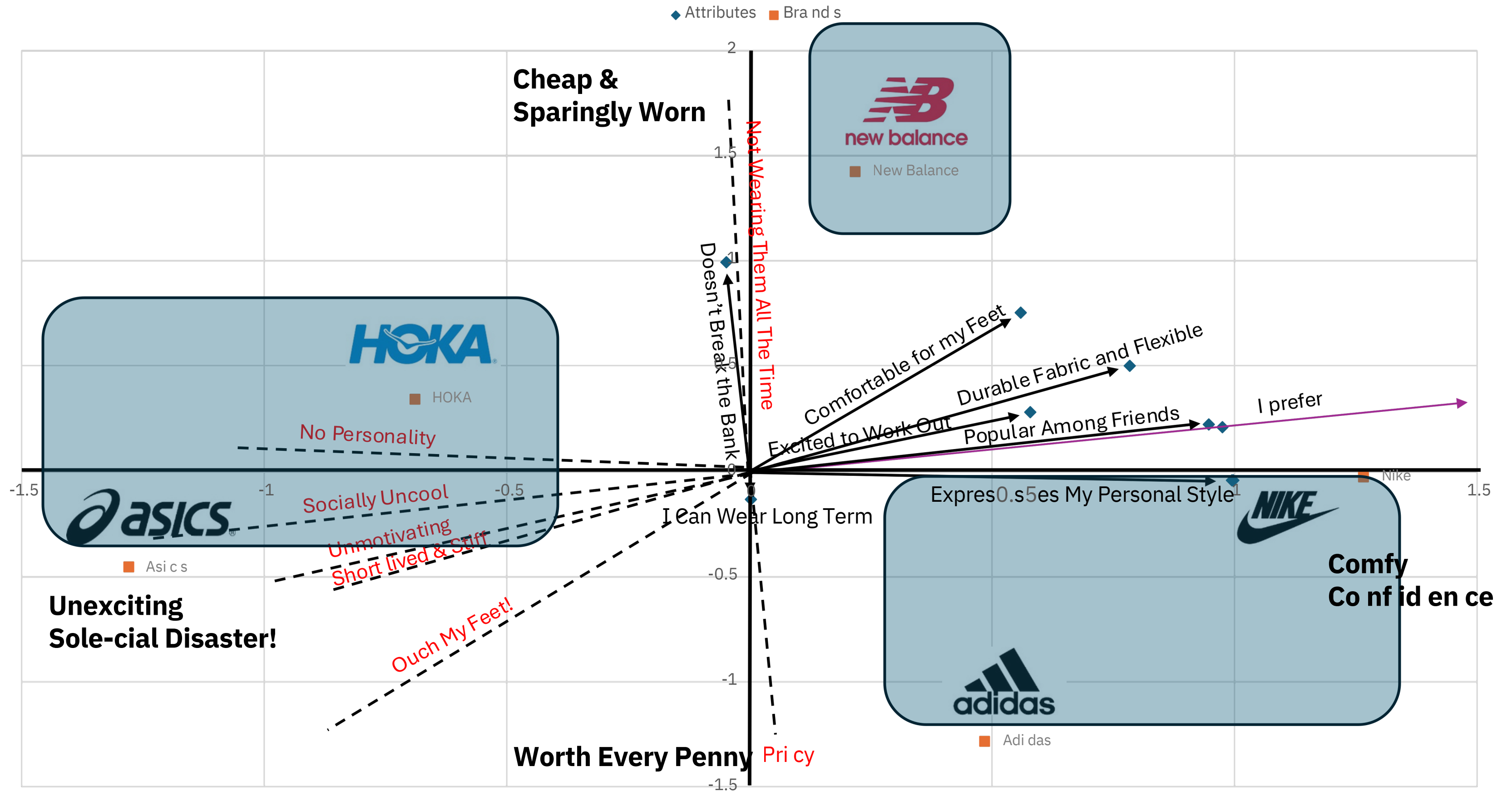
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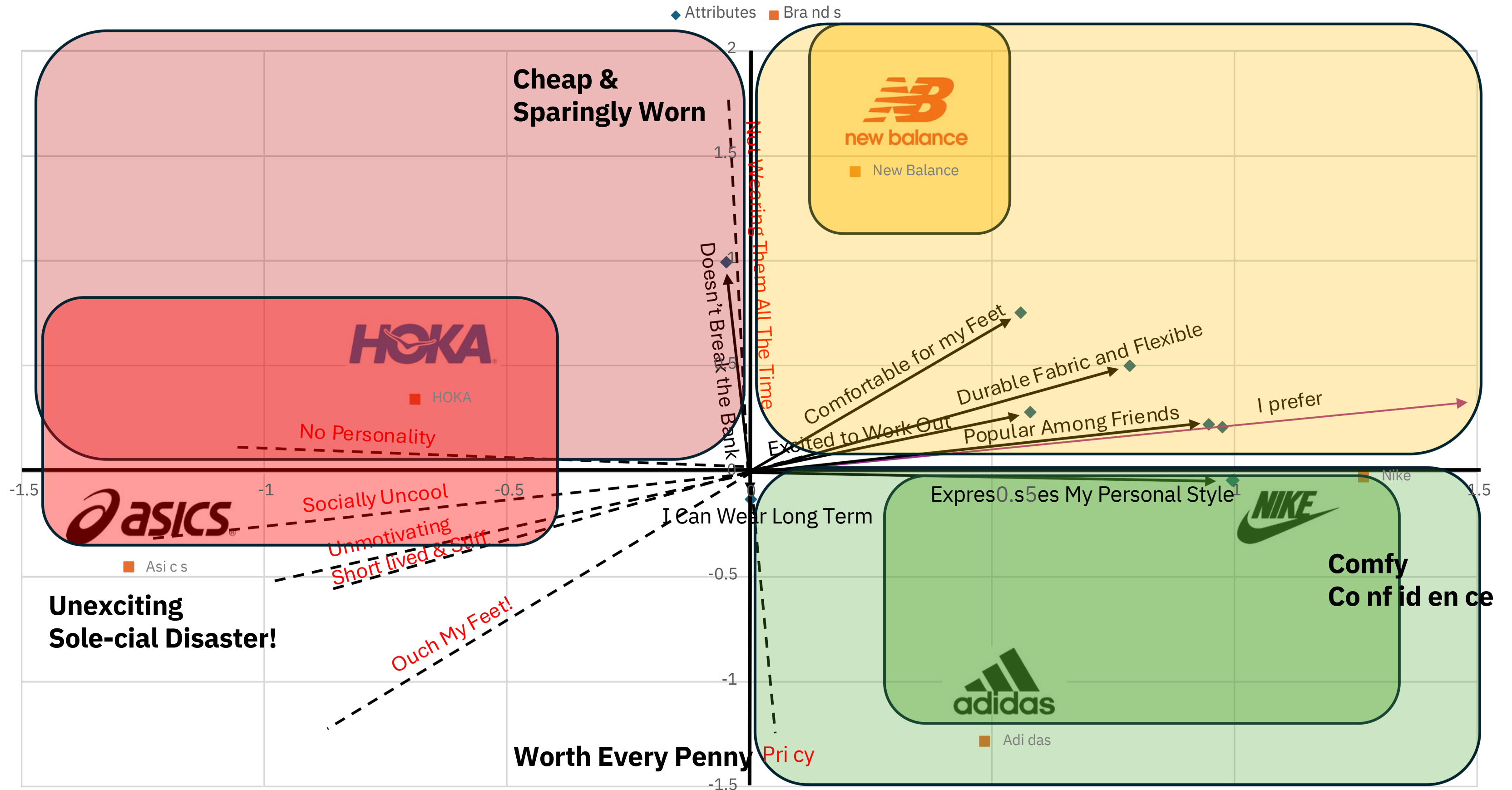
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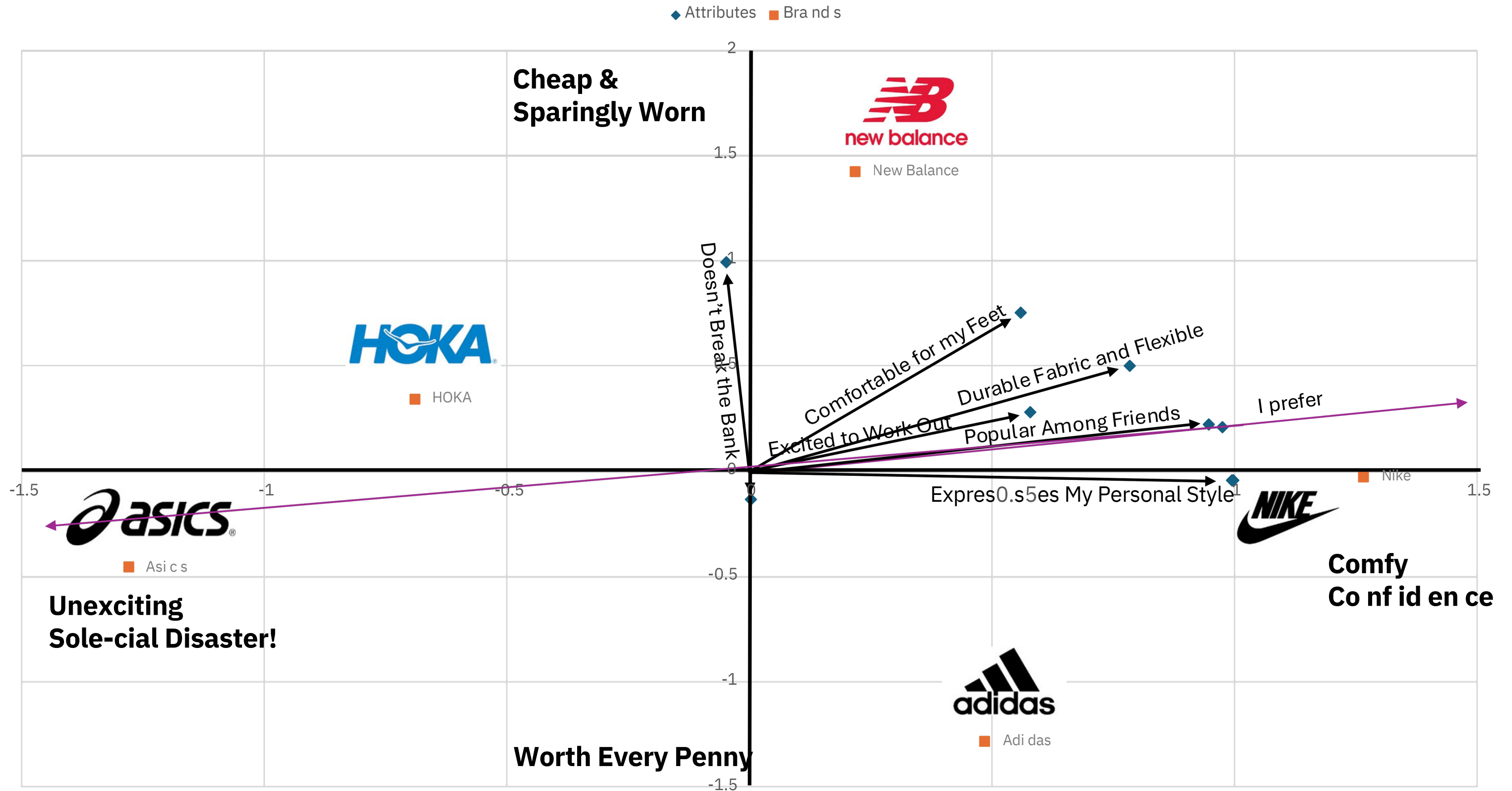
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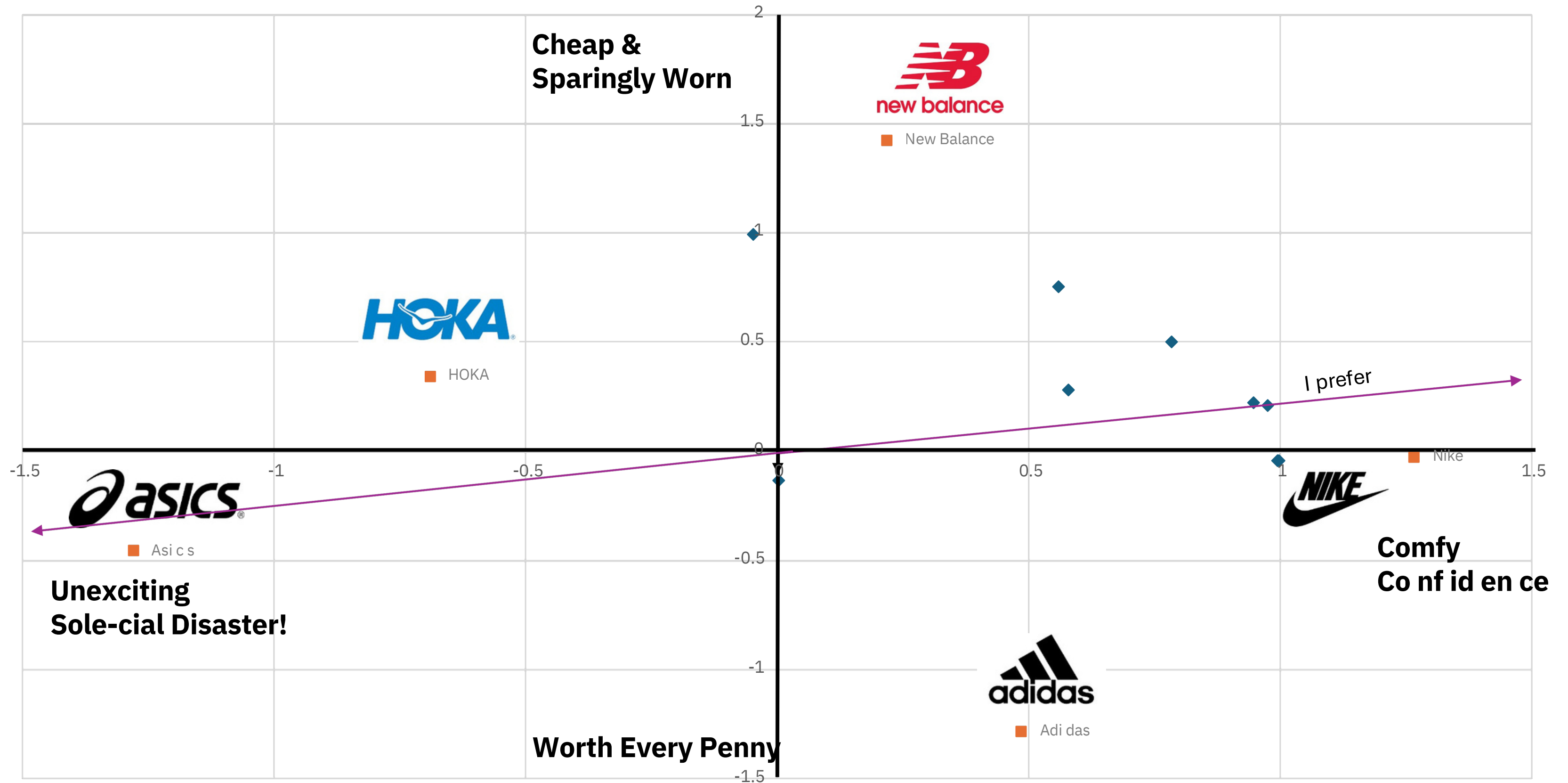


RUNNING SHOES PERCEPTION MAP



RUNNING SHOES PERCEPTION MAP

◆ Attributes ■ Brands



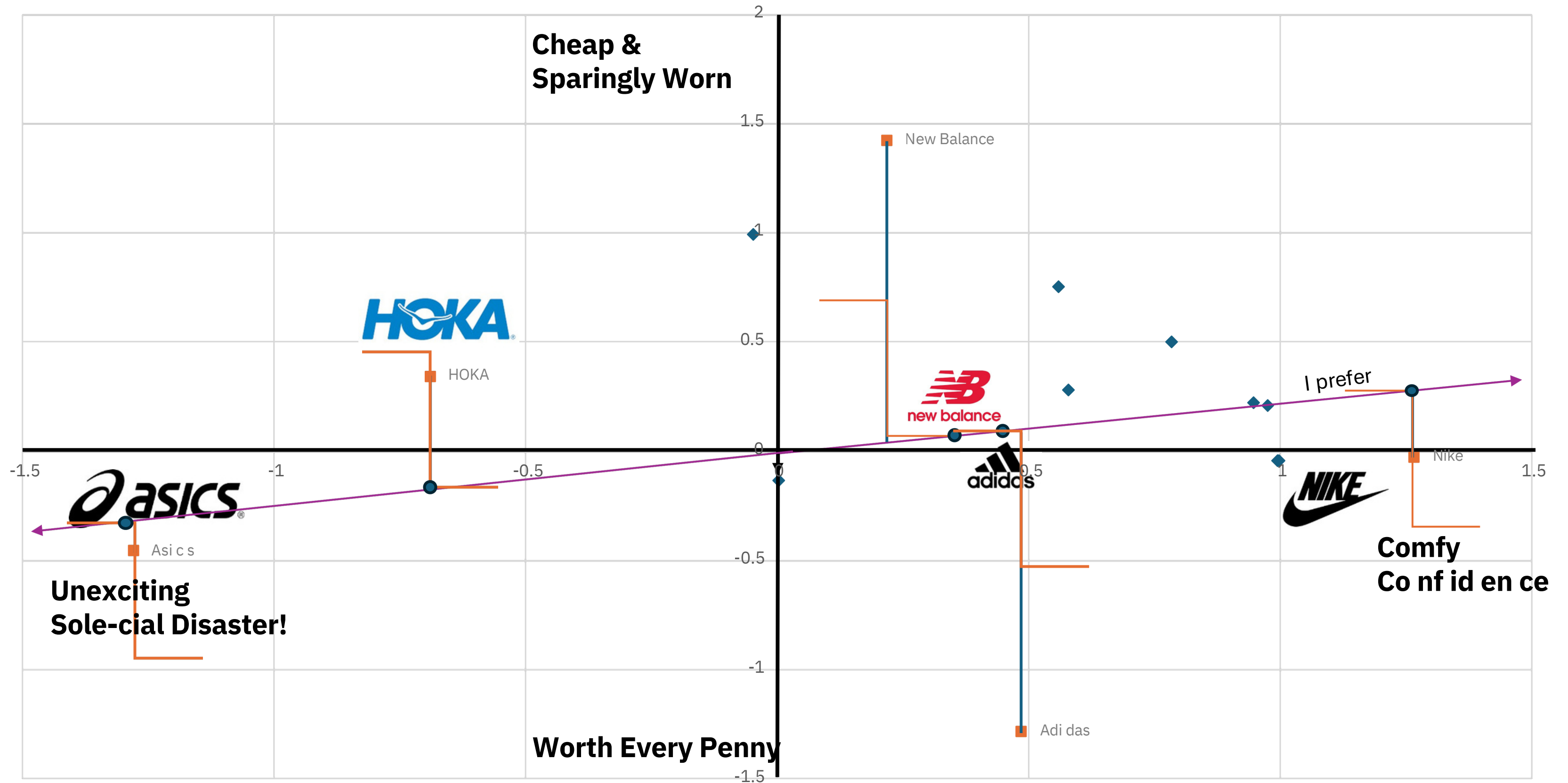
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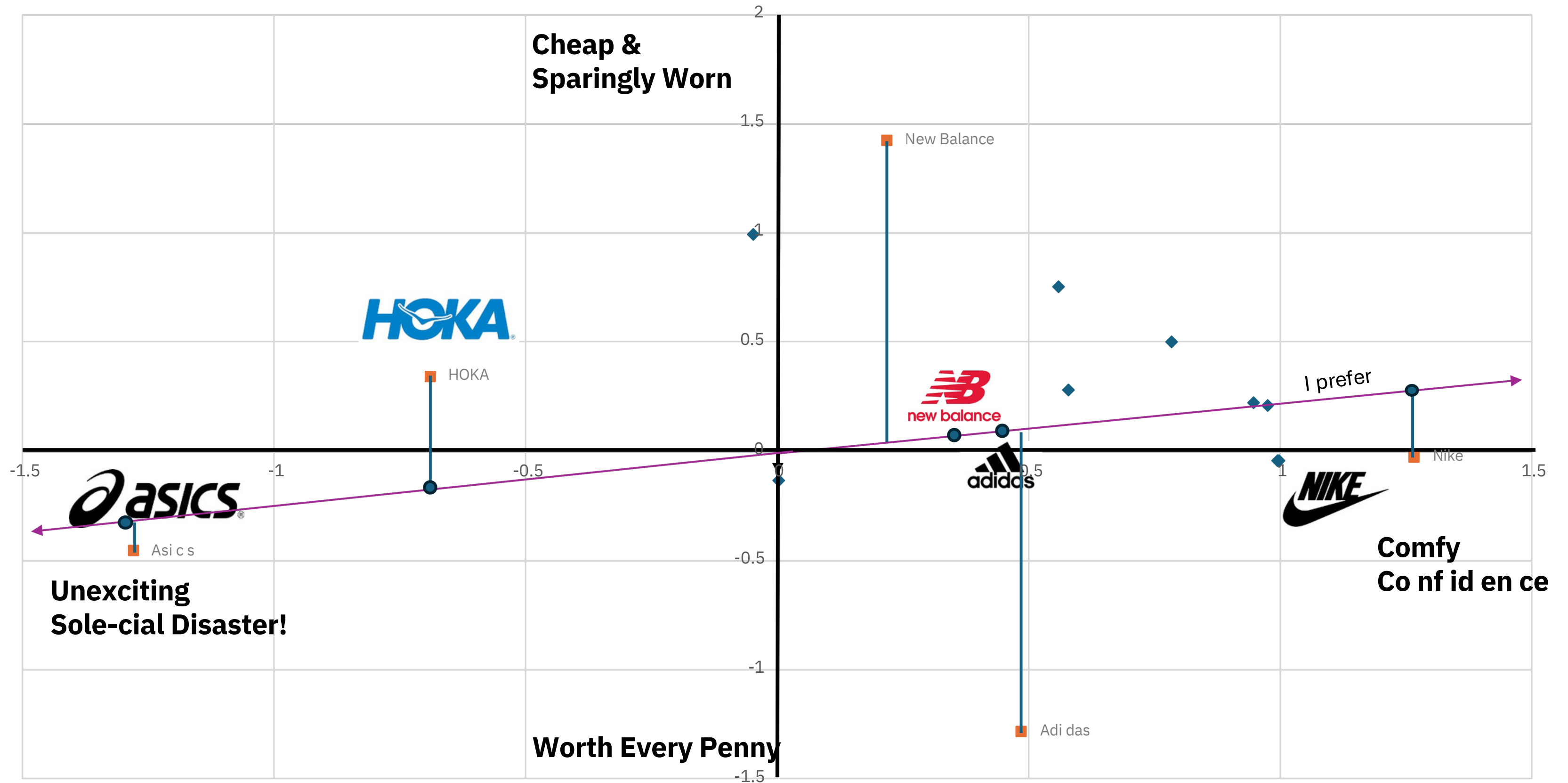
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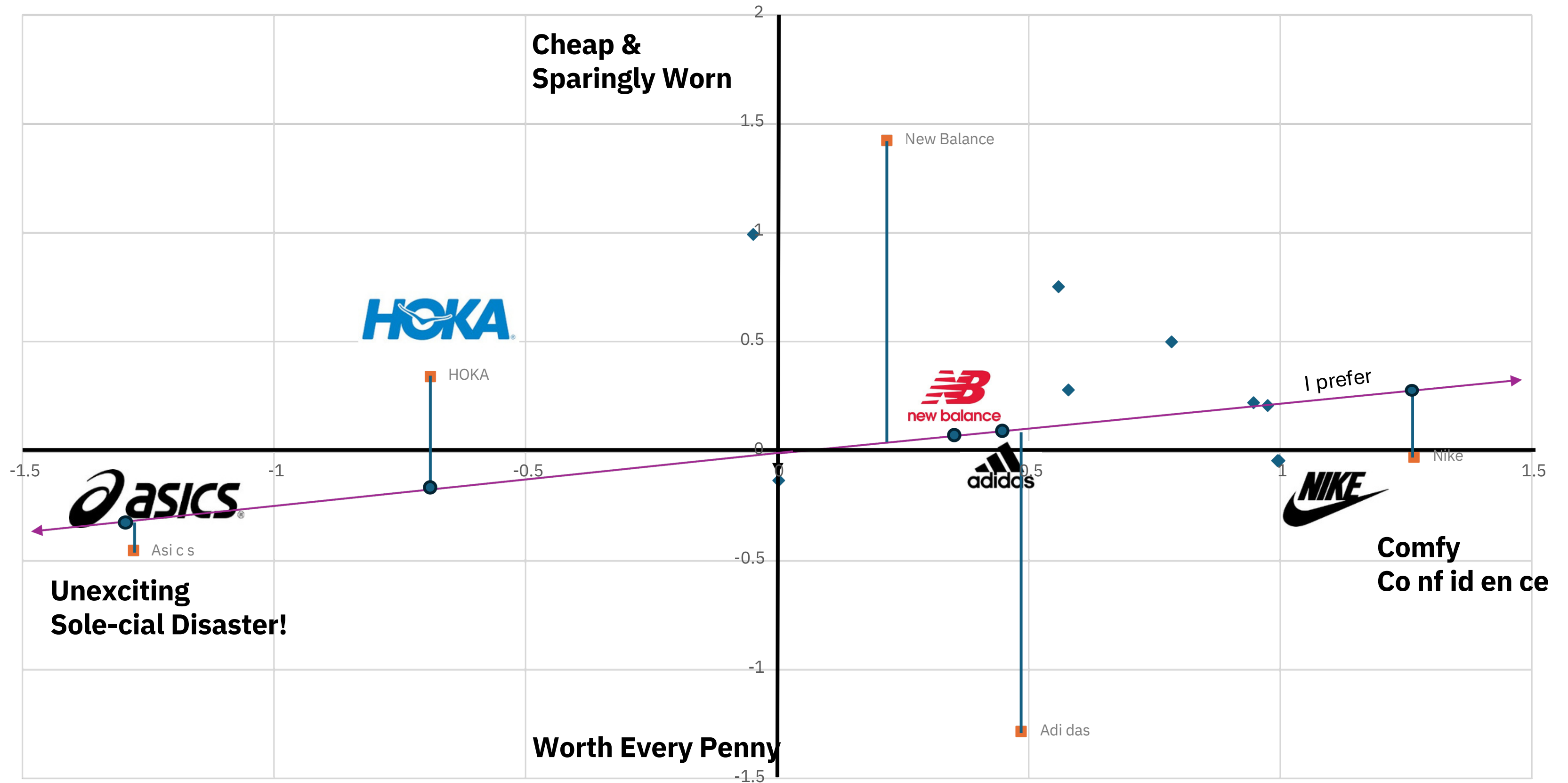
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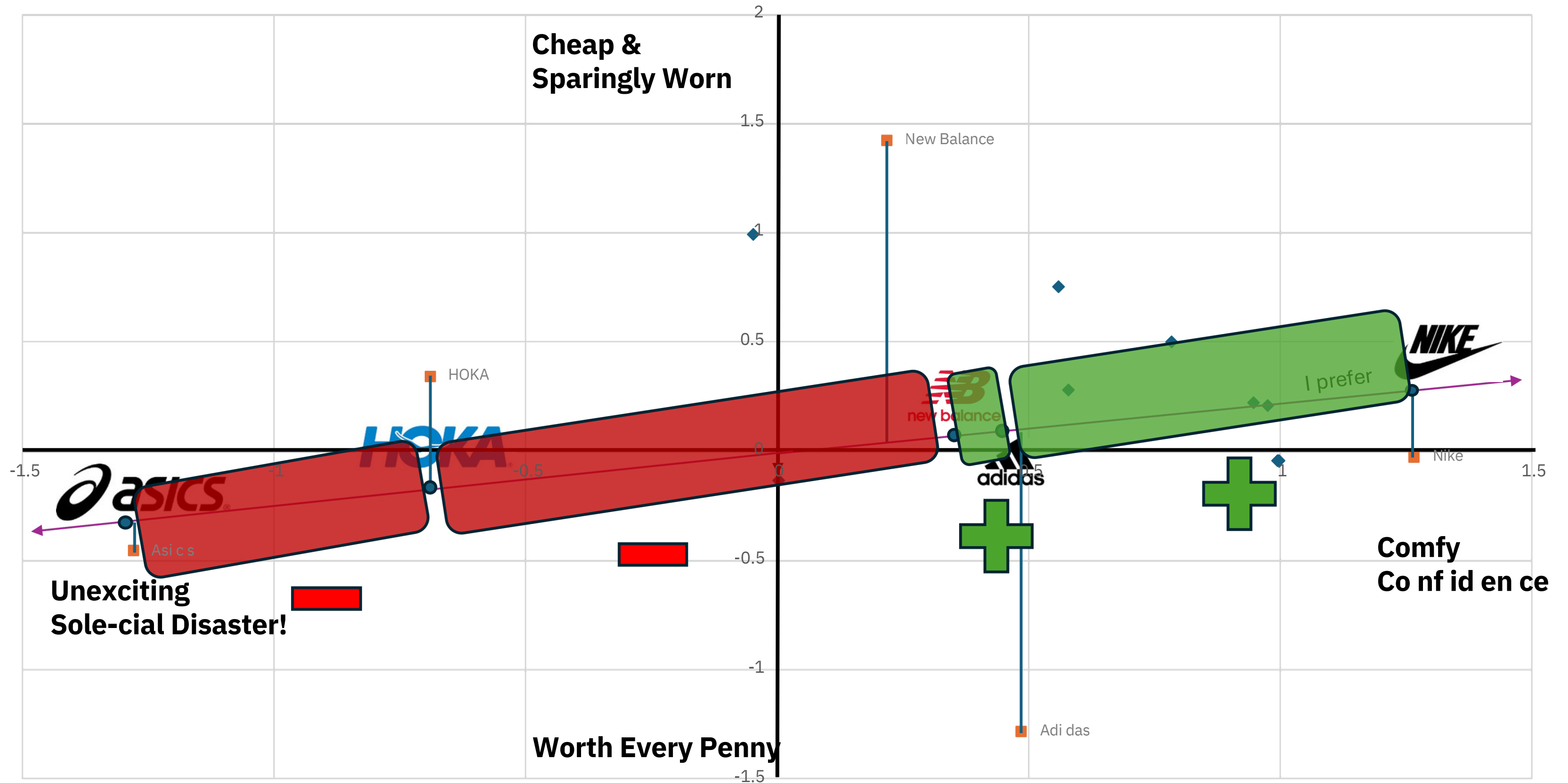
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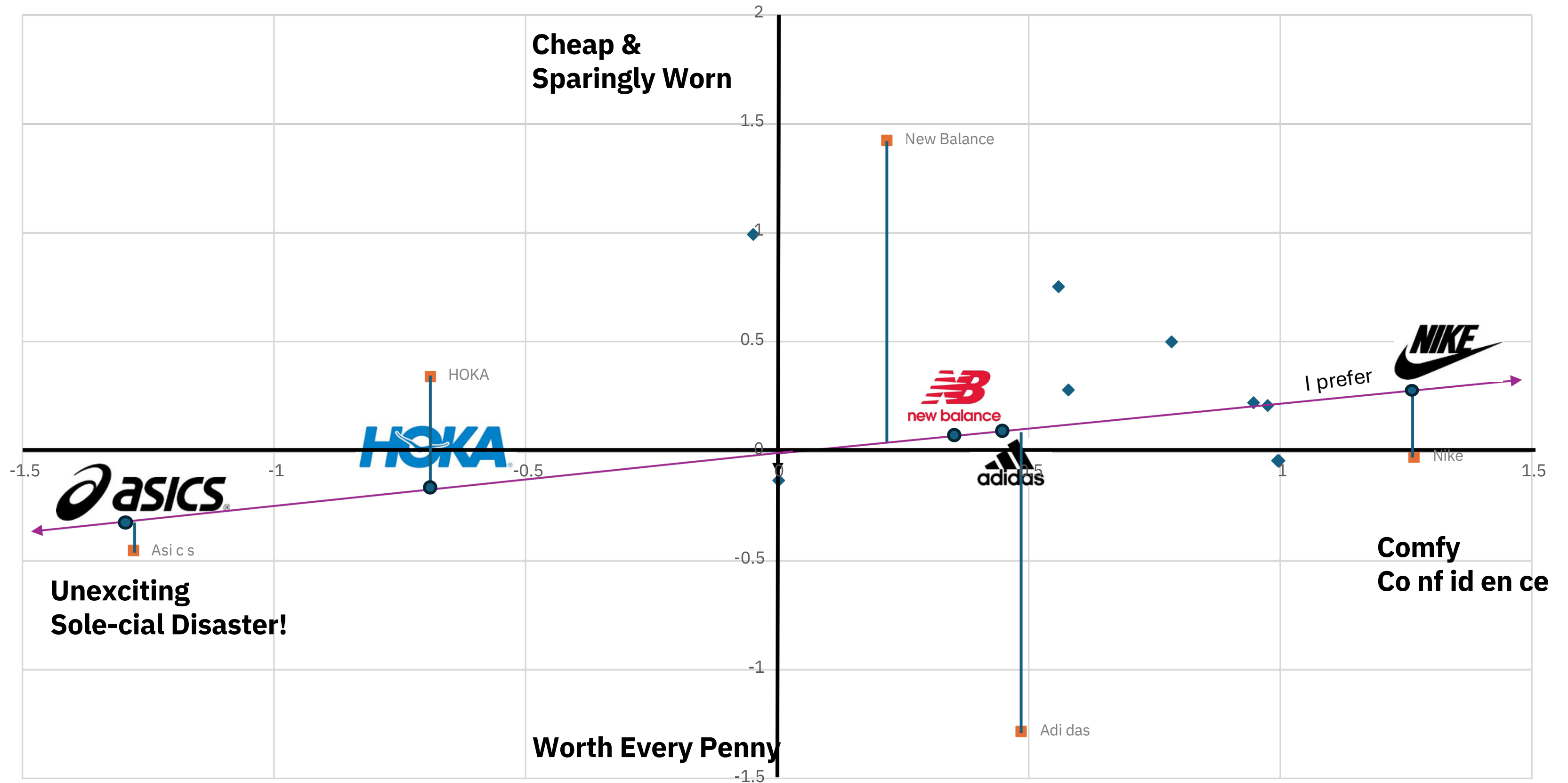
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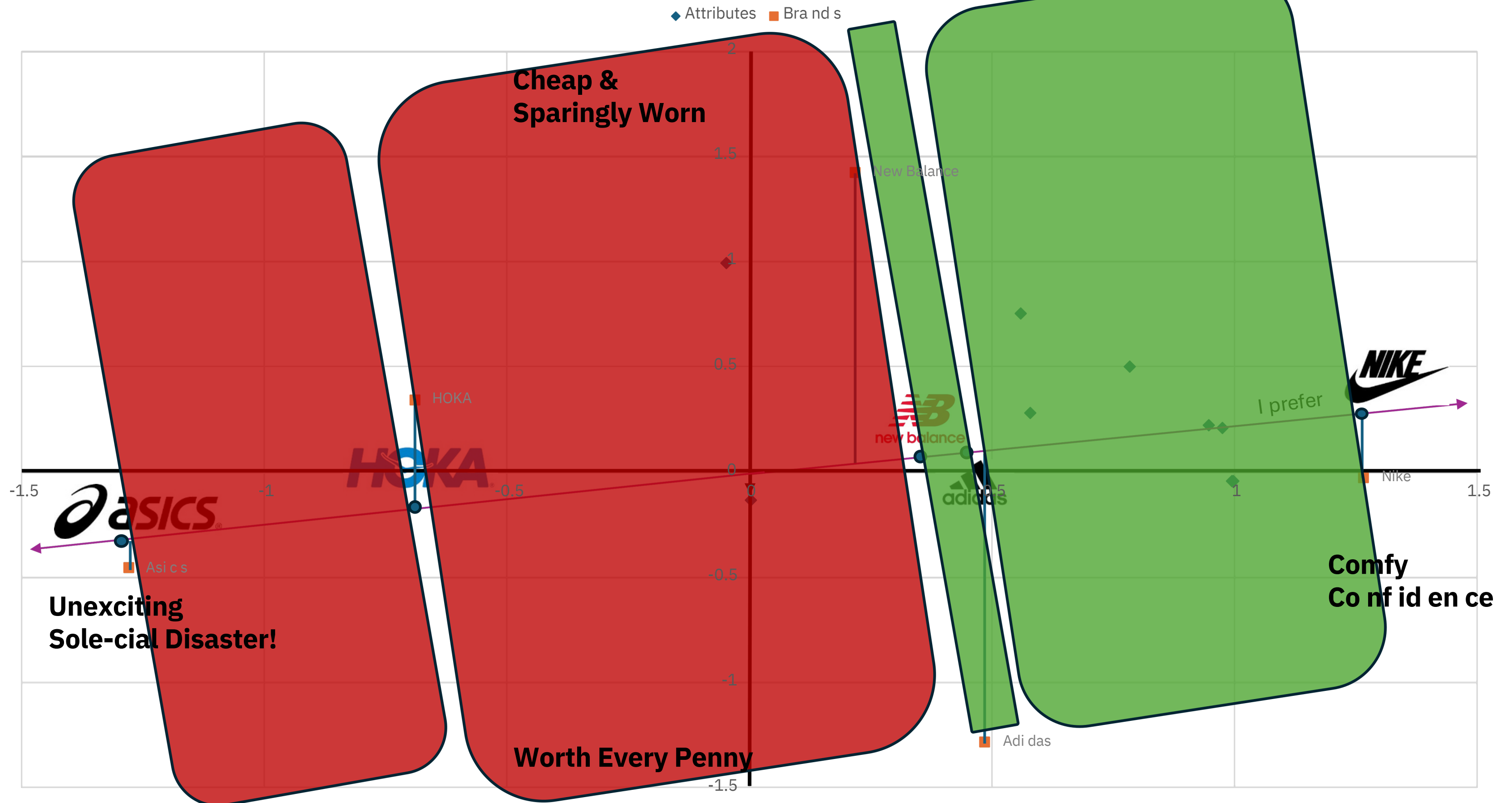


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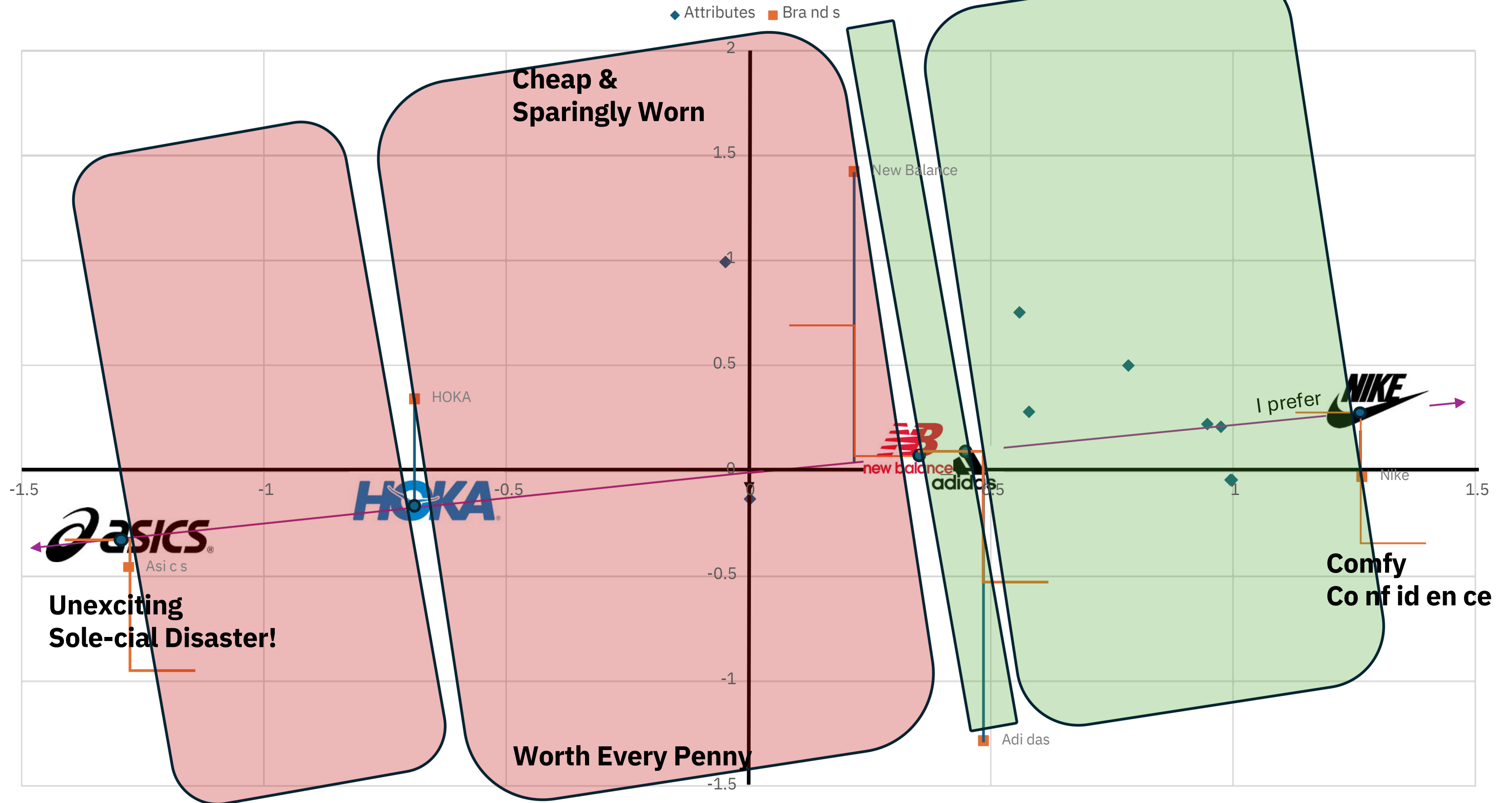
◆ Attributes ■ Brands



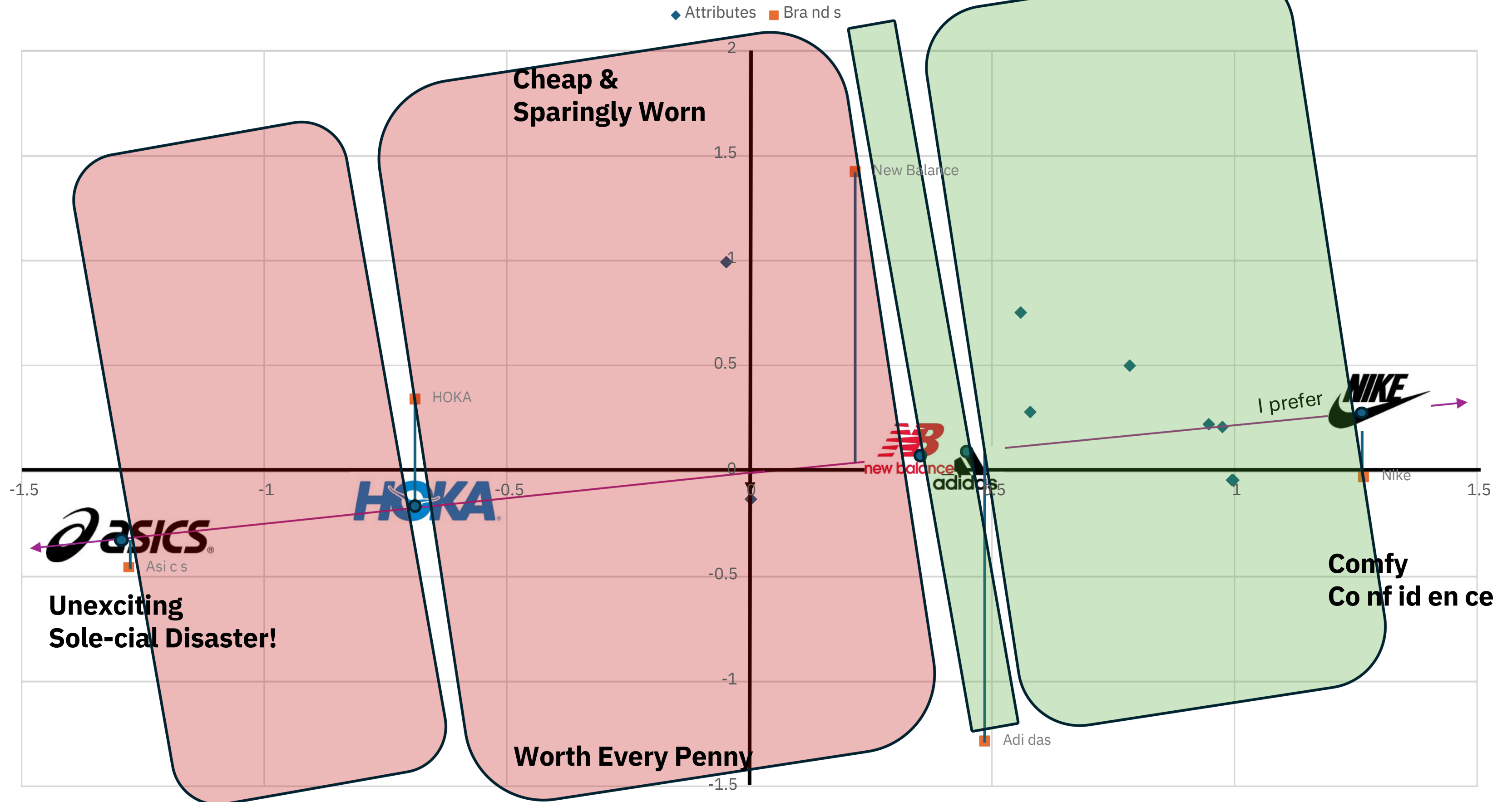
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RUNNING SHOES PERCEPTION MAP

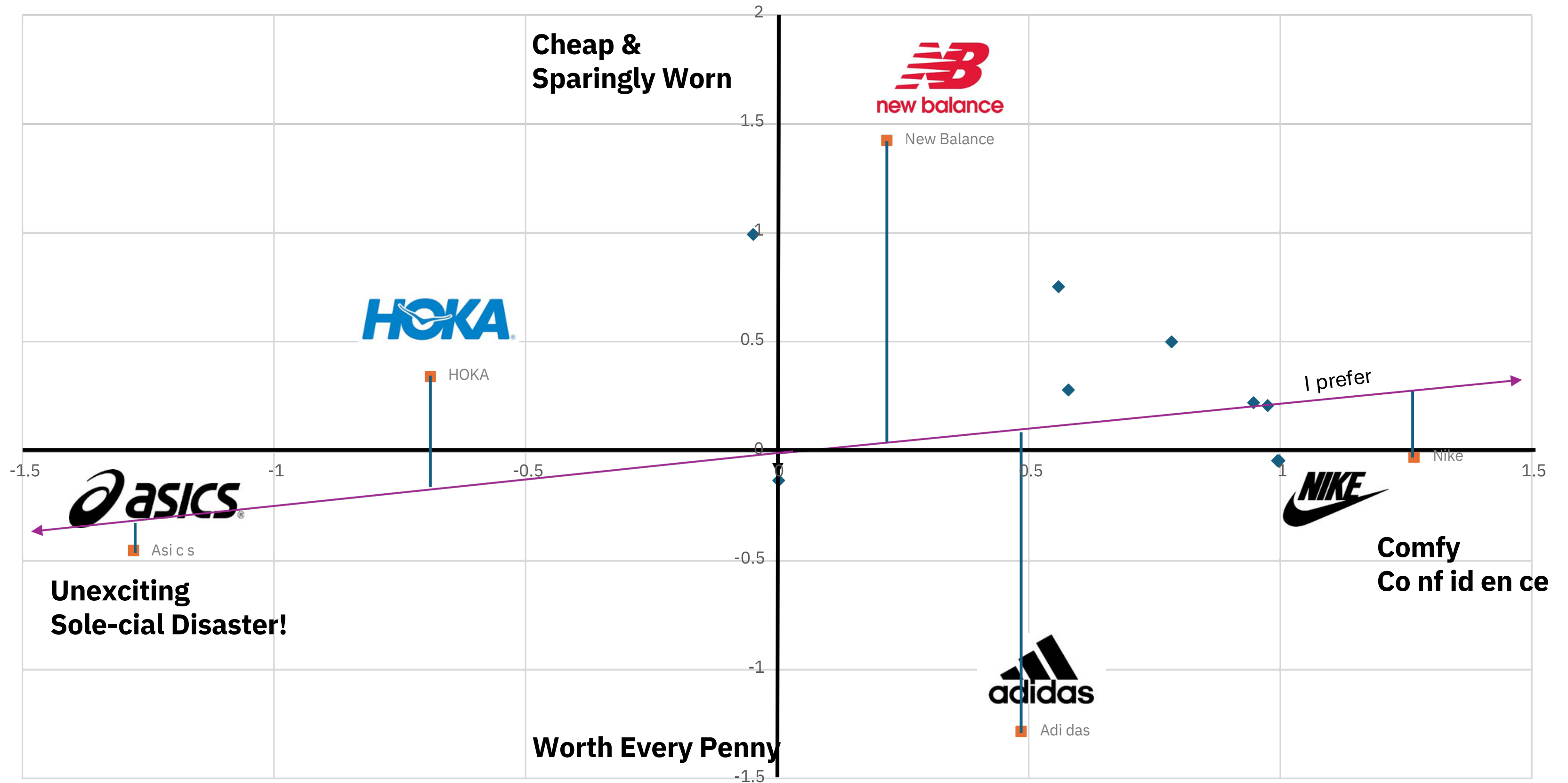


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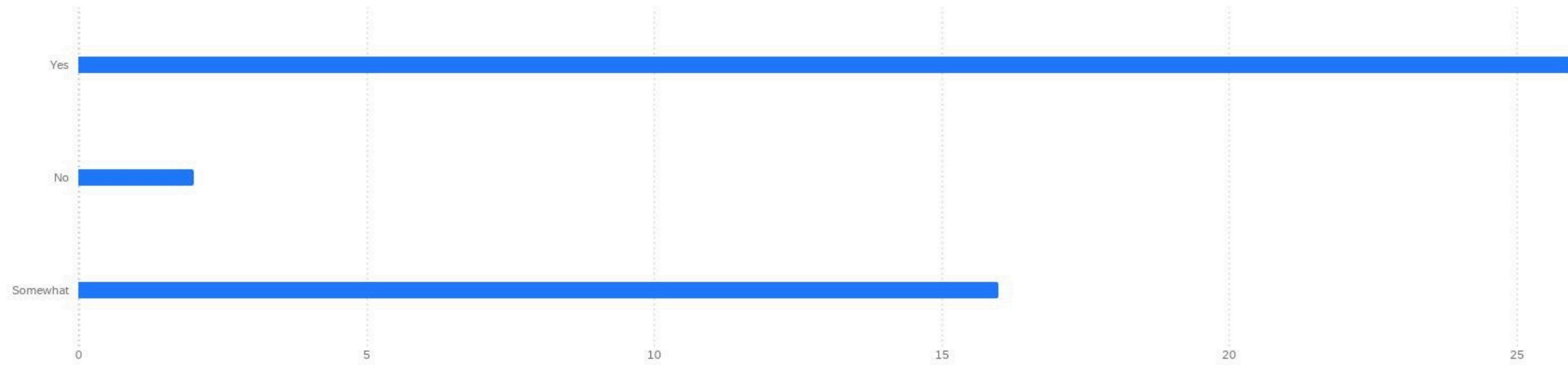


RUNNING SHOES PERCEPTION MAP

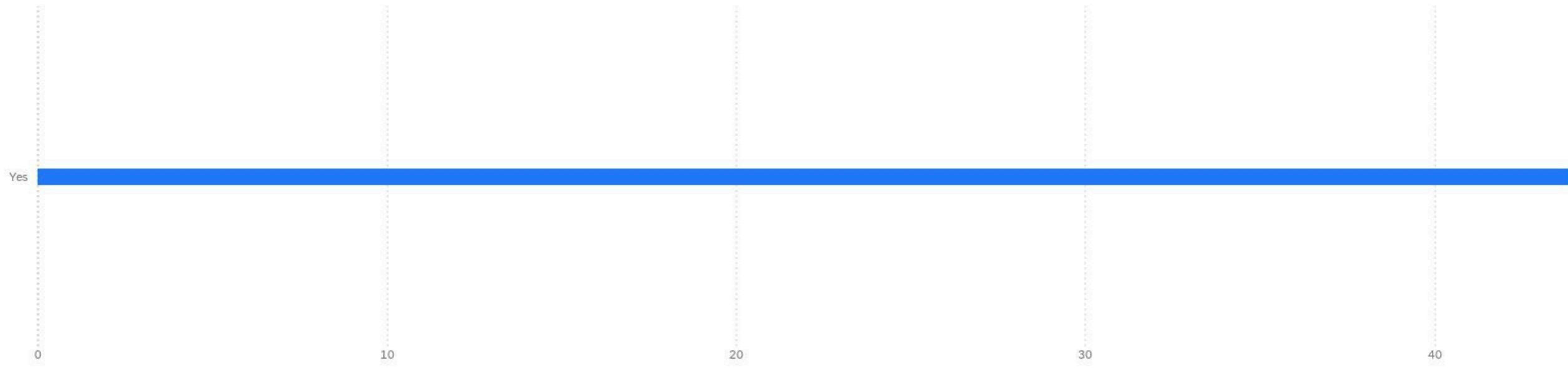
◆ Attributes ■ Brands



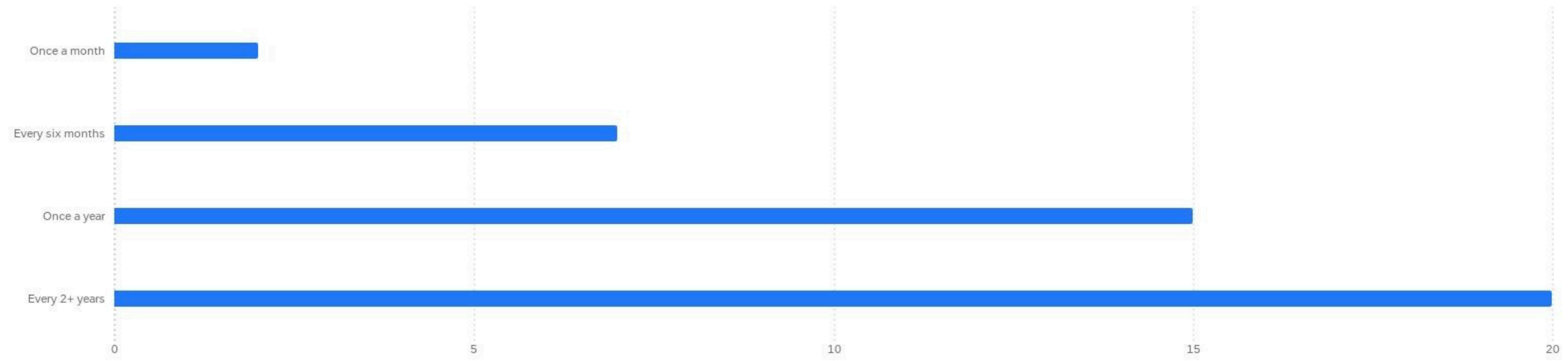
Do you prioritize health and fitness in your personal life? 44 ⓘ



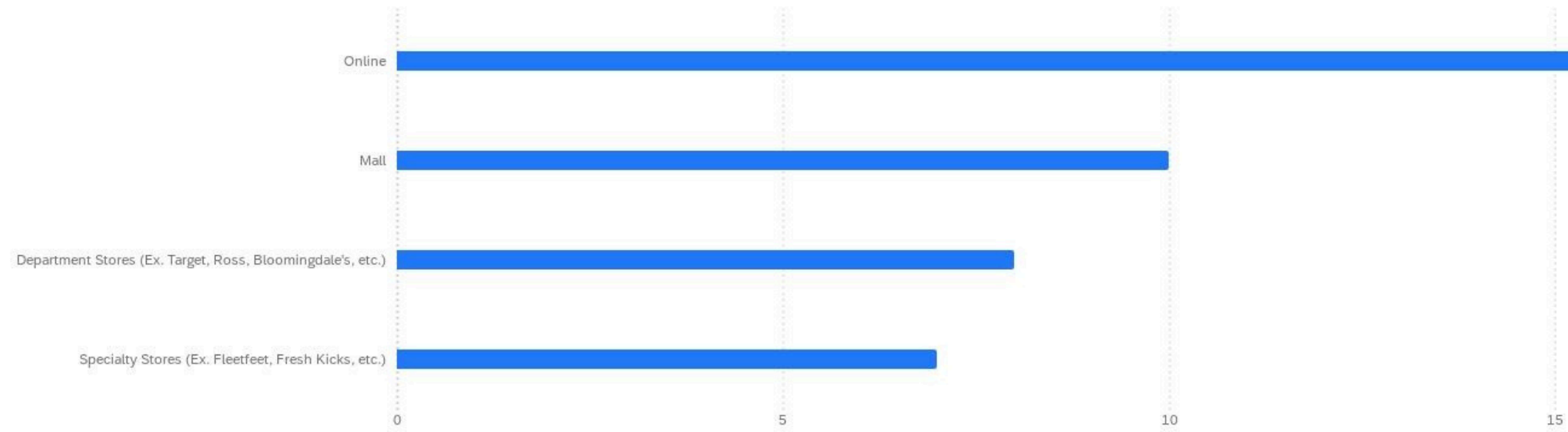
Are you between the ages of (18-25)? 44 ⓘ



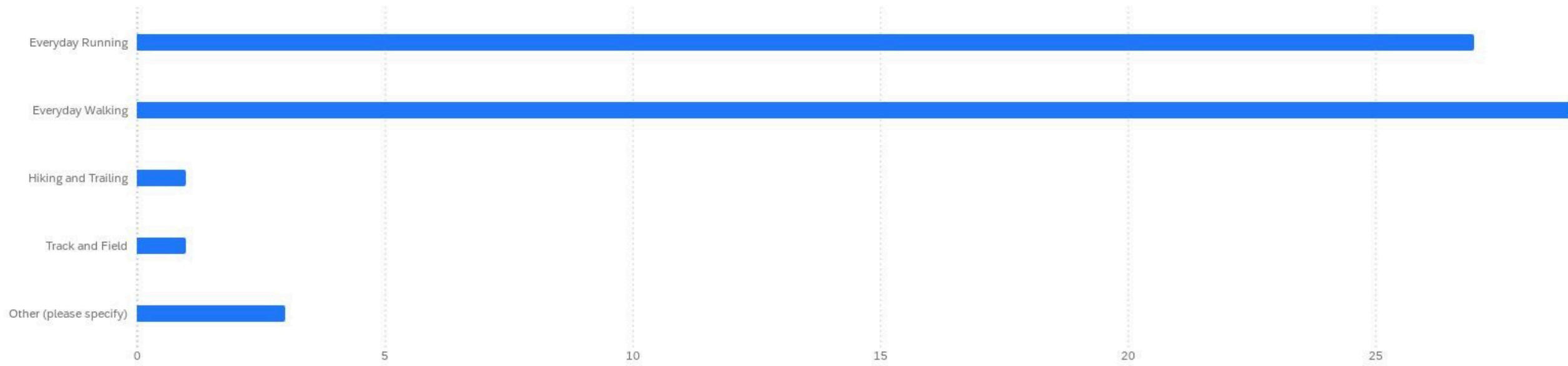
How often do you purchase new running shoes for your lifestyle? (select one) 44 ⓘ



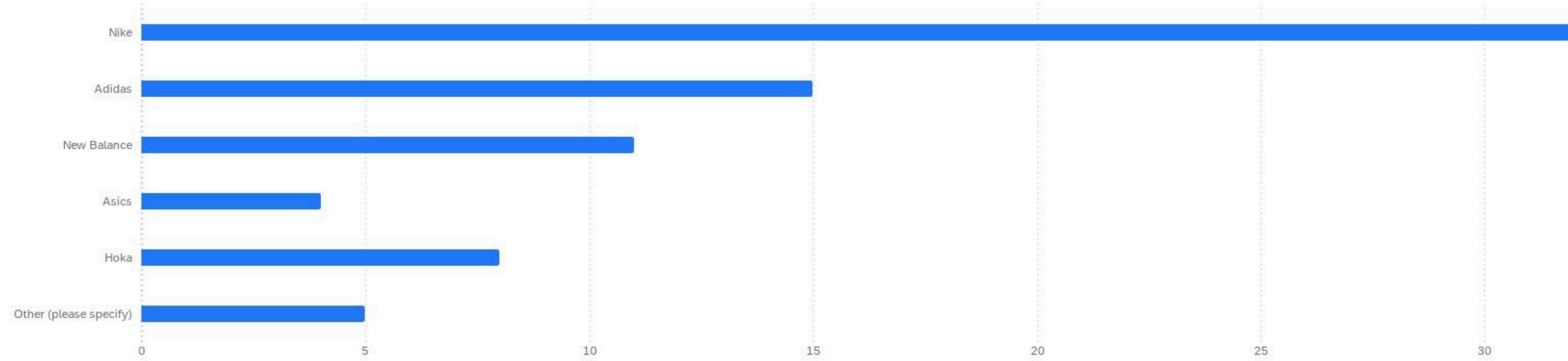
Where do you usually purchase your athletic shoes? (select one) 44 ⓘ



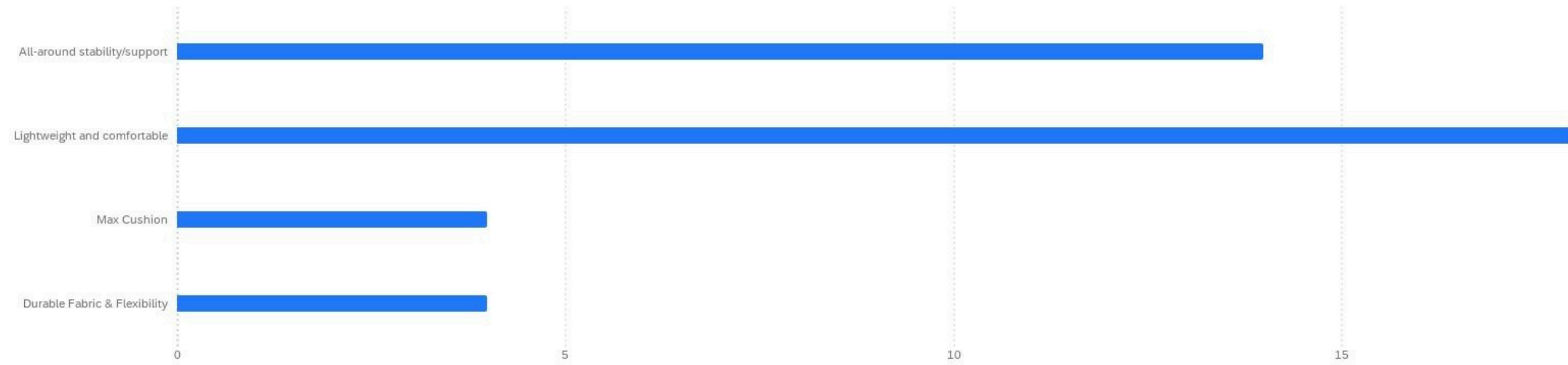
What types of athletic shoes do you usually purchase based on activity? (select all that apply) 40 ⓘ



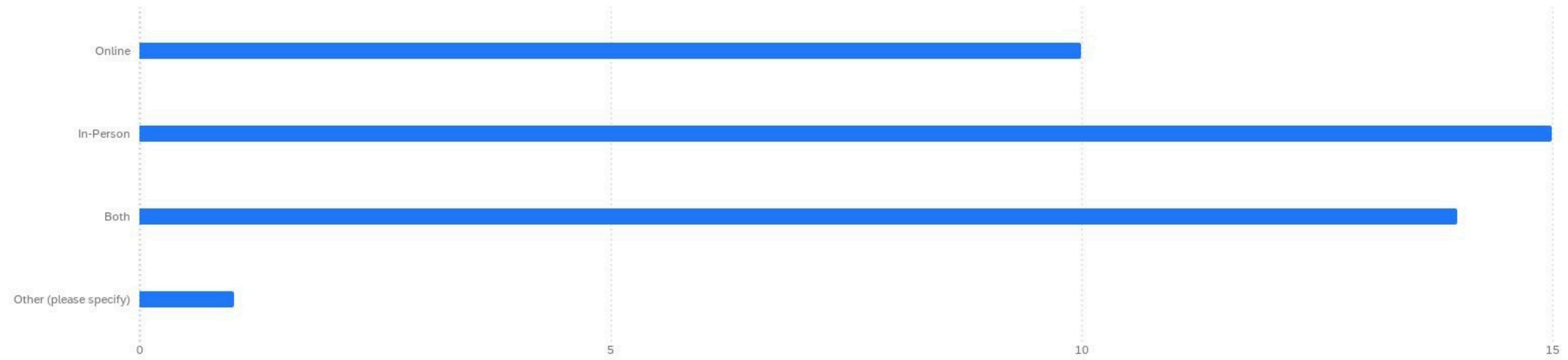
Which brands of athletic shoes do you primarily purchase? (select all that apply) 40 ⓘ



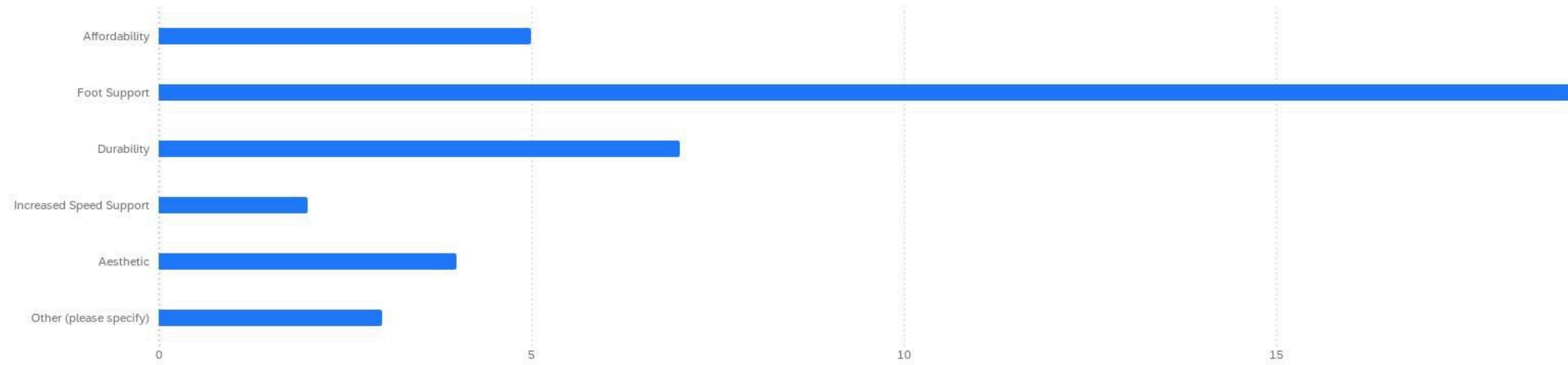
What is your preferred or ideal style of athletic shoe for your lifestyle? (select one) 40 ⓘ



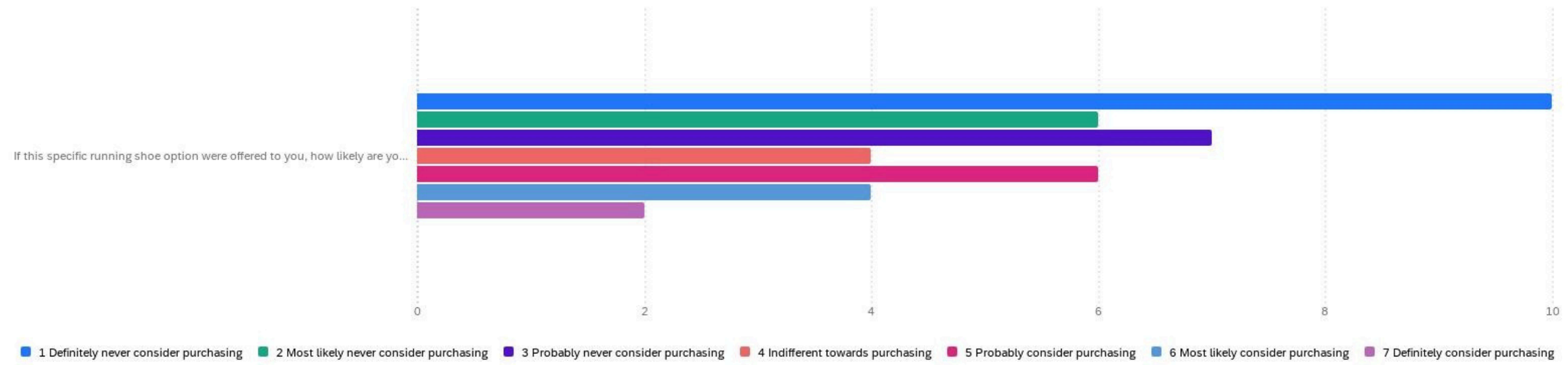
Do you prefer to research products online before buying them in-store, or vice versa? 40 ⓘ



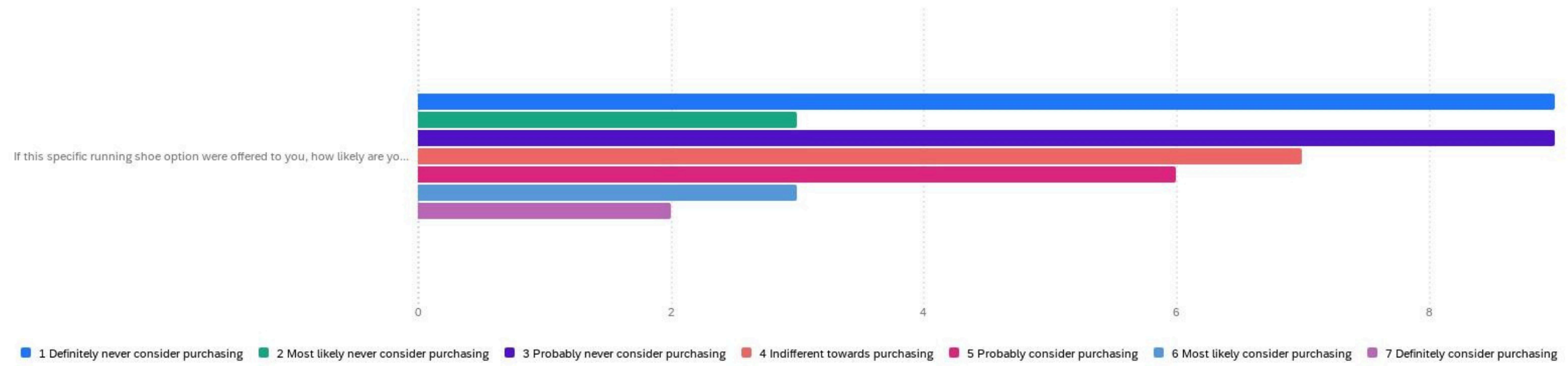
What is the most important factor when choosing an athletic shoe? 40 ⓘ



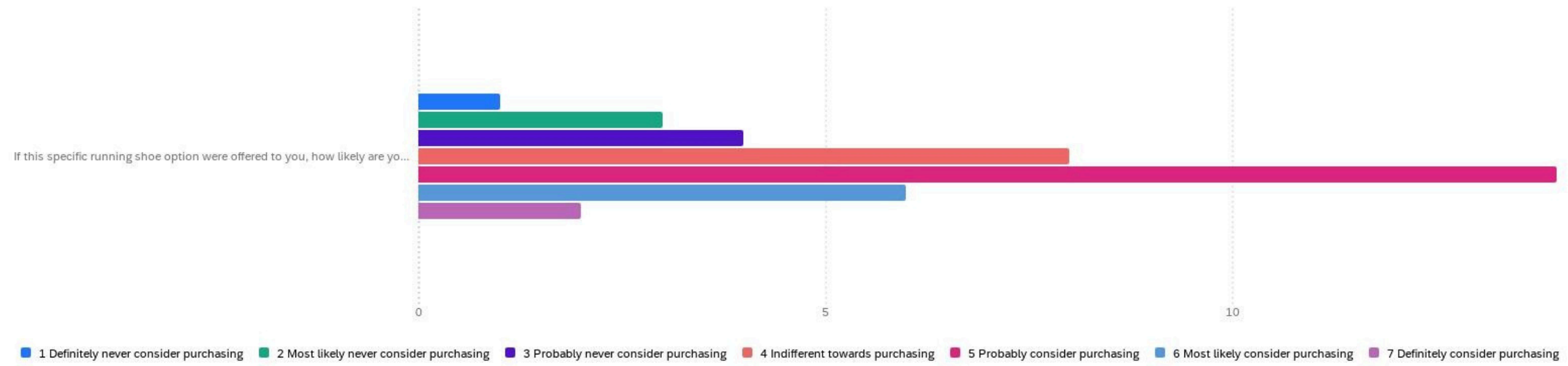
If this specific running shoe option were offered to you, how likely are you to purchase it? 39 ⓘ



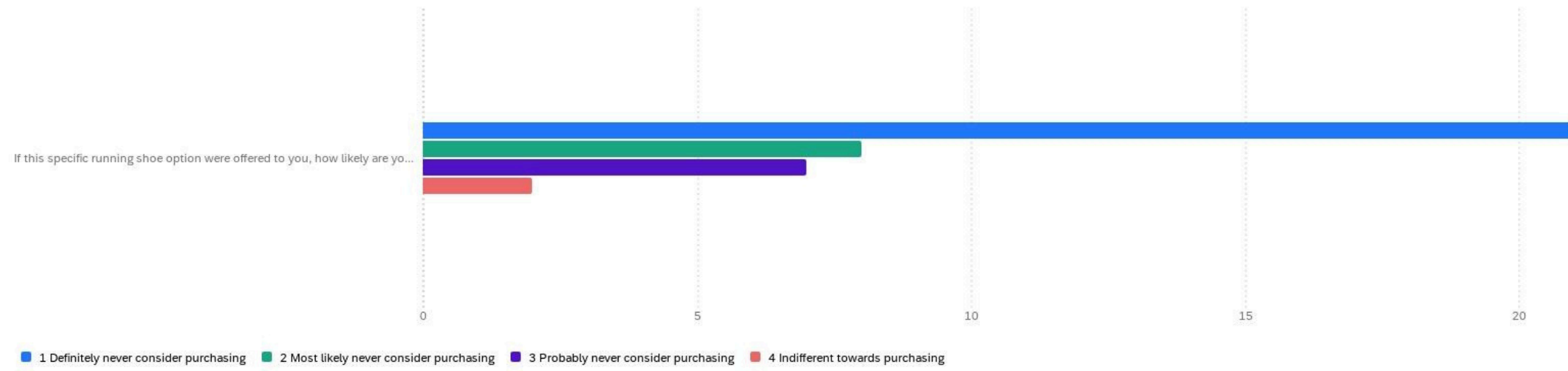
If this specific running shoe option were offered to you, how likely are you to purchase it? 39 ⓘ



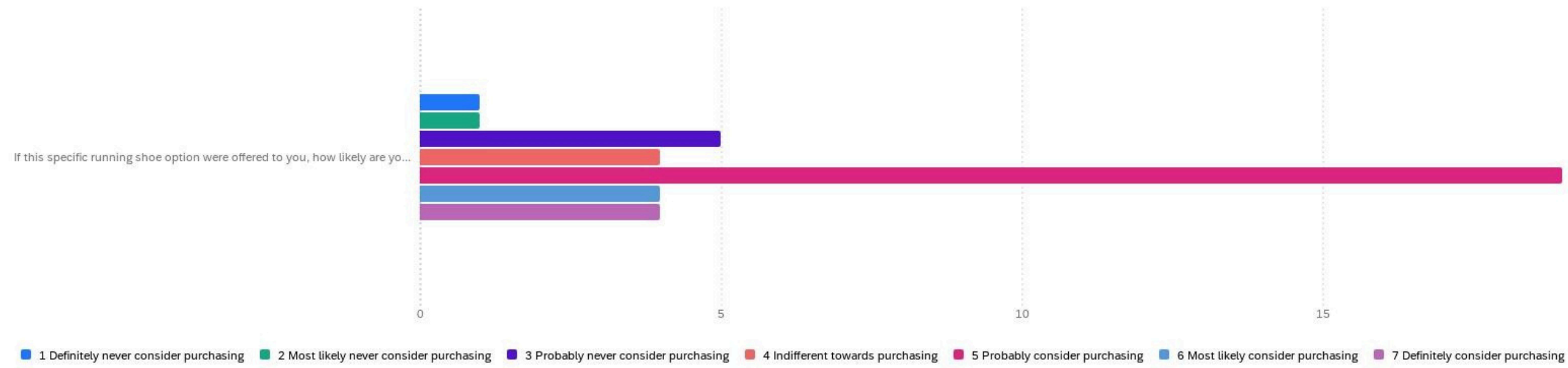
If this specific running shoe option were offered to you, how likely are you to purchase it? 38 ⓘ



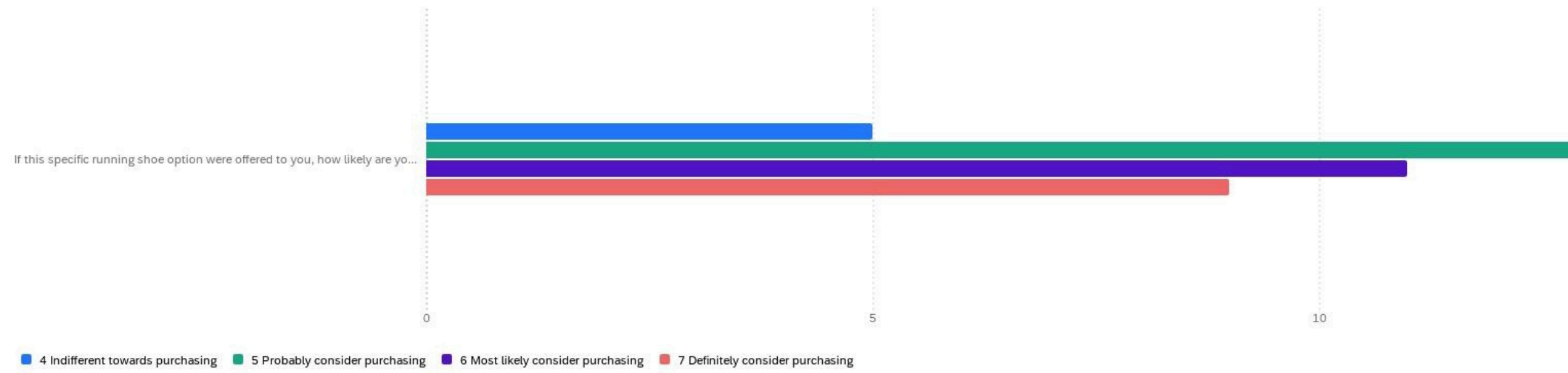
If this specific running shoe option were offered to you, how likely are you to purchase it? 38 ⓘ



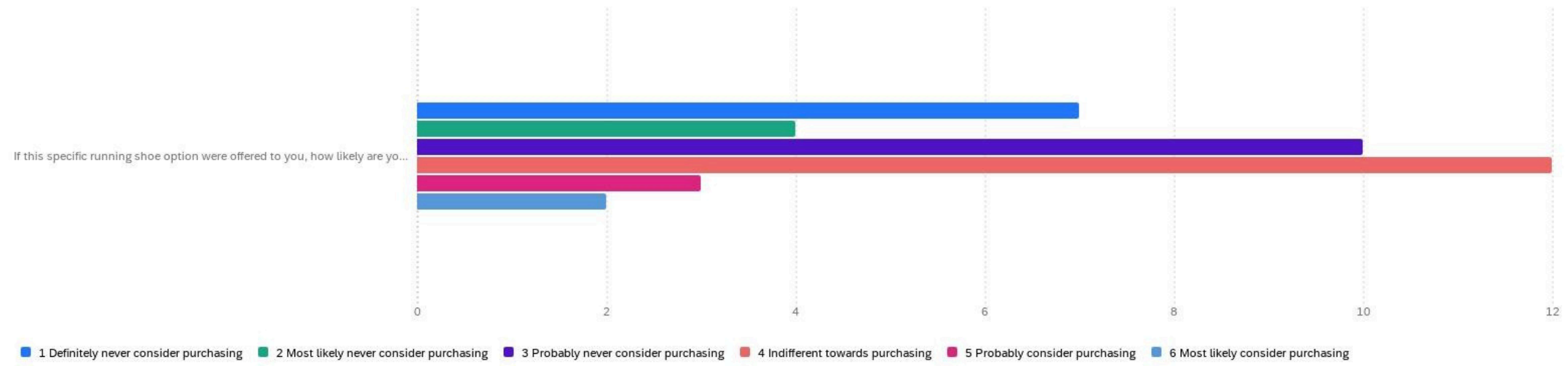
If this specific running shoe option were offered to you, how likely are you to purchase it? 38 ⓘ



If this specific running shoe were offered to you, how likely are you to purchase it? 38 ⓘ



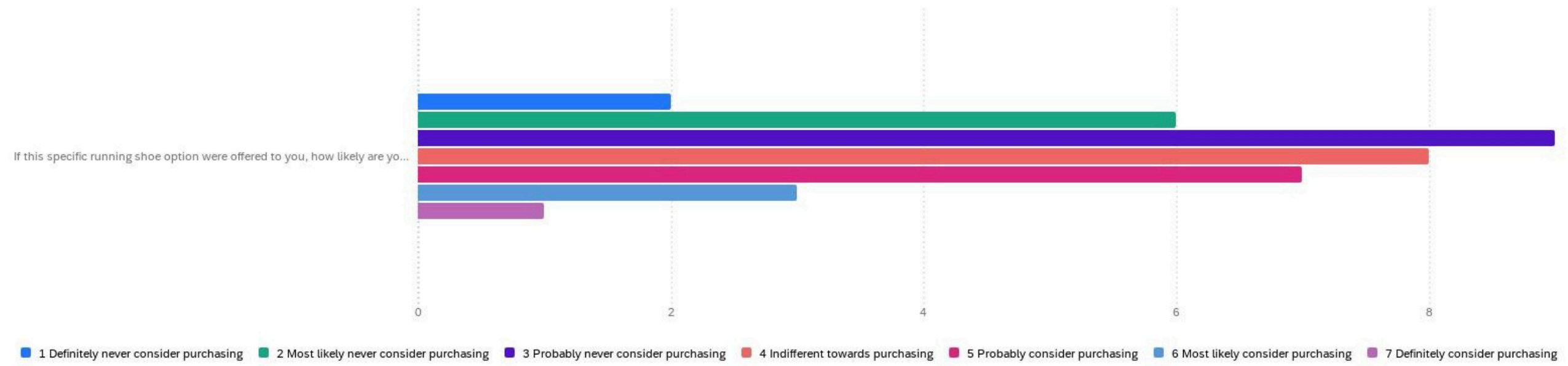
If this specific running shoe option were offered to you, how likely are you to purchase it? 38 ⓘ



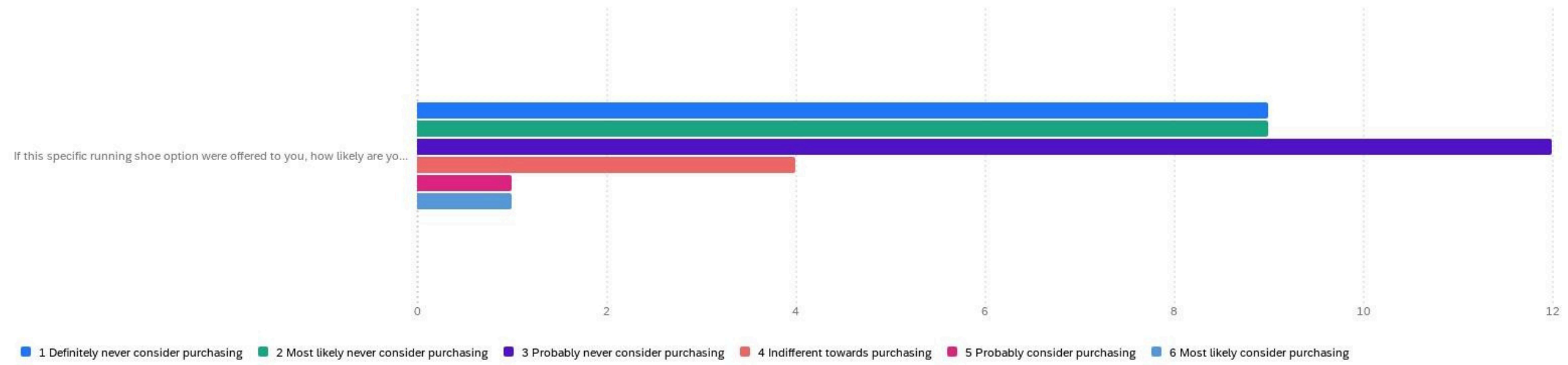
If this specific running shoe option were offered to you, how likely are you to purchase it? 38 ⓘ



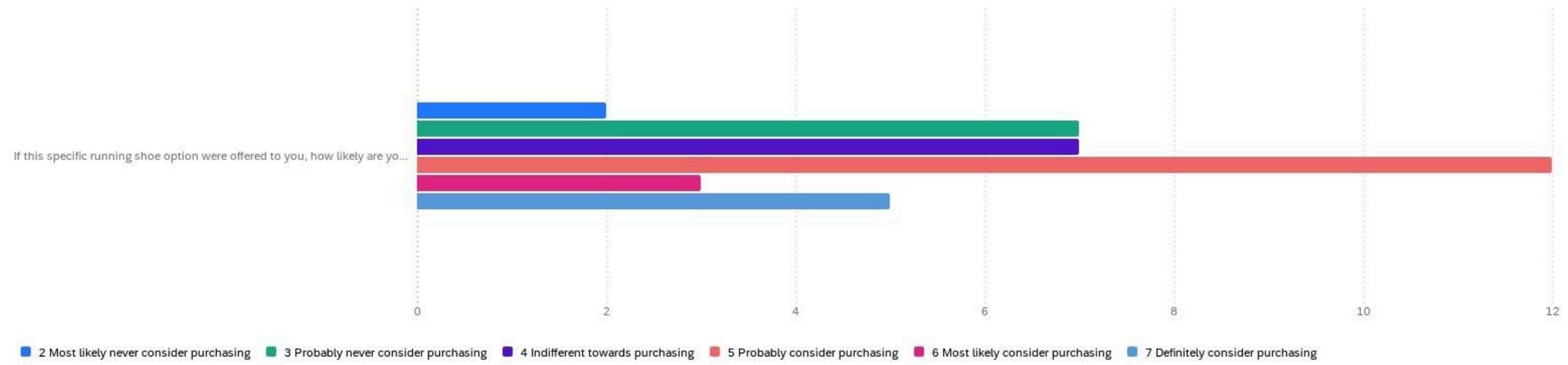
If this specific running shoe option were offered to you, how likely are you to purchase it? 36 ⓘ



If this specific running shoe were offered to you, how likely are you to purchase it? 36 ⓘ



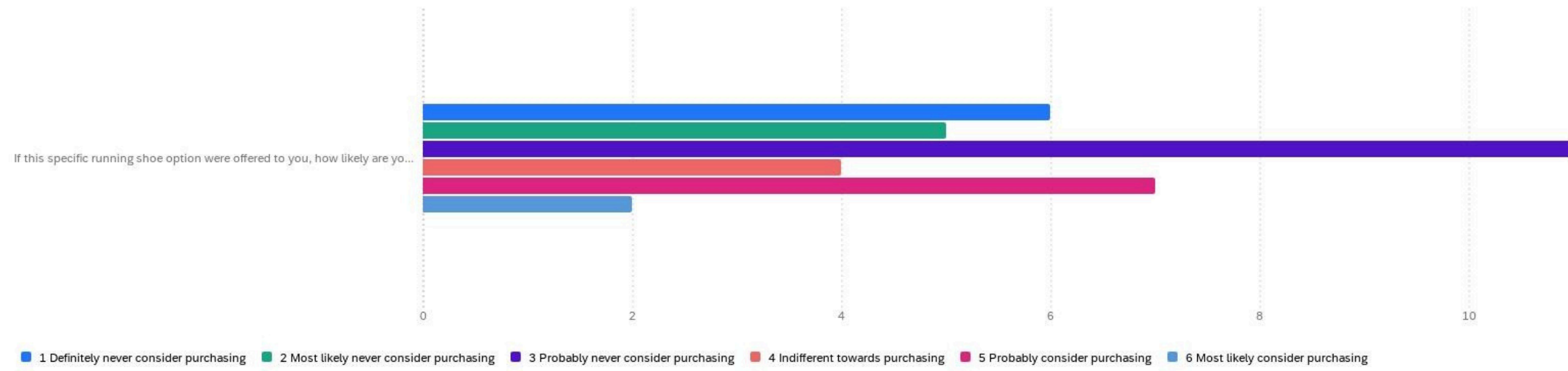
If this specific running shoe were offered to you, how likely are you to purchase it? 36 ⓘ



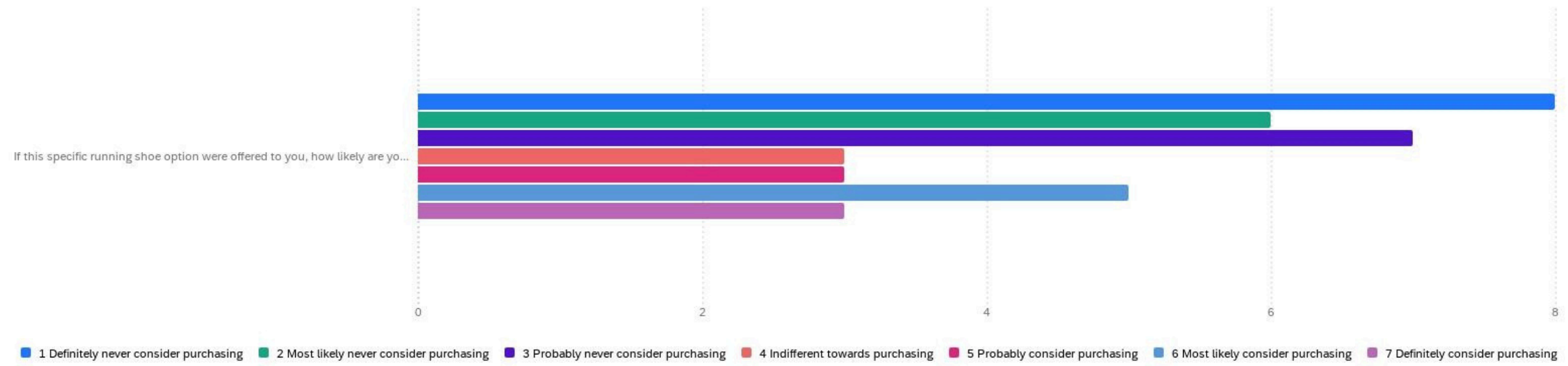
If this specific running shoe were offered to you, how likely are you to purchase it? 36 ⓘ



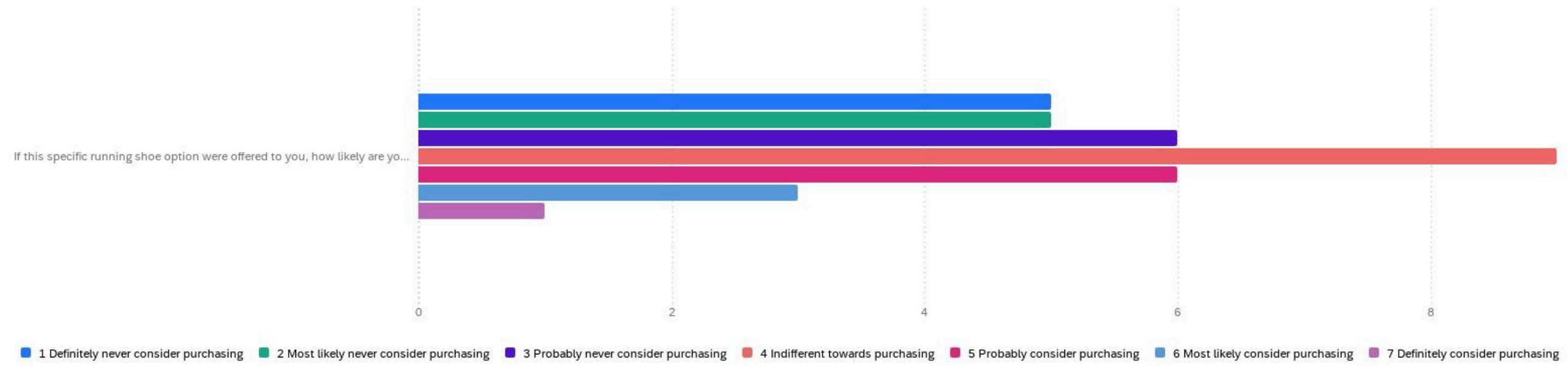
If this specific running shoe were offered to you, how likely are you to purchase it? 35 ⓘ



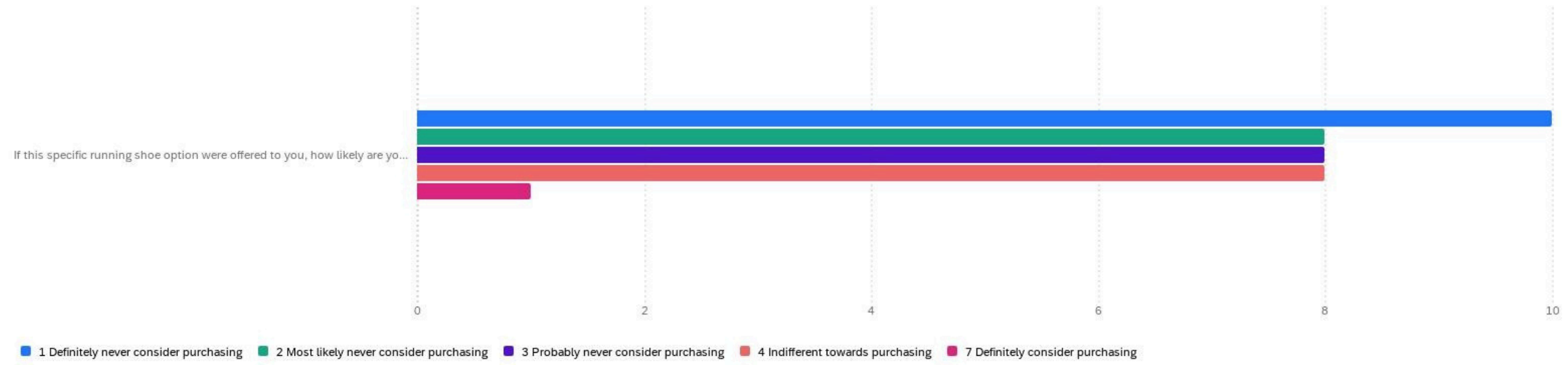
If this specific running shoe were offered to you, how likely are you to purchase it? 35 ⓘ



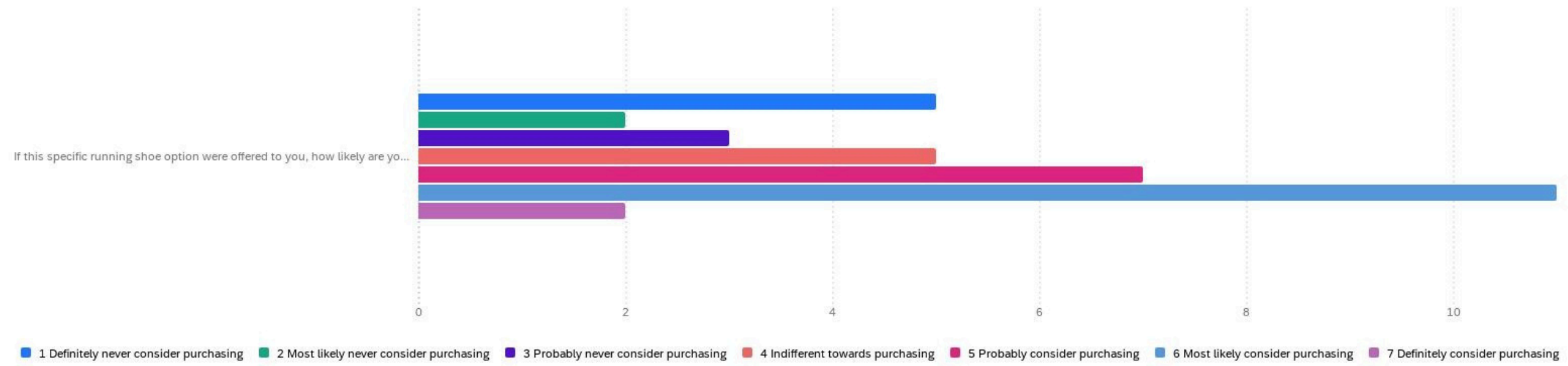
If this specific running shoe were offered to you, how likely are you to purchase it? 35 ⓘ



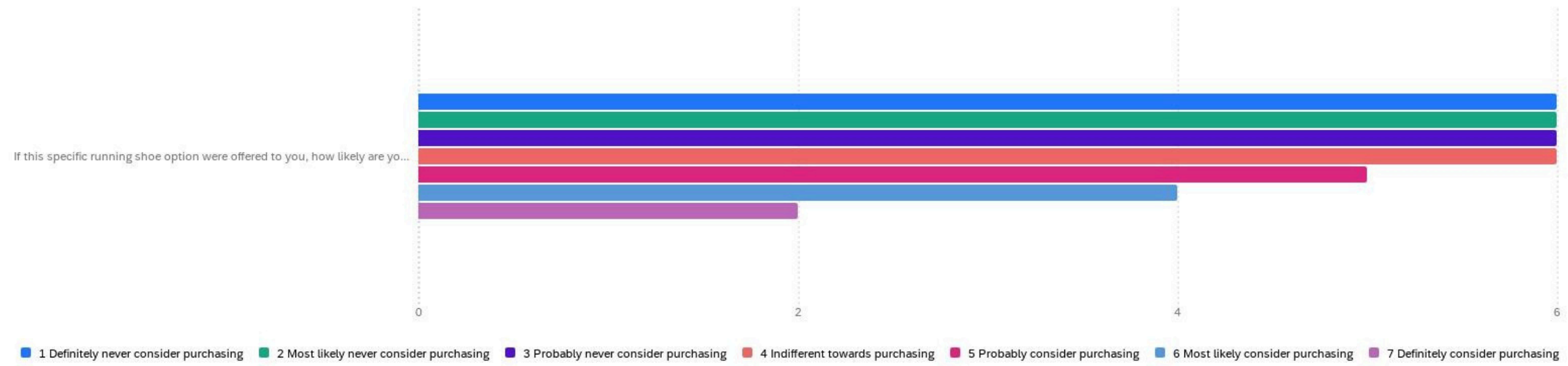
If this specific running shoe were offered to you, how likely are you to purchase it? 35 ⓘ



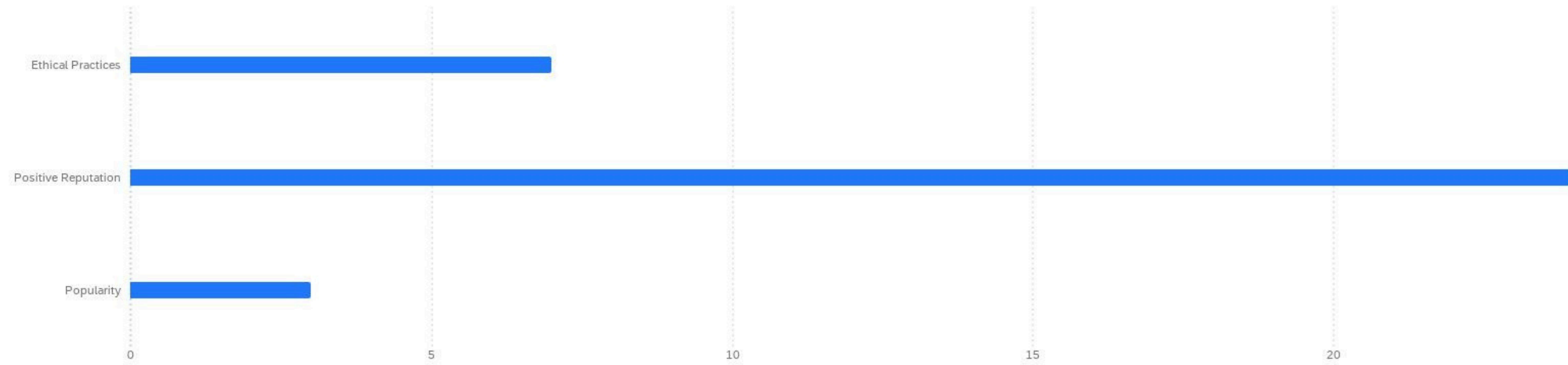
If this specific running shoe were offered to you, how likely are you to purchase it? 35 ⓘ



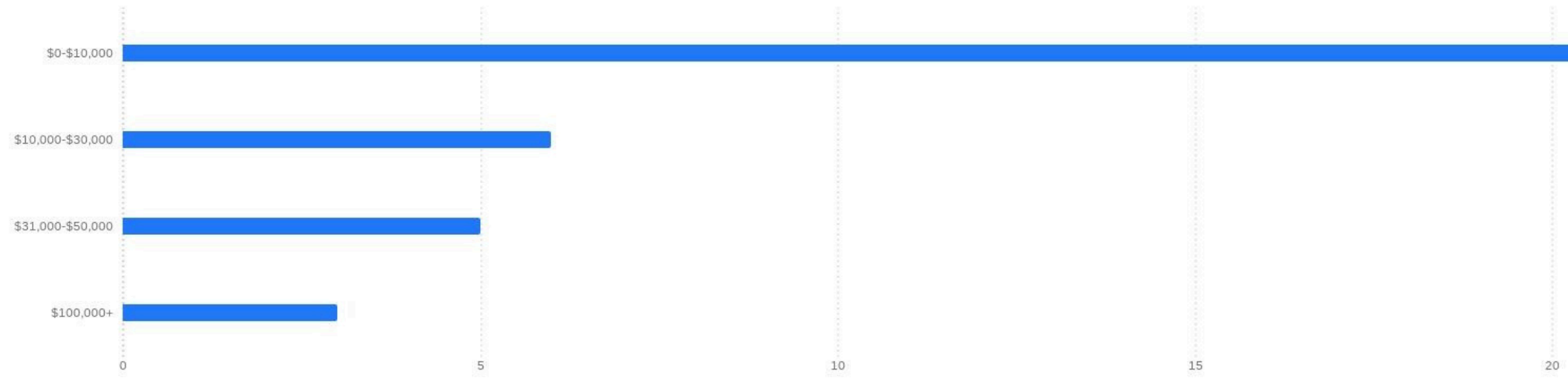
If this specific running shoe were offered to you, how likely are you to purchase it? 35 ⓘ



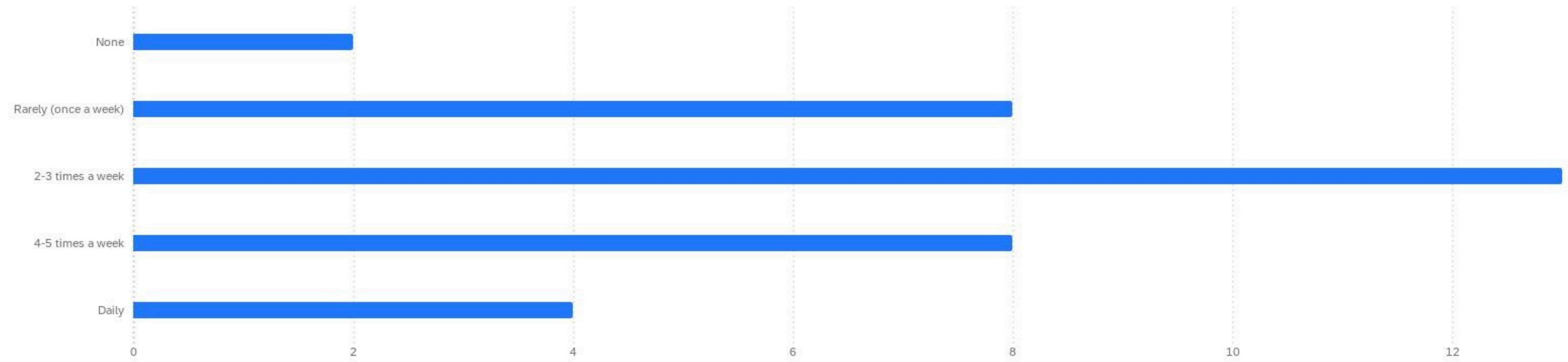
What do you care most about in brand identity? 34 ⓘ



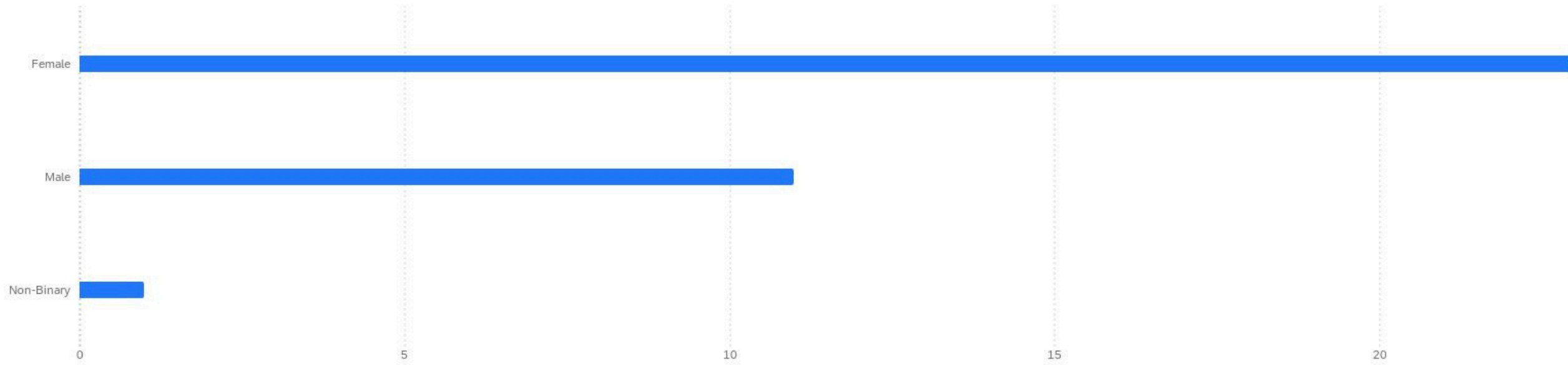
What is your average annual income?(select one) 35 ⓘ



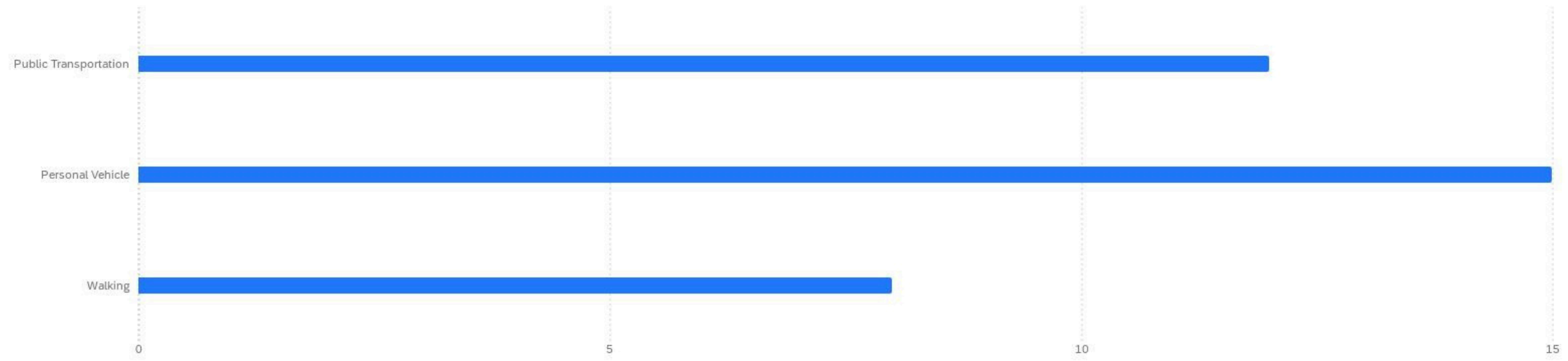
How often do you engage in physical activity in a typical month? 35 ⓘ



What is your gender? (select one) 35 ⓘ



What form of transportation do you use the most? 35 ⓘ



	US
Price	\$100, .57
Point of Purchase	Department Store, .30
Comfort Level	Medium Cushion, .19
Brand Identity	High Durability & Endurance, .24
Investment Impact	2+ Year Life span, 0.24
Shoe Features	Breathable Mesh, 0.24
Style	Simple and Minimalistic Design, .24
	Total TPU: 2.02
	Market Share: 28%

		COMPETITOR #1	#2	#3
	Price	\$50, .52	\$250, .24	\$100, .57
	Point of Purchase	Department Store, .30	Specialty Store, .24	Online, .31
	Comfort Level	Medium Cushion, .19	High Cushion, .24	Low Cushion, .09
	Brand Identity	High Durability & Endurance, 0.24	Everyday Lifestyle Reliability, 0.26	Athletic & Performance Driven, 0.2
	Investment Impact	2+ Year Lifespan, 0.24	1- Year Lifespan, 0.15	6-month Lifespan, 0.00
	Shoe Features	Ankle Stability Support, 0.24	Breathable Mesh, 0.24	High Arch Support, 0.26
	Style	High Energy Vibrant Colours, 0.17	Simple and Minimalistic Design, 0.24	High Energy Vibrant Colours, 0.1
		Total TPU: 1.9	Total TPU: 1.61	Total TPU: 1.63
	Market Share	26.54%	22.49%	22.77%

	Best	Worst
Price	\$100, .57	\$250, 0.24
Point of Purchase	Online, 0.31	Specialty Store, 0.24
Comfort Level	High Cushion, 0.24	Low Cushion, 0.09
Brand Identity	Everyday Lifestyle Reliability, 0.26	Everyday Lifestyle Reliability, 0.26
Investment Impact	2+ Year Lifespan, 0.24	6-month Lifespan, 0.00
Shoe Features	High Arch Support, 0.26	Breathable Mesh, 0.24
Style	High Energy Vibrant Colours, 0.17	High Energy Vibrant Colours, 0.17
	Total TPU: 2.12	Total TPU: 1.21

Conjoint Utility Value

