Adidas:
Patriotic Sentiment and Consumer Boycott Campaign in China

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EXECUTIVE SUMMARY

Following their support of the Better Cotton Initiative (BCI), Adidas released a statement to all their suppliers preventing them from sourcing any cotton from the Xinjiang region in China. This position from the brand has generated intense discussion from Chinese netizens, leading to a boycott campaign in the Chinese market. This chapter will explain the origin and the development of this controversial situation. It will also show how Chinese consumers reacted to this incident and their different perceptions of the situation. In addition, this chapter will emphasize the importance of social justice and patriotic interest within the Chinese market.

BRAND BACKGROUND

The History of Adidas

Adidas is a member company of Adidas AG, a German sportswear manufacturer with a long history. In 1924, Adolf Adolph (Adi) Dassler and his brother Rudolf (Rudi) Dassler began producing footwear products under the name Dassler Brothers Shoe Factory in Herzogenaurach, near Nuremberg. The two brothers ended their corporation in 1948 due to different opinions about the business. Adolf Adi Dassler founded Adidas, taking the first six letters of Adi Dassler's name. On August 18, 1949, Adi Dassler set up a factory with 47 workers in the town, which transformed Adidas from a personal brand into a modern manufacturer (Hai, 1994).

Adi Dassler, the founder of Adidas, is a German athlete with skills as a shoemaker. These roles enable him to fully understand the athletes' need for a pair of shoes and let him acquire the capability to make them. Adi Dassler's dream is to "design and make the best shoes for athletes", which fits Adidas' Mission today: "To be the best sports brand in the world". Under this faith, he designed the first pair

of sneakers in 1920. Thanks to the continuous improvement of his shoes, his sneakers have won the favor of many top athletes since 1928. Jesse Owens was wearing a pair of Dassler's track shoes when he won four gold medals for the US at the 1936 Berlin Olympics. Since then, Adidas shoes have gradually shown their remarkable function in the international sports world and won a worldwide reputation in the sports field. During Adi Dassler's lifetime, he invented over 700 sports-related patented products. His inspiration and innovation were fundamental to Adidas.

Since 1948, Adidas has helped countless athletes achieve great results. Adidas represented a special kind of status symbol in the sports world. In 1949, Adidas first designed a logo consisting of a three-striped track shoe with nails and the letters "Adidas" underneath, with two "D" s supporting the shoe, meaning it could run on the track. It was also the first of the three stripes, and it had an important meaning: the three stripes represented the mountains, indicating the desire to achieve challenges, achieve the future and achieve goals. This indicated Adidas' purpose and attitude today, which is "Through sport, we have the power to change lives" and "Impossible is nothing". Once the 3-Stripes became official in 1949, the '50s became a boom in technology, with innovations in equipment for world-class athletes. Adidas' first decade delivered the Samba, which is still used by soccer players on the indoor soccer field. That decade laid the groundwork for later developments too, like the Allround training and basketball shoe that would become a standard of the more play in the '80s (Yang, 2011).

The 70s brought us iconic music, culture, and fashion, as well as prominent moments in sports history. By the end of the 1960s, Adidas wanted to expand into the clothing and fashion industry, therefore a new LOGO was needed. In 1972, Adidas first adopted the shamrock LOGO to represent its brand, which was officially introduced at the Munich Olympic Games. The Adidas Shamrock logo represented the continents joined together - shaped like the earth's three-dimensional flat surface, like a map of the world, symbolizing the forces of movement that extend all over the world. With the development, the '80s was a period of innovation. Sports influenced culture, music, fashion, and technology progressed. Adidas emphasized the power of innovation and brought new technologies to shoes for athletes of all kinds.

After continuous innovation and development, today, Adidas has become a globally listed company, a Fortune 500 company, and one of the largest sports brands in the world. Its broad and diverse portfolio contains both Sports Performance and Sport Inspired categories ranging from major global sports to regional events and local sneaker culture (O'Connell, 2020). This has enabled Adidas to become one of the most recognized, credible, and iconic brands in the world. Adidas claim that the key to their success and execution of their strategy 'Own the Game', is their people and their culture, which brings their identity to life, defined by their purpose, mission, and attitude (Yu, 2019). With the situation that sport plays an increasingly important role in more and more people's lives in both a professional sports area and in daily life, sport and the brand not only reflect the sport itself but also people's faith in life and belief (*About Strategy,* n.d.).

Target Market

Adidas' main sales target groups include high-end consumers and mid-range consumers. The age of Adidas' target market is about 20 to 30 years old. Adidas targets the customer who thinks highly of sports which includes football, training, running, and outdoor activities and the customer who emphasizes Adidas brand culture which contains achieve impossible, offerings any consumer who is interested in sports clothing and shoes. This segment is considered the strongest consumer market (Carretero, 2020).

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