

Analysis on ANTA's Brand Competitiveness based on Its Current Marketing Status

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Abstract: Nowadays, Chinese sports brands are booming. Anta has become one of the most competitive sports brands in China. This paper aims to analyze Anta's current marketing strategies and existing problems and provide some suggestions for Anta's future development. Literature analysis is used in this case study. The research summarizes Anta's brand image and marketing strategy, namely innovation and vertical integration operation mode. The vertically integrated operation mode has helped Anta cut off redundant trading links and transaction costs and also helped it achieve a balance between production and sales. Anta's ability to innovate enables its products to constantly apply new technologies and become more competitive with other sports brands. However, Anta still lacks competitiveness in the international market, which is reflected in fuzzy product positioning and low consumer loyalty. The study suggests Anta should cultivate more competitive core technologies. In addition, Anta should also build closer ties with consumers through social media platforms such as Bilibili and TikTok.

Keywords: ANTA, brand competitiveness, consumers loyalty

1. Introduction

With the rapid development of globalization of markets, the competition among domestic brands and overseas brands has become more and more intense. Globalization enables lots of big companies to influx into the domestic market of developing countries, which may somewhat hinder the development of the native companies due to the fact that some consumers in China tend to think that the products from overseas brands are often of higher quality. For large companies in China, they have no choice but to scramble for market share with overseas companies. As a result, it is no more enough to make decisions that merely take the present market situation and relationships between competitors into consideration when the company defines a marketing strategy. Rather, they ought to make entrepreneurial decisions that will create new relationships in the market and establish new 'rules of the game' in this competitive market [1].

As a well-known brand in both domestic and overseas market, ANTA is a good example for the study to concentrate on. For many years since ANTA has founded, it has kept finding ways to enhance its competitiveness against other sports brands. Brand competitiveness has been regarded as an important factor in the strategic level of enterprise marketing and management, and as a neces-

sary condition for an enterprise to attain customer satisfaction and win the market competition with the value it creates [2].

The competition of sports brands in China is intense every year because Chinese consumers have a great need of sports wears. ANTA is one of the most competitive sports brands in China but it still has a long way to go. Brand management is of great significance for the brand because it helps attract the consumers and turn the consumers into brand's fans. A strong fan base is the foundation of future development and is also powerful force to compete with other brands. A bigger market share means that the company will gain more profits and it can put lots of efforts into the innovation. The study means to conduct an analysis on the ANTA's competitiveness, which is mainly about the brand image and the present marketing strategies. In addition, the study aims to help ANTA to cope with its existing problems. The study uses CAS to make an analysis based on other papers and public data. If ANTA can gain a larger market share in either domestic or oversea market, it will do a lot of help to promote the development of Chinese economy, which will help the other Chinese companies attain more opportunities and reputations. It is of huge significance for China to be more competitive in the international market.

2. Introduction of ANTA

ANTA Group is a comprehensive, multi-brand sports goods group specializing in design, production and sales of sports equipment including sports shoes, accessories and other sports equipment. The company was founded in 1991 and listed in Hong Kong, China in 2007. According to Anta's 2021 annual report, the company's revenue in 2021 increased by 38.9% compared to the same period last year, with the total revenue reaching 49.33 billion yuan, and the profit increased by 20.1% compared to the same period last year, reaching 10.99 billion yuan. The Chinese sneaker market share reached 16.2 percent, surpassing Adidas' 14.8 percent, narrowing the gap with Nike. It has been the leader in the field of sports products in China for ten consecutive years [3].

For over 20 years, ANTA has signed many sports stars and celebrities from different fields, starting with Kong Linghui, the world champion of table tennis in 1999. ANTA not only signed domestic stars but also oversea stars like Kevin Garnett and other NBA players. This helps ANTA expand its influence and market. And ANTA successively cooperate with world-famous sports competition like NBA, CBA, making its brand image professional. And, ANTA has been the most significant sponsor for the Chinese national team in Olympic Games for many years. ANTA has also become an official sports apparel supplier to the International Olympic Committee In October 2019.

3. The Present Marketing Strategy of ANTA

3.1. ANTA's Brand Image

ANTA's Chinese name means 'walking safely' which is a proper name for a sports brand. According to the data of iiMedia Research, among the favorite domestic sports shoe brands of China's "Generation Z" group in 2022, 51.9% of consumers choose ANTA, 50.6% choose Li Ning, 44.2% choose Hongxing Erke, 29.0% choose Qiaodan and 21.2% of consumers choose 361 degrees [4]. The statistics show that ANTA is the best-welcomed athletic footwear brand among kids and young adults in domestic market. ANTA has acquired the recognition by the parents in China, which means it has become a trusting brand.

In the development history of ANTA, it signed a lot of contracts with sports stars and celebrities from various fields. Those stars come from China and other countries, making ANTA an international and national brand. Obviously, celebrity effect helps ANTA transform the idols' fans to its

fans, so it has a strong base of fans who are always willing to purchase ANTA's latest products. Most importantly, ANTA is the first sports brand authorized to use the national flag in China. ANTA has produced the Olympic apparel for 28 teams of Chinese athletes, and has cooperated with the Chinese Olympic Committee for 16 years. This is an unprecedented honor and authority, a symbol of ANTA's international development, and a trend-setting force [5].

3.2. ANTA's Capacity to Innovate

ANTA pays much attention to innovation and has a relatively high capacity of innovation among the sports brands. In 2005, ANTA spent nearly 10 million to establish the first sports science laboratory in China, which won strong support from the government and filled the gap in the field of sports science in China. Up to now, ANTA has cultivated a high-tech and modern team with high research capacity, which has created 41 national patents for ANTA. The fact that the Chinese national team's uniforms and competition apparel were provided by ANTA shows that ANTA's innovation ability is at the forefront of domestic sports brands. According to public data, ANTA has owned more than 2,600 patents since its establishment, making it a sports brand with the most patents in China. So far, ANTA has set up design and R&D centers in China, the United States, Japan, South Korea and Italy, and has more than 60 research institutes in more than 20 countries and regions around the world. So ANTA is actually the most innovative sport brand in China, which gives it many opportunities to modify its product line and to compete with other brands.

3.3. ANTA's Vertical Integrated Operating Model

ANTA adopts a vertically integrated operating model. Vertical integration refers to the combination or expansion of an enterprise with its product users or raw material suppliers to these fields. It refers to the operation behavior of an enterprise to expand its existing business scope by developing upstream or downstream on the basis of its existing business.

ANTA participates in upstream procurement, research and development, and design, and also in downstream brand sales and after-sales. Additionally, it owns its own factory and controls the entire production process [6]. This vertical integrated operating model enables ANTA to make connection with its factory, which means it can better balance the production and supply based on the statistics that it obtains from the market.

Trade between different firms can cause inefficiencies. If the inefficiencies are large, the cost of combining vertically related businesses into one firm is lower than the cost of market transactions between independent firms. Because the price of fair dealing comes from weak legal systems rendering contracts unenforceable and property rights therefore unprotected. This problem can be solved by co-owners restructuring their business [7]. Finally, the vertical integration of ANTA contributes to the decrease of redundant transaction links and transaction costs.

4. Problems of Brand Management

4.1. Lack of Product Competitiveness

Though ANTA has released many products based on its own tech, it is not capable to compete with the foreign brands including Nike, Adidas, because Nike and Adidas obviously have a lot more budget and technical personnel than that ANTA to innovate and conduct market research. Nike and Adidas are pioneers in the field and they have developed many core technologies that other brands are trying every effort to imitate those techs. And, according to ANTA's product list, ANTA does not form a high-end product line to compete with those top-tier brands from abroad. Therefore, the high-end domestic market in China is occupied by Nike and Adidas. This kind of situation may make

consumers have a misunderstanding about ANTA's brand image, thinking that ANTA does not produce high-end products, which may make the consumers who pursue high-end products lack of will to buy products from ANTA.

4.2. Vague Product Positioning

ANTA does not have obvious product characteristics, product differentiation is not clear enough and product positioning is vague. Take ANTA's product line of shoes for example, it consist of sports shoes, running shoes, basketball shoes, casual shoes, skateboard shoes and outdoor integrated training shoes. When entering into the category of sports shoes, there are so many different sorts of sports shoes that may make consumers confused. Literally, official website of ANTA doesn't make a clear explanation about the difference of these kinds of sports shoes. Maybe this is caused by the fact that ANTA does not distinguish its various sorts of sports shoes. And some shoes are comprehensive so consumers can see these types of shoes appearing in over 2 categories, which makes consumers confused about the exact function of these types of shoes.

4.3. Low Consumer Loyalty

ANTA has a relatively low consumer loyalty. Though ANTA's market share surpassed that of Adidas China, ranking second in 2021, this does not mean it has a relatively high consumer loyalty. Consumers' love for brands is the realm that brands need to pursue. It is a positive emotional response rather than a functional one, which also lays an emotional foundation for the formation of emotional trust and brand loyalty. A person's emotional dependence on a brand is determined by the degree of emotional connection between the person and the brand, so it represents the person's confidence for the brand [8]. ANTA lacks online and offline interaction with consumers, which makes it difficult for consumers to have a profound experience of the brand. It cannot form an emotional relationship with the consumers, let alone trust from consumers. Consumers do not have a strong brand awareness of ANTA, so the brand loyalty is certainly not high. In addition, there have been many problems concerning the quality of products these years, which makes some consumers have a misunderstanding or even distrust about the brand. Low consumer loyalty is one of ANTA's main problems that will make it keep its present consumers and decrease repurchase rate, which means it cannot turn the consumers into its fans.

5. Recommendations

5.1. To Enhance the Ability to Innovate

Innovation is the foundation of the future development. Take Nike for example, in September 2022, Nike launched its new apparel technology, the Nike Forward Process. The move is intended to create a new path of sustainable development for Nike. In fact, since 2010, three billion plastic bottles have been removed from landfills to be used in Nike products. Its 'ColourDry' technology, which dyes cloth without water, has saved more than 20 million liters of water, and the brand's reusing shoes programme has recycled around 30 million pairs of shoes. Nike is moving fast towards zero waste [9]. Due to the fact that it puts many efforts into the development of the new tech, every year Nike will either make advancement on its own tech or come up with a new one. Nike may even design a whole product line if the new technique is proved to be competitive. For example, Air, Zoom, Flyknit, Dri-Fit are widely used in different main product lines. According to ANTA's product list, ANTA does have several core technologies to support the development of some product lines. But ANTA has to develop more competitive techs than other brands in order to support its main product lines and branch lines.

5.2. To Improve the Connection with the Consumers

In orthodox marketing concepts, the transmission and acquisition of commodity and service information are unidirectional, and customers are often restricted when making decisions. However, in the new media environment, digital technologies make it easier for consumers to obtain information about goods and services and to make subjective choices [10].

Demand is a lever that drives behavior. A close relationship with consumers means that ANTA may have more chances to figure out the consumer's demand. With the rapid development of social media, ANTA can use the official account on TikTok or bilibili to collect feedback or interact with the consumers. To be more specific, ANTA can cooperate with some bloggers to insert the advertisements of the products in their videos, which can make the advertisement more attractive and leave a deep impression on the consumers. In addition, ANTA is able to sign some rising idols to attract their fans to become ANTA's consumers and to cultivate the potential of the idols in order to form a strong base of consumers. In terms of the off-line activity, ANTA can organize offline activities regularly, putting the designer and consumers together to communicate with one another so that the designer can better know about the consumers' needs. This kind of action may do a lot of help to improve the connection with the consumers and to turn the consumers to ANTA fans.

6. Conclusion

The study first has a brief introduction of ANTA, which is now the most successful domestic sports brand in China. ANTA has been signing many celebrities and professional sports stars from various fields since 1999. ANTA has a close relationship with the International Olympic Committee and it has been the biggest sponsor of the Chinese national team. In terms of the brand image, ANTA is a responsible and trusting brand for parents. For other consumers, ANTA is a professional and creative brand. ANTA has set up many research institutions all over the world to cultivate some new technologies that can be used for sportswear. By doing this, ANTA has owned more than 2,600 patents since its establishment, making it the most innovative domestic sports brand in China. The high capacity of innovating provides ANTA with many chances to make a change about its remaining product line and to compete with other brands by releasing creative products every year. ANTA's vertical integrated operating model enables ANTA to make a quick response to market demand by controlling the capacity of factories. And the vertical integrated operating model helps ANTA to cut redundant transaction links and transaction costs regardless of inefficiencies. ANTA now has some problems to deal with. The lack of product competitiveness means ANTA cannot beat Nike and Adidas in the high-end market. Vague product positioning of ANTA products makes consumers confused about the characteristics and differences among various product lines, which decreases the consumers' purchase intention. ANTA has a relatively low consumer loyalty due to its lack of online and offline interaction with consumers as well as quality issues that sometimes occur. In order to improve competitiveness, recommendations are offered as three main points. ANTA has to enhance the capacity to innovate because innovation is development power and core competence to the competitors. To improve the connection with the consumers is also significant for ANTA to do presently due to the fact that ANTA has to know about the demand and the way to turn consumers into its fans. Overall, the study will help the staffs in ANTA to make a change about its now marketing strategy and achieve a larger market share. The deficiencies of this study is that it does not take into account the cost of innovation and the pricing strategy of analysis. Future research can be further improved in this respect.

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