

Analytics Case Study

Sports Retailer adidas Teams With Nonprofit Parley for the Oceans to Upcycle Plastic into Production:

Methodology for Measuring the Collaboration to Personalize the adidas Experience and Globalize Sustainable Living.



1. Figure 1. Photograph of Parley ocean plastic. Retrieved from <https://www.parley.tv/updates/parley-ocean-plastic>
2. Figure 2. Photograph of Parley plastic recycling workspace. (2019, June). Retrieved from <https://www.adidas.com/us/blog/359698>
3. Figure 3. Photograph of marine plastic pollution. Retrieved from <https://www.adidas.com/us/blog/359698>
4. Figure 4. Photograph of Run for the Oceans. (2019). Retrieved from <https://www.adidas.com/us/sustainability-phase-out-virgin-polyester-2024>
5. Figure 5. Photograph of Ultraboost Parley. (2018, April 11). Retrieved from <https://www.parley.tv/updates/2018/4/23/adidas-parley-and-marc-ter-stegen-launch-ultraboost-parley>



Deck Layout

**Customer
Acquisition**

**WHERE ARE
THE
ABUNDANCE
OF SALES**

**Brand
Awareness**

**HOW DO
CONSUMERS
RESPOND TO
PARLEY SPORTS
GOODS**

**Customer
Lifetime Value**

**WHO TO
RETAIN
AND
PRIORITIZE**

1. Figure 1. Photograph of Ultraboost Parley. (2018, April 11). Retrieved from <https://www.parley.tv/updates/2018/4/23/adidas-parley-and-marc-ter-stegen-launch-ultraboost-parley>

Executive Summary

Premium, connected, and personalized – adidas strives to be the best sports company in the world, and we believe that this can be achieved only through delivering content unique to the individual and driving retail toward sustainable practices. Brand desirability requires a consumer-centric data methodology to understand and predict consumers. Approaching the final year of our 2015-2020 brand strategy Creating the New, we follow shoppers across each touchpoint to measure responses to our collaboration with Parley for the Oceans. The environmental nonprofit selects partners who steer its mission to fight pollution; at adidas, we methodically deliver Parley's AIR pledge to avoid, intercept, and redesign plastic pollution by optimizing data in Creating the New for maximized personalization. In return, adidas and Parley can tailor content for each person based on our 360 view of customer sentiment and demand. Measuring our performance quantifies responses to the upcycled sporting goods and indicates how we can further streamline the adidas experience and Parley mission. Merging sustainability with style, the retailer and environmental nonprofit will surpass competitors with speed and precision in the race to globalize athleisure and sustainable living.

1. Annual Report. (2019, March 1). Retrieved from https://report.adidas-group.com/fileadmin/user_upload/adidas_Annual_Report_GB-2018-EN.pdf

Big Data Goals

**Customer
Acquisition**

**Identify the most
profitable channel**

**Brand
Awareness**

**Rank search engine
strategy**

**Customer
Lifetime
Value**

**Segment consumer
characteristics and
behavior**

**To maximize ROI,
personalize
omnichannel
experiences for
profitable
customers to drive
demand, amplify
sales, and
increase loyalty**

1. Figure 1. Photograph of Parley wave pattern. (2016, June 3). Retrieved from <https://www.dezeen.com/2016/06/08/adidas-trainers-parley-for-the-ocean-plastic-design-recycling/>

1st-PARTY BATCH DATA BY CHANNEL

Customer Acquisition

MARKETING
COSTS

UNIQUE
VISITS

GROSS
PROFIT

EXPENSES

(expenses /
acquired customers
in given period)

(gross profit /
acquired
customers in given
period) x 100

PROFITABILITY

ACQUISITION
COST

SALES
CONVERSION

1. Figure 1. Photograph of adidas x Parley produced swimwear. (2019, August 13). Retrieved from <https://www.dezeen.com/2019/08/13/ocean-plastic-cyrrill-gutsch-parley-for-the-oceans/>
2. Customer Acquisition Marketing. (2019). Retrieved from <https://www.ngdata.com/dictionary/customer-acquisition-marketing/>
3. Galetto, M. What Is Customer Acquisition? (2015, July 21). Retrieved from <https://www.ngdata.com/what-is-customer-acquisition/>

REAL TIME UNSTRUCTURED DATA CONTINUOUS CONVERSATION

Brand Awareness

1st-PARTY FEEDBACK

3rd-PARTY SEARCH ENGINE EVALUATION

QUALITATIVE AND QUANTITATIVE VOLUME

SOURCE VARIETY

- **Images, videos, hashtags, text**
- **Likes, shares, click through rates**

- **Link clicks, ad clicks, bounce rates**

- **Emails, call centers, contact centers, share holders, surveys**

- **Organic search, paid search, collaboration mentions**

1. Figure 1. Photograph of adidas x Parley for the Oceans UltraBoost. (2017, April 21). Retrieved from <https://footwearnews.com/2017/focus/athletic-outdoor/adidas-parley-for-the-oceans-ultra-boost-sneakers-photos-340854/>

2. Lewis, E. (2013, October 15). What Is Structured Data and Why Does It Matter for SEO? Retrieved from <https://www.adherecreative.com/blog/bid/153475/what-is-structured-data-and-why-does-it-matter-for-seo>

3. What Is Big Data? (2019). Retrieved from https://www.sas.com/en_us/insights/big-data/what-is-big-data.html

4. What Is Third-Party Data? (2014, February 5). Retrieved from <https://digiday.com/media/what-is-third-party-data/>

1st-PARTY STRUCTURED DATA TRANSACTION HISTORY BY CONSUMER SEGMENT

**Customer Lifetime
Value**

OMNICHANNEL VISITORS

- Returning users and visitors

CUSTOMER ID

- Demographics (age, gender, city, state, zip code) email address, phone number, IP address

POINT OF SALE

- SKU, barcode, purchase date, purchase price, invoice, cancelation of invoice

**TRAFFIC
METRICS**

CHURN RATES

**AVERAGE
TRANSACTION
VALUE**

RECENT

FREQUENT

MONETARY

1. Figure 1. Photograph of Parley ocean display. (2018, June 15). Retrieved from <https://millennialmagazine.com/2018/06/15/from-threat-to-thread-how-adidas-and-parley-are-saving-the-oceans/>
2. Farhanigan, M. (2018, March 29). A Step by Step Guide to Calculate Your Customer's Lifetime Value Using Clustering. Retrieved from <https://www.internetrix.com.au/blog/blog-a-step-by-step-guide-to-calculate-your-customers-lifetime-value-using-clustering-2/>
3. LaRose G. (2012). Customer Lifetime Value Formula. Retrieved from <http://cdn2.hubspot.net/hub/64283/file-15131808-pdf/pdfs/simafore-whitepaper-customer-lifetime-value-modeling.pdf>

Growing China Market Sector

Insights to Opportunity

**CUSTOMER
ACQUISITION**

WHERE

**are China's shopping districts and
digitally driven consumers?**

**BRAND
AWARENESS**

HOW

**do millennials in China take
sustainable initiatives?**

**CUSTOMER
LIFETIME VALUE**

WHO

**accounts for China's luxury
spend?**

1. Figure 1. Photograph of UltraBoost Parley. (2018, April 11). Retrieved from <https://www.parley.tv/updates/2018/4/23/adidas-parley-and-marc-ter-stegen-launch-ultraboost-parley>

Salesforce Customer Since 2011

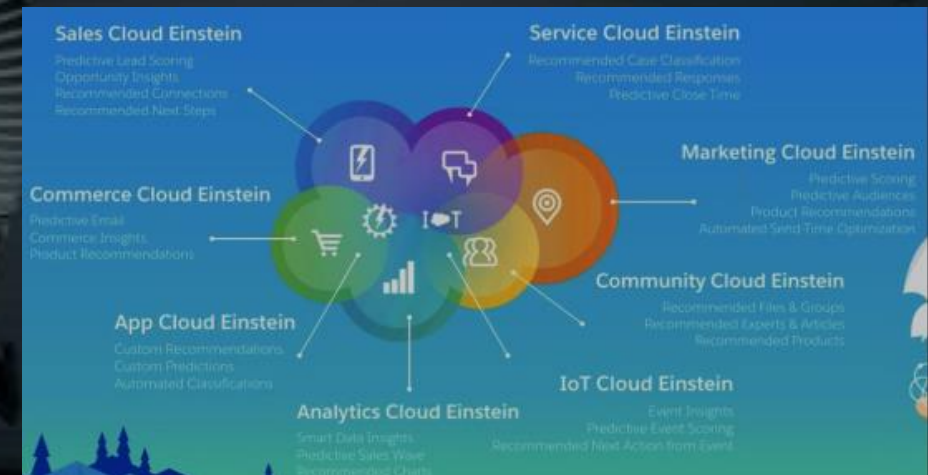
2011 SaaS Technology Investment

Einstein Cloud Features

1st and 3rd-Party Big Data

Batch and Real Time Processing

AI Integration



1. Figure 1. Photograph of adidas SPEEDFACTORY (2017, May 31). Retrieved from <https://www.maintworld.com/Applications/Adidas-and-Siemens-to-Collaborate-in-the-Digital-Production-of-Sporting-Goo>
2. Figure 2. Photograph of Salesforce Einstein AI (2017, November 17), Retrieved from <https://cirriussolutions.com/salesforce-ai-fourth-generation/>

TRENDALYTICS

**2020 SaaS Technology
Investment**

Social Media Trends

Search Engine Volume

Competitor Pricing

3rd-Party SaaS

**Expand Anonymous
Audience Segments**

1. Figure 1. Photograph of Trendalytics social. Retrieved from <https://www.trendalytics.co/>

Key Performance Indicators

**Performance
Benchmarks**

**Customer
Acquisition**

**Revenue and traffic
growth rates**

**Evaluate marketing
efficiency**

**Brand
Awareness**

**Stock market
performance**

Assess perceived risk

**Customer
Lifetime
Value**

Retention rates

Measure customer loyalty

1. Figure 1. Photograph of Adidas x Parley for the Oceans UltraBoost. (2017, April 21). Retrieved from <https://footwearnews.com/2017/focus/athletic-outdoor/adidas-parley-for-the-oceans-ultra-boost-sneakers-photos-340854/>
2. (2016, October 3). Branding By Financial Numbers - Measuring Brand Value and Brand Equity. Retrieved January 1, 2020, from <https://martinroll.com/resources/articles/growth/branding-numbers-measuring-brand-value-equity-marketing-activity/>

Reasoning Behind Methodology

Controlled responsiveness to Parley Ocean Plastic™ prices

Raised position on Dow Jones Sustainability Indices

Increased brand equity for Parley Ocean Plastic™ goods



SUCCEED WITH INTERNAL MODEL

SURPASS WITH EXTERNAL OUTLOOK

1. Figure 1. Photograph of marine plastic pollution. Retrieved from <https://www.adidas.com/us/blog/359698>
2. PARLEY AIR STRATEGY. (2019). Retrieved from <https://www.parley.tv/updates/2015/9/12/air-strategy-swrwk>

APPENDIX A

Appendices

adidas' 2010-2015 Brand Strategy Route



**Product
Focus**

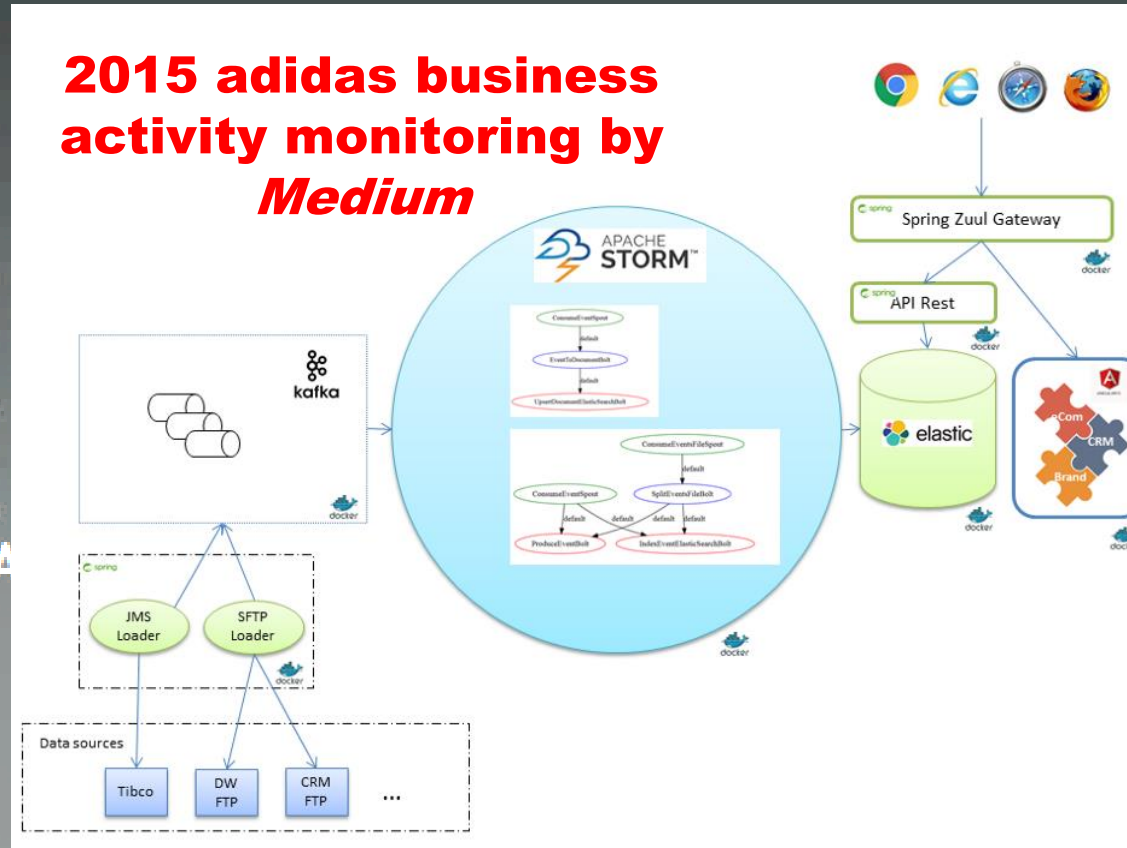
1. Figure 1. Model of adidas Route business plan. Retrieved from https://www.adidas-group.com/media/filer_public/e2/d7/e2d789a1-2e16-4a4c-97fc-e8d7c18fef2f/investor_day_es_global_brands_final.pdf

APPENDIX B

Appendices

adidas' Route 2010-2015 Software

adidas
SPORT
ROUTE
FUTURE OF SPORTSWEAR

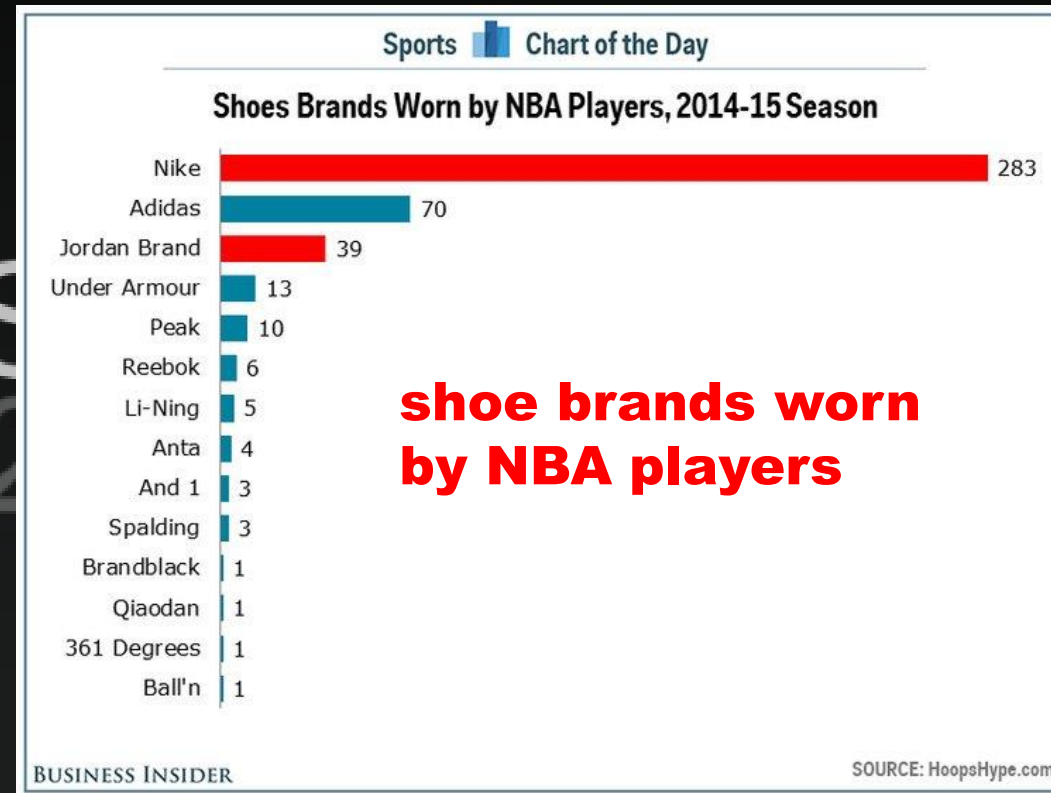


1. Figure 1. Model of adidas Business Activity Monitoring. (2018, June 19). Retrieved from <https://medium.com/@i.alzorriz/data-streaming-initiative-in-adidas-3f8305d2376e>

APPENDIX C

Appendices

NBA Players Favor Nike in 2014-2015 Season



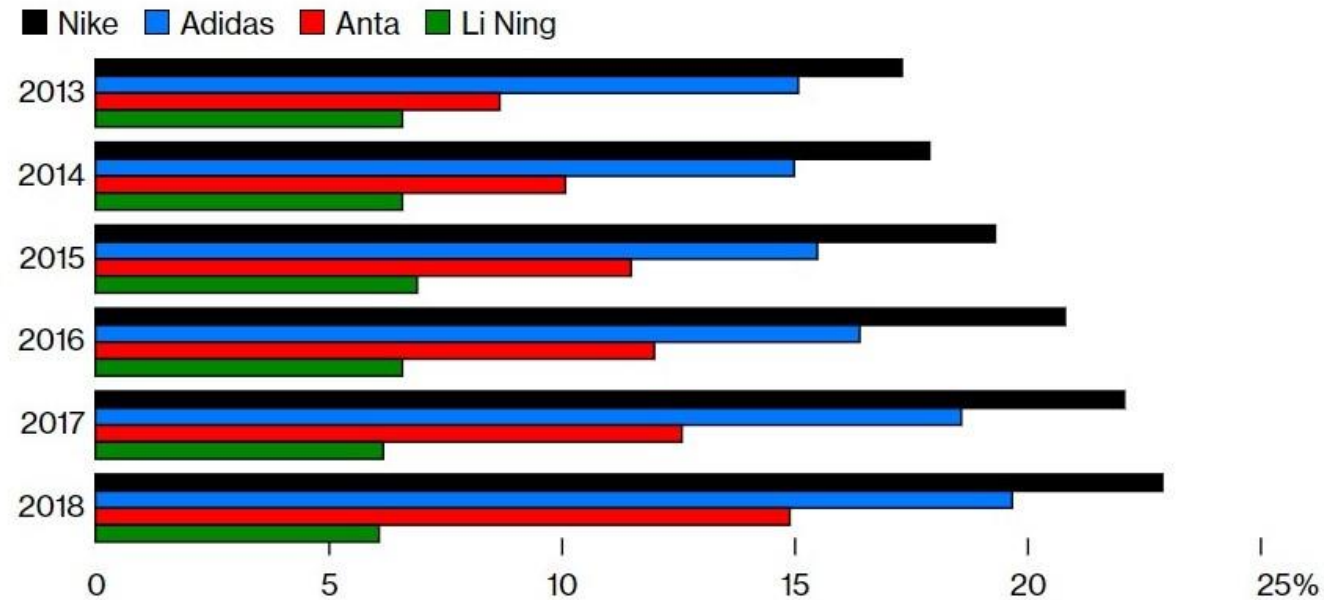
1. Figure 1. Bar graph of shoes worn by NBA players, 2014-2015 season. (2015, March 23). Retrieved from <https://www.businessinsider.com/heres-where-adidas-went-wrong-2015-3>

APPENDIX D

Appendices

Sportswear Market Share in China 2013-2018

Sportswear Market Share in China

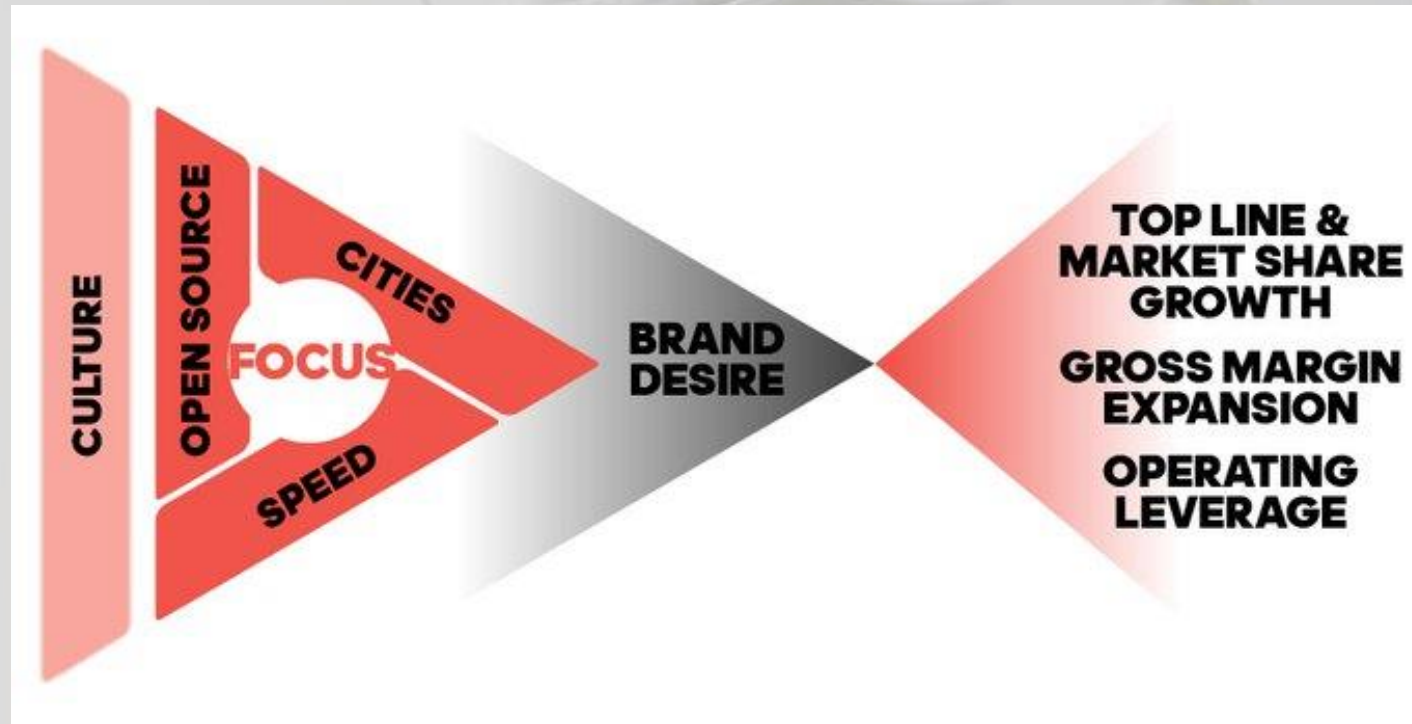


Data: Euromonitor International

1. Figure 1. Bar graph of sportswear market share in China from 2013-2018. Retrieved from <https://www.bloomberg.com/news/features/2019-10-10/the-nike-of-china-wants-to-go-global-and-has-xi-in-its-corner>
2. Figure 2. Image of adidas mobile app. Retrieved from <https://www.leanplum.com/blog/adidas-mobile-venture-summit/>

APPENDIX E

adidas' 2015-2020 Brand Strategy Creating the New



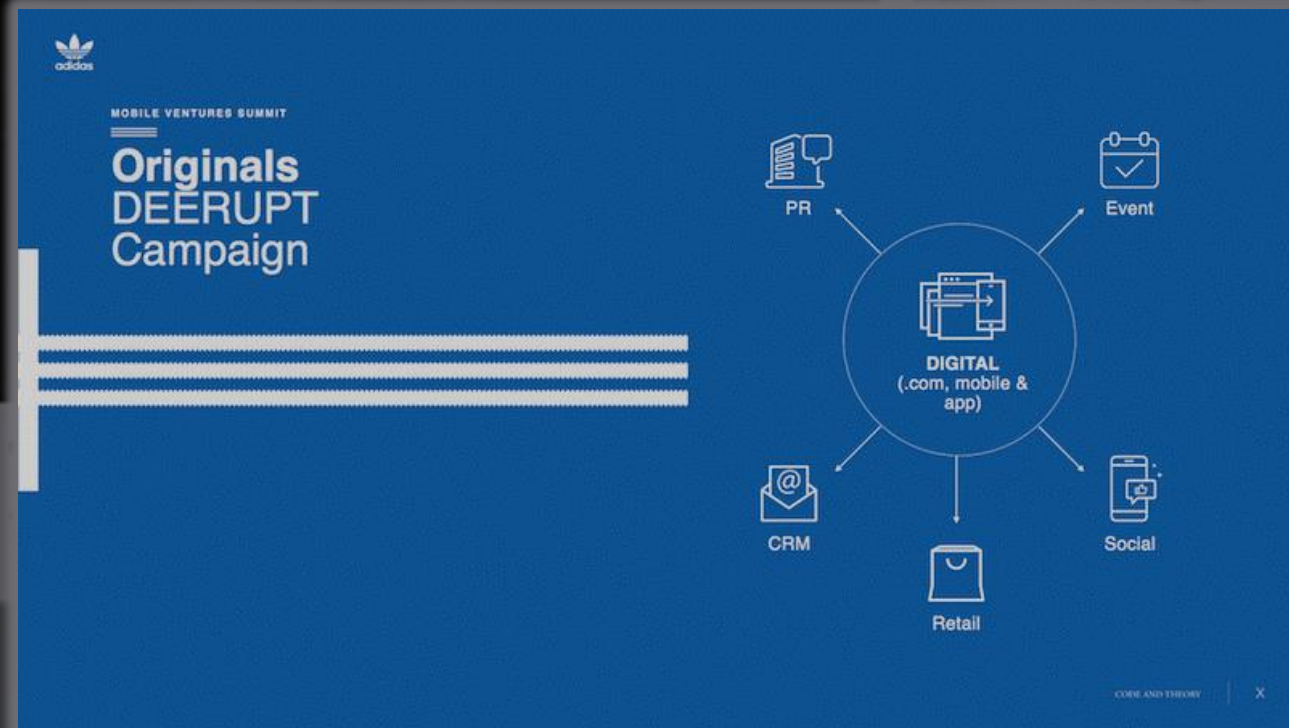
**Consumer
Focus**

1. Figure 1. Model of adidas Creating the New business plan (2019, March 1). Retrieved from https://report.adidas-group.com/fileadmin/user_upload/adidas_Annual_Report_GB-2018-EN.pdf

APPENDIX F

Appendices

adidas' Creating the New Digital Components



Mobile Strategy

1. Figure 1. Photograph of adidas app. (2018, March 8). Retrieved from <https://www.leanplum.com/blog/adidas-mobile-venture-summit/>