

Paper
Draft Topic Five ~~International Business of~~ *Under* Armour
International Business BUSB 342

James Greene

10th February 2020

University *of* Redlands

BUSB 485 SD12

Undergraduate Capstone Paper

Instructor Richard Doyle

*articles are not capitalized
in titles.*

Under Armour, Inc. is a company in America that manufactures footwear, casual and sportswear apparel. Their headquarters in Baltimore, Maryland. The company was established and founded by Kevin Plank in 1996. Plank is a former captain of the specials team of the University of Maryland, Football team. The company has multiple outlets in Europe, the Middle East, Africa, North America, South America, and Asia Pacific. In the year 2017, the company earned majority of its revenues from North America and Asia Pacific. The products designed by the company are adjustable to the conditions of the weather. It has now become one of the largest digital fitness and health companies around the world.

This really belongs in the Exec Summary not the Topic Paper

This paper aims at conducting the SWOT analysis of the company, which will shed light on the company's strengths, weaknesses, opportunities, and threats. **SWOT analysis** is essentially a strategic planning technique that helps the organization to identify its strengths, weaknesses, opportunities and threats. Strengths are the strong characteristics of a business which gives it an advantage over other companies. Weakness is associated with the company's features that put it on a disadvantage as compared to other companies in the same industry. Opportunities are the area's business can tap on to exploit for their advantage. Threats are the **environmental factors** that could cause trouble for the company. The strengths and weaknesses are classified as internal factors whereas the risks and opportunities are classified external factors. (Bedoshvili, 2011).

The SWOT analysis of Under Armour comprises different elements that allow the company to formulate effective strategies that will help the business to expand its market share and revenues while becoming one of the leading companies in the industry as well as around the world. The company uses SWOT analysis to make informed decisions and set objectives that defined what the company plans to do. The following table summarizes the strengths, weaknesses, opportunities, and threats to the Under Armour company.

This whole discussion is about defining and discussing the purpose of a SWOT analysis. This is why most of your References are about SWOT.

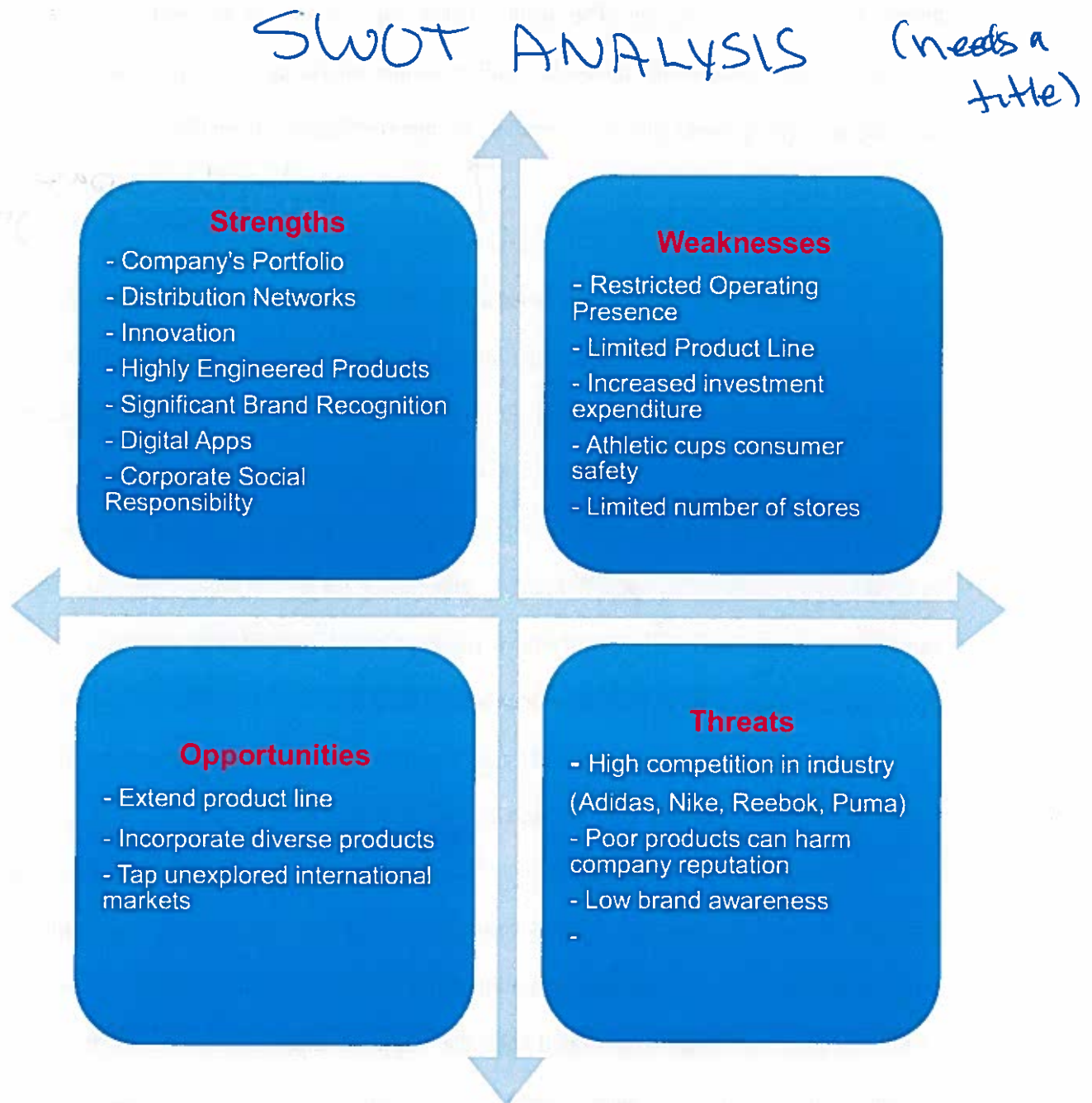


Figure 1 SWOT Analysis of Under Armour

Nice looking and completed chart!

These factors should be related to doing or expanding business internationally. Can't see where you have focused on that. These are more general in nature.

The chart above summarizes precisely the strengths, weaknesses, opportunities, and threats faced by the company. The section below talks about the company's strengths, weaknesses, opportunities, and threats in detailed manner, analyzing every option available to the company, which would help it to formulate strategies effectively in an efficient way.

↑
Strengths

Not extra space
between paragraphs
needed

Under Armour is one of the renowned and world-leading companies that have expertise in the field it works. One of the most significant advantages of the company is its **portfolio**. The company has an extensive product portfolio that has strengthened its standing in the industry. The company is not dependent on anyone's specific product, but it is dependent upon a range of products. The company has not restricted itself to only footwear but has expanded its products by incorporating apparel, highly engineered products, and accessories which have helped the company increase its brand equity. Having a broad range of products eradicates the risk of the company's failure. The more the products, the less the risk of failure company faces. With a **full range of portfolio**, the company has significant chances of continuous growth and has an opportunity to increase revenues and sales (Hill & Westbrook, 1997).

Another strength of the company is its **distribution networks**. The company has surprised its investors with its increased growth in the **market**. The company has made its creative strategy to operate itself through multiple systems of distribution. Sixty-Five percent of the Company's **revenue** is generated from the wholesale distribution, whereas thirty-one percent of the company's revenue is from selling products directly to the consumers. The operational networks of the company have an excellent opportunity to expand globally. Technological Innovation is yet another strength of the company, which makes it a leading player in the market because of its digital apps. Under Armour has adopted the digital

revolution through different apps such as MyFitnessPal which has improved the revenue potential of the company.

The company, use of digital transformation and technological innovation, has improved its competitive position in the market and has diversified its resources. The **brand recognition** of the company in the industry is another strength that the company utilizes. **Brand recognition** "is defined as the customer's ability to identify one brand over another." The company's brand is well-recognized by people around the world. In the year 2017, the company was voted the 5th most valuable business brand. The brand recognition of the company has allowed it to develop and keep its authenticity and trustworthiness, which has attracted more investors and **Foreign Direct Investment (FDI)** from around the world. — *Marketing Concept*
— *needs definition & source.*

Lastly, Under Armour is a socially responsible company that has immense importance for **Corporate Social Responsibility**. The company drives its performance sustainably through innovation. Moreover, the company has incorporated the development of environment-friendly and sustainable products for consumers. This moral compass has lead to the company standing out in the industry. — *Strategic mgmt concept, not international business, pers.*

Weaknesses

With strengths, come flaws. One of the most significant shortcomings of the company is that it has a limited operational presence in the market. Currently, the company is operating in North America, Europe, Middle East, Africa, South America, and Asia Pacific. To become more globalized, the company has to push for globalization and should perform globalization of products. The company should be able to explore the unexplored markets which it is not doing right now. 83% of the revenue of the company comes from their North American markets. The company has yet to expand in other globalized markets to increase its international presence (Pickton & Wright, 1998). However, the company has to abide by the

Nothing specific here, just they should go global.

OK, how should they do this? Why should they do this?

International Business Law and the respective terms and conditions. The expansion into the global market is necessary for the company to sustain. *- why?*
- sustain what?

Under Armour has taken the risk of high investment expenditure, which counts as a weakness because it has added more expenses ^{to} in the list for the company. The approach has helped to increase revenue but has limited the company's ability to make new acquisitions.

Another weakness of the company is that the US Consumer Products Safety Commission has announced a recall for the athletic cups made by the company, which may break when hit while causing a severe injury to the individual. The limited **product line** of the company is also its weakness. The company has shoes, apparel, and accessories only. *- OK why?*

Opportunities

Under Armour has a lot of opportunities that it can tap on to diversify the resources of the company and streamline its **economies of scale** (Bedoshvili, 2011). *- needs definition* The company has different occasions, which include expanding the product line, diversifying the products and tapping the unexplored markets internationally around the world. The company should consist of more things and develop new and unique products that do not mimic the competition it has in the industry. Moreover, the company should collaborate with different brands and personalities that will help the company to sell its merchandise. The company in 2017 worked with Kohl's and it was a success. The company should consider more collaborations and partnerships to grow efficiently in the future and grow its revenue and sales in the market accordingly. Collaborations and Partnerships will help Under Armour to move into new markets and areas

The markets which have the highest scope of generating new sales and attracting new customers are the international markets. The expansion of the company in the global market would secure a promising future for the company. Being in the global market would allow the company to set its global strategy accordingly. **Local economies** also benefit from the

meaning?

expansion of companies globally as they start fulfilling the **universal needs** of the people (Hill & Westbrook, 1997).

- This is a SWOT Reference, not from International Business

Threats

Apart from the opportunities present to the company, the company also faces a significant risk to the market. There are many competitors in the market, such as Nike, Adidas, Puma, and Reebok, whose presence poses a substantial threat to the company. The competitors have high brand recognition in the market and have better operations internationally. The stronger base of the company could threaten the company's workability. *- meaning?*

Another threat to Under Armour is the development of high-quality products. Experts in the market contend that some of their athletic products are poorly designed and have caused significant injuries to athletes and consumers. Any injuries inflicted upon individuals by the products can prove to be damaging towards the company's brand reputation and corporate image. Incidents like this would drive endorsements down as well as their global status.

Impact as well if found liable

Economic

Recommendations

Under Armour is one of the biggest retailers who have mastered their field of work. The company has become one of the leading players in the market because of the incorporation of technology and eco-friendly products. The company has a significant amount of strengths that provides an edge to them in the industry, such as an extended diversified product line.

Under Armour, unlike many businesses in the market, they have many strengths, a few weaknesses, significant opportunities, and few threats. The company has to devise a global strategy that threatens and mimic the international leaders Nike and Addidas and the upcoming companies that it may face in the industry and should also develop strategies to explore the opportunities the company has (Helms, 2010).

To do that, here are some recommendations the company can follow. Firstly, the company should think about expanding into the international markets, which are still

unexplored. To do this, the company should carry out research and development, which will help it to ^{understand} study the global market and customers. It ~~should invest money in research and development.~~

Secondly, the company should encourage collaborations and partnerships to sell its merchandise. The company can make use of different famous personalities and brands which ^{-This is marketing} would assist the company in acquiring collaborations and partnerships. The company should also improve product capabilities and should work on the products that may cause injuries to the people using them ((Pickton & Wright , 1998). ^{-Again this is a SWOT Reference .}

James , as you can see by my comments I believe this draft needs work ! It is more about SWOT analyses than International Business. Terms are not always from International Business or how to expand globally or why.

Samantha told me she finished here list of concepts / term for International Business and sent it out more than a week ago. If you don't have the text, you should research doing business internationally, not SWOT analyses.

I'm cutting you a break and giving you a B- or 80% on this Topic Paper, but it needs work. If you have questions, please see me.

• 80% x 70 pts = 56/70

References

centered / APA

Bedoshvili, O. (2011). Under Armour Inc. *Anglo-American University*.

Helms, M. M. (2010). Exploring SWOT analysis – where are we now? A review of academic research from the last decade. *Journal of Strategy and Management*.

Hill, T., & Westbrook, R. (1997). SWOT analysis: It's time for a product recall. *Long Range Planning*, 30 (1), 46-52.

Pickton, D. W., & Wright, S. (1998). What's swot in the strategic analysis? *Wiley Online Library*.