

Can the white cat shine again?

The Puma Case

MANAGEMENT DECISIONS

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Managerial decisions involved in the rebranding from 2013 till the end of 2016

The whole process of the rebranding of Puma started after the change of their CEO in April 2013 when Björn Gulden became the new CEO effective 1st of July. The change was necessary after the previous CEO Franz Koch left the company at the end of March. The decision to hire Gulden was based on his experience of more than 20 years in the sporting goods and the footwear industries.

“With Björn Gulden, we are pleased to have an experienced sports industry expert with proven leadership quality and know-how in managing sports and footwear brands taking up the reins of PUMA,” said Jean-François Palus, Chairman of the Puma Administrative Board and Group Managing Director of Kering, Puma’s majority shareholder.

The same year the company changed their strategy which now included five main pillars that they would focus on: the repositioning of Puma as the World’s Fastest Sports Brand, the improvement of their product engine, the optimization of their distribution quality, increasing the speed within their organization and infrastructure, and renewing their IT infrastructure. Due to the first pillar in September 2013 the company introduced Puma’s new mission statement: *“To be the Fastest Sports Brand in the world”*. Their new mission statement was influenced by their new manifesto *“Forever Faster”*. In line with their new manifesto they renewed Usain Bolt’s contract and decided to focus more on him as their brand ambassador. In addition, they also re-designed their core values and the new ones are to be brave, confident, determined and joyful.

The management of the company decided to go back to their roots as being a sports company and start showing that to their customers. In order to do that they signed contracts with different sport players, different kinds of sport associations and various types of sports in general. They did that by signing contracts for endorsement not only with Usain Bolt, but also with Mario Balotelli and Asafa Powell. Also they signed long-term partnerships with Arsenal F.C., the Czech Republic Football Association, the Mercedes AMG Petronas Formula One Team, the Austrian Football Federation, Ghana Football Association, FIGC (Italian Football Federation) and with Infiniti Red Bull Racing Formula One Team.

Moreover, in order to help them with their new strategy and their new look the company in December of 2013 decided to change their creative agency and they hired JWT New York as global lead creative agency. Their job was to create a global advertising strategy for the company that would be used for their North America, Europe, Latin America, APAC and Middle East/Africa markets. This decision is in

line to Puma's new strategy to have a unified brand platform and simplified mission: "Forever Faster".

"In JWT, we have found an agile agency with a global reach that understands the PUMA brand and culture," said Björn Gulden, CEO of Puma. "The team quickly proved that they could deliver on our new mission to become the Fastest Sports Brand in the World. Together we'll craft a more nimble creative structure that will allow us to support all of the company's sporting and lifestyle categories with a single consumer message and streamlined creative concept across territories."

Puma decided to also still be present in the lifestyle and fashion branding, but now they started focusing on their female customers regarding this aspect. In December of 2014 they signed Rihanna to be their ambassador. The partnership started in January of 2015 and Rihanna became Puma's global ambassador for Women's Training and serve as the Puma Women's Creative Director. The management justified their decision to use her as she embodies everything that the brand stands for and that they want to communicate to their customers: unstoppable spirit, creative energy and prowess. Bjørn Gulden commented:

"Signing Rihanna is a fantastic step for PUMA. Her global profile, her charisma and individuality, her ambition – all these things make her a perfect ambassador for our brand. She also aligns perfectly with the values PUMA strives for: to be Confident, Brave, Determined and Joyful. With a strong portfolio in football, running and motorsport, finding an inspiring partner for women's training was very important. Rihanna was a natural choice for us. We're delighted to have her as a partner, and we're looking forward to what's to come."

In February of 2014 they successfully launched their new strategic direction "Forever Faster". But this launch was well thought through as it took them some time in order to get some pre-launch data in order to reduce the possible risk that they were facing. Moreover they wanted to make sure in the beginning that they are starting to do better. They checked that by monitoring their sales growth, their positive reputation in the eyes of the customers, their net earnings, and many additional financial and reputation based factors. In the time before launching the new strategy Puma's quarter sales (and hence their year sales) and their general results were in line with the pre-set guidelines. What is even more positive is that in 2014 their third quarter sales even surpassed their guidelines.

Results of the decisions

After the launch of their new strategy "Forever Faster" the first quarter sales for the company show growth, this indicated to the managers that for now their decision was the right one. The growth continued during the years as well and in the end of

2016 they still observed sales growth and general improvements to the perception of the Puma brand.