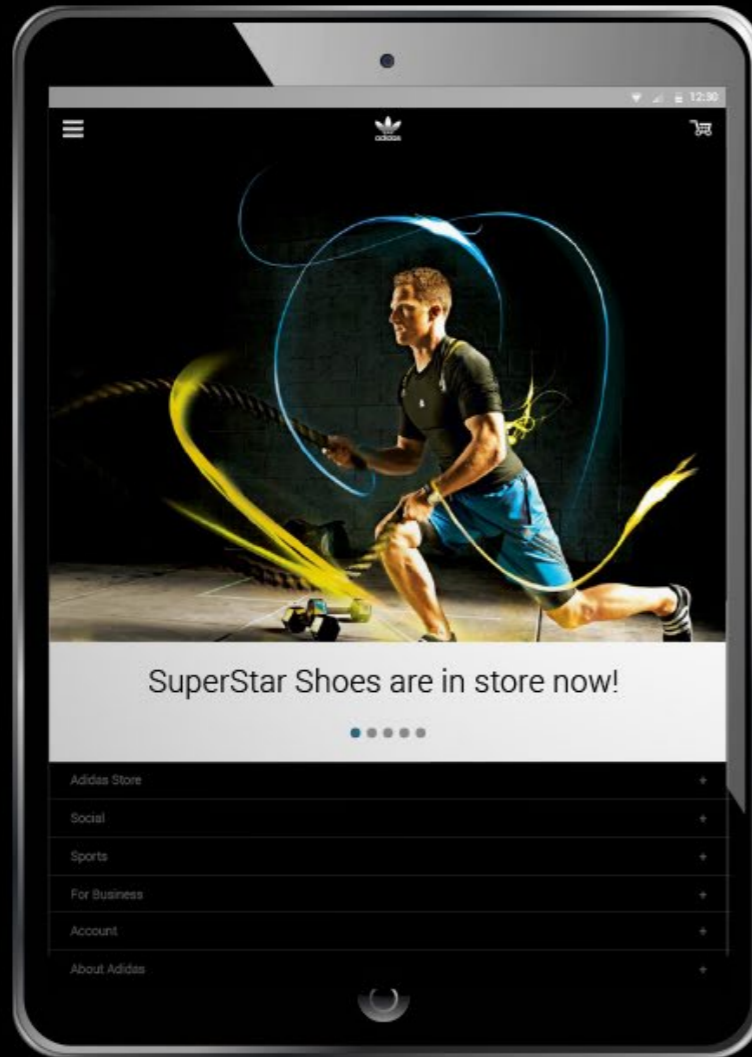




adidas

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# ADIDAS APP PROPOSAL

Presented by Honeykome • September 2015



## Background

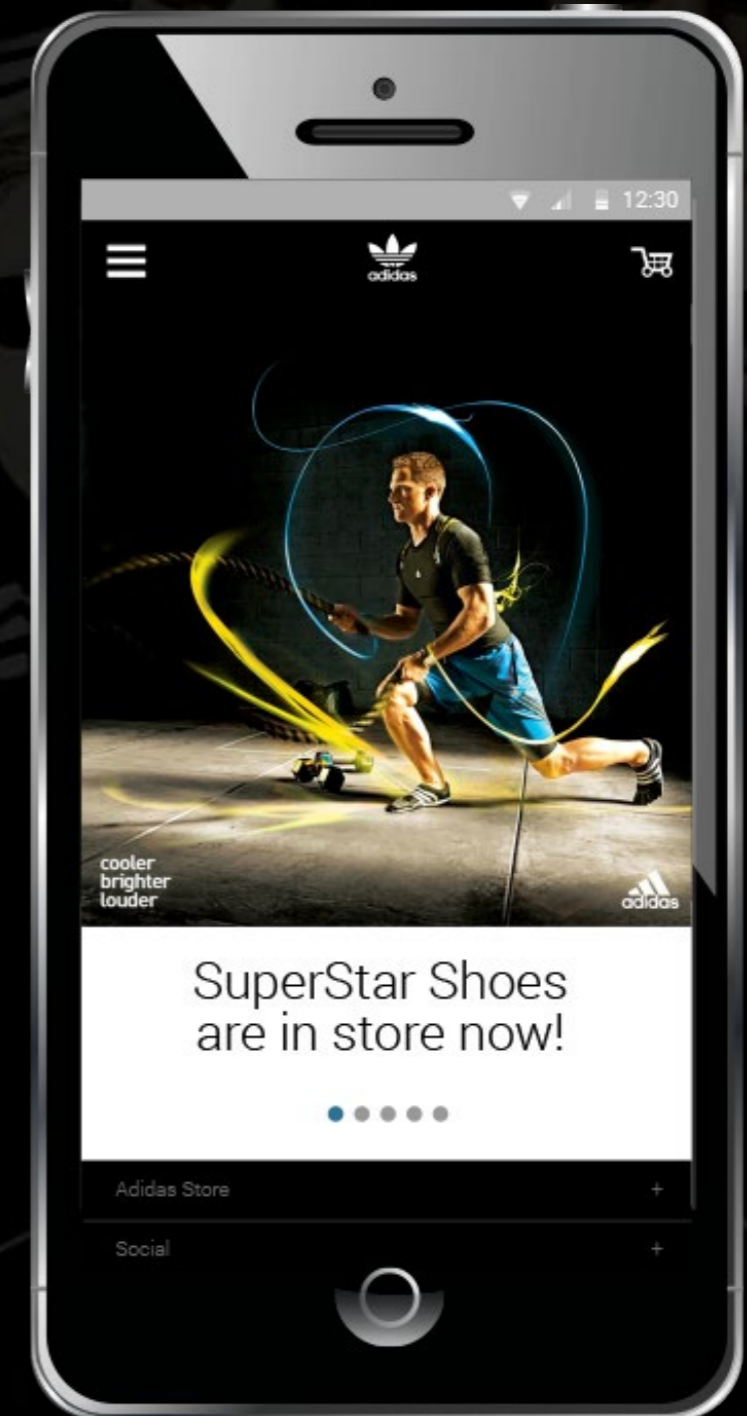
Adidas SA is a well established brand with powerful brand assets and a loyal and passionate following that includes fashionable clothing and hi-performance training kit and equipment. They are now looking to extend their well established digital presence into the mobile app space.





## What have we been asked to do?

Honeykome have been requested to provide feedback, costing and a proposal with a view to partnering Adidas in building 'The' Adidas SA app. Honeykome are required to present a proposal, itemised quotation costing and detailed implementation plan of how we would go about building this mobile application.

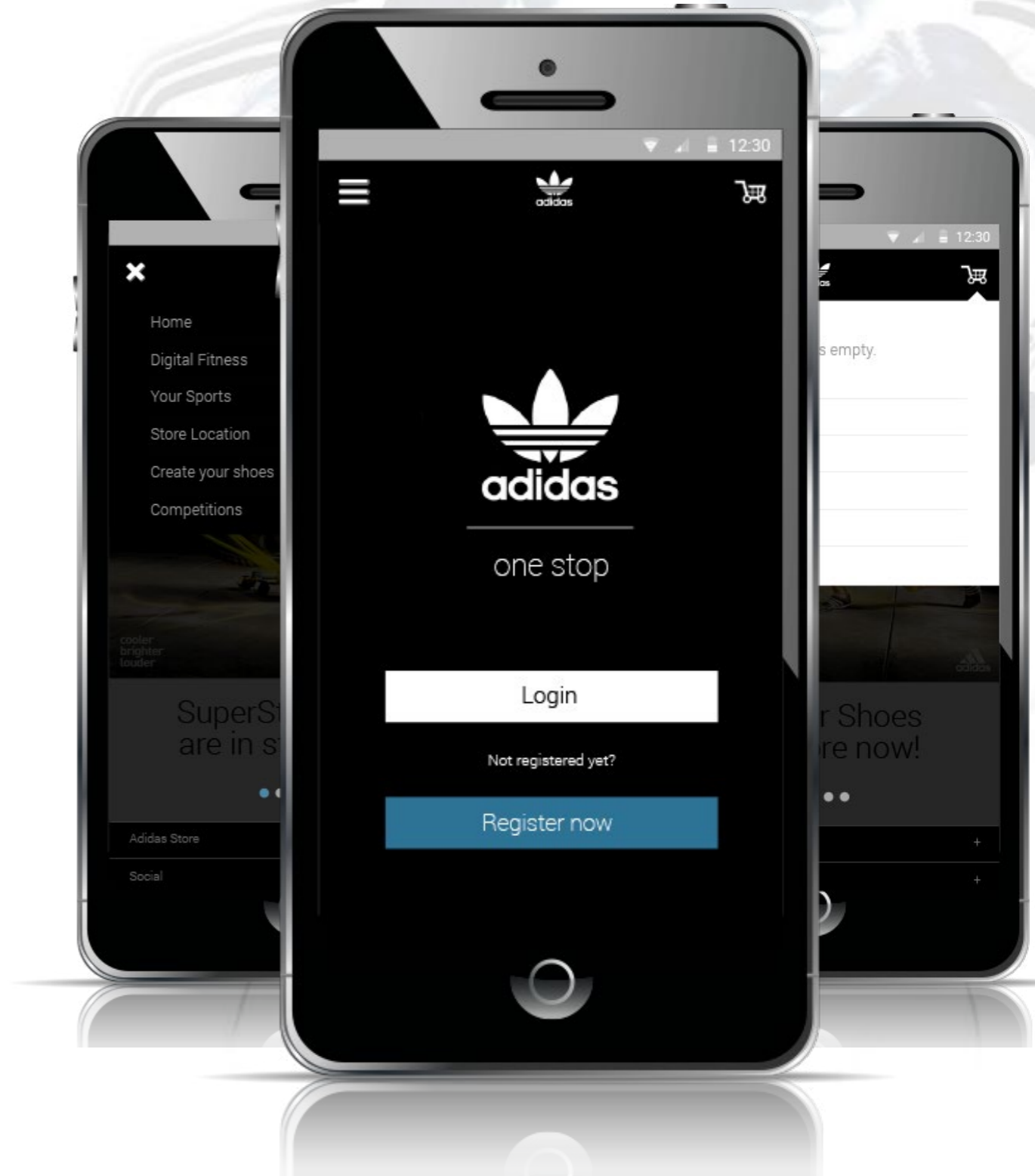




## Purpose of the application

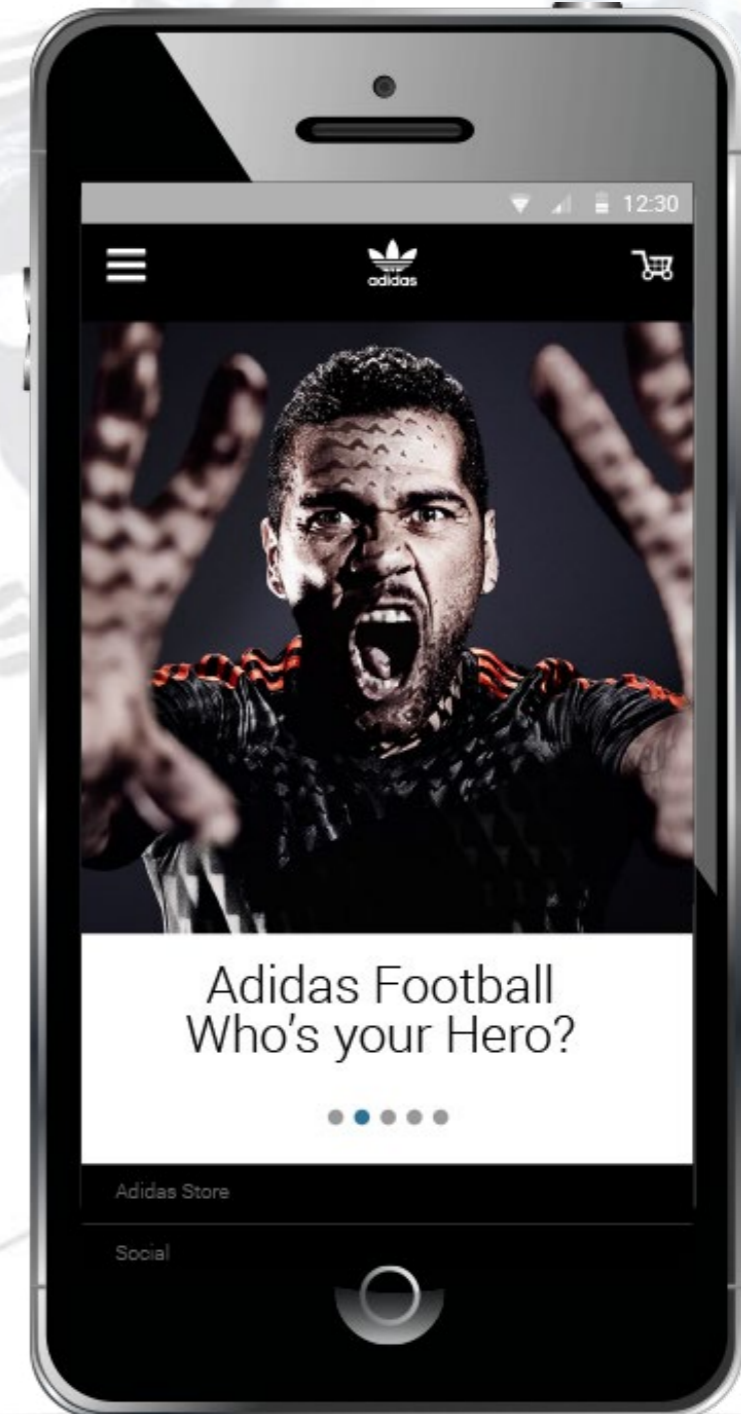
In order to build a new application that will drive Adidas as a leader into the mobile app space, we must start with a solid, strategic foundation. We must understand the 'why', 'where' and 'what' of the proposed Adidas platform.

There is a great opportunity for Adidas to transcend South African social barriers. It is a well-respected and well-loved brand that brings its customers quality synonymous with Germany and a touch of urban hip-hop 'swagger'. The app needs to utilise popular local culture icons and tap into this appeal.



## Purpose of the application

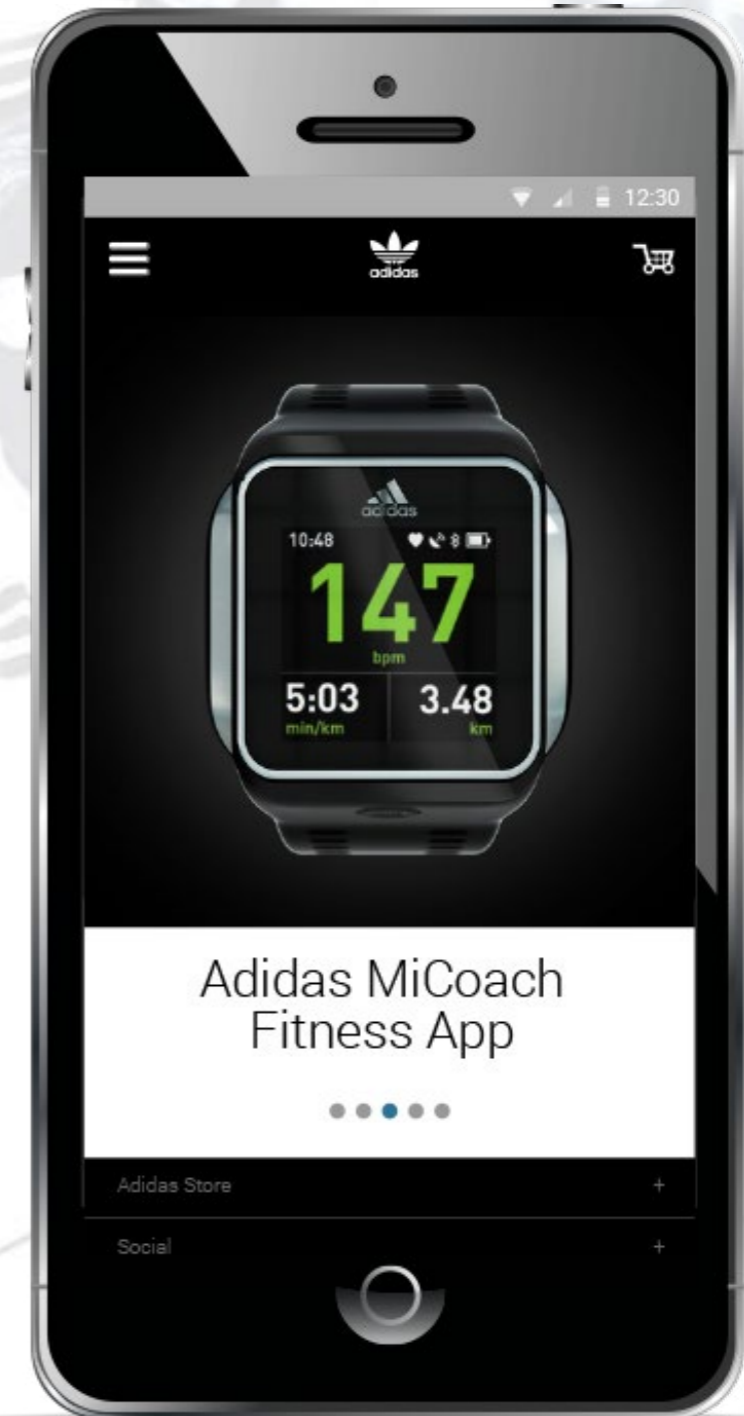
- The new Adidas mobile application must create relevance for viewers outside the existing brand assest. For example, it must both work with and build-on the existing in-store elements, adding a layer of service and interest that makes the app a thing to celebrate and reuse
- It must ensure the consumer receives relevant and engaging content i.e. it must offer something more than they can find on the existing website
- It must provide additional advertising opportunities for internal marketing, specifically allowing the placement of targeted promotions and specials.



## Background/ The Marketplace

The app will be up against key competitors and the app marketplace in general. Device fatigue is a real issue to contend with in making the application a feature of the consumer's life. This not only applies to direct product competition but apps that exist in the health and fitness space in general – *Strava*, *Endomondo* etc. These apps all focus on doing one thing incredibly well.

The fact that these apps all focus on a niche service offering presents an opportunity for the Adidas app to distinguish itself by providing additional sticky content such as news, information and gaming that builds on the consumer's already strong affinity for the brand.



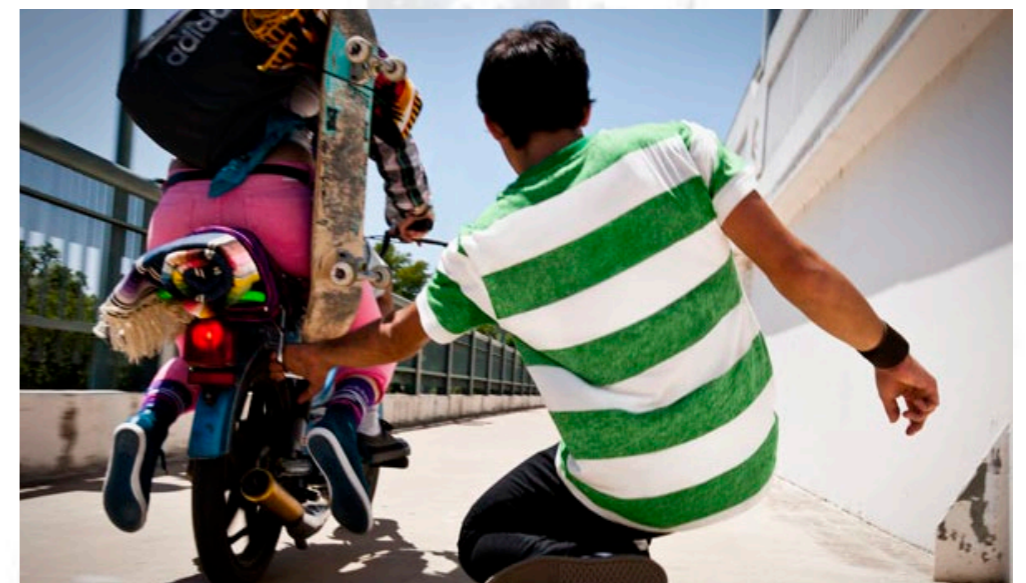


## The Potential Audience

The application will be targeted primarily at frequent Adidas consumers and brand afficiandos. These are repeat customers who will engage with the application if it brings real value to their lives. But they are busy, constantly on the go and digitally savvy enough to not be pulled in by a fad.

They typically already have many applications loaded on their phones, most of which tend to be forgotten or left unused.

These consumers are savvy and have high expectations. You only have one chance to get their attention and it needs to stand out as being intrinsically unique, interesting and useful to the consumer to have any chance of playing a continued role in their lives.





## Some Important Market Insights:

### The audience are vast and love the brand

- Adidas regularly registers in surveys as a top 10 South African brand
- It is especially popular among R6K – R15K salary earners
- It is strongly loved by men and women, with women registering a great brand affinity

Just like Adidas, the audience have many different facets and they don't think in categories like Style or Performance. Therefore we must capture their varying interests across sport, street and style.







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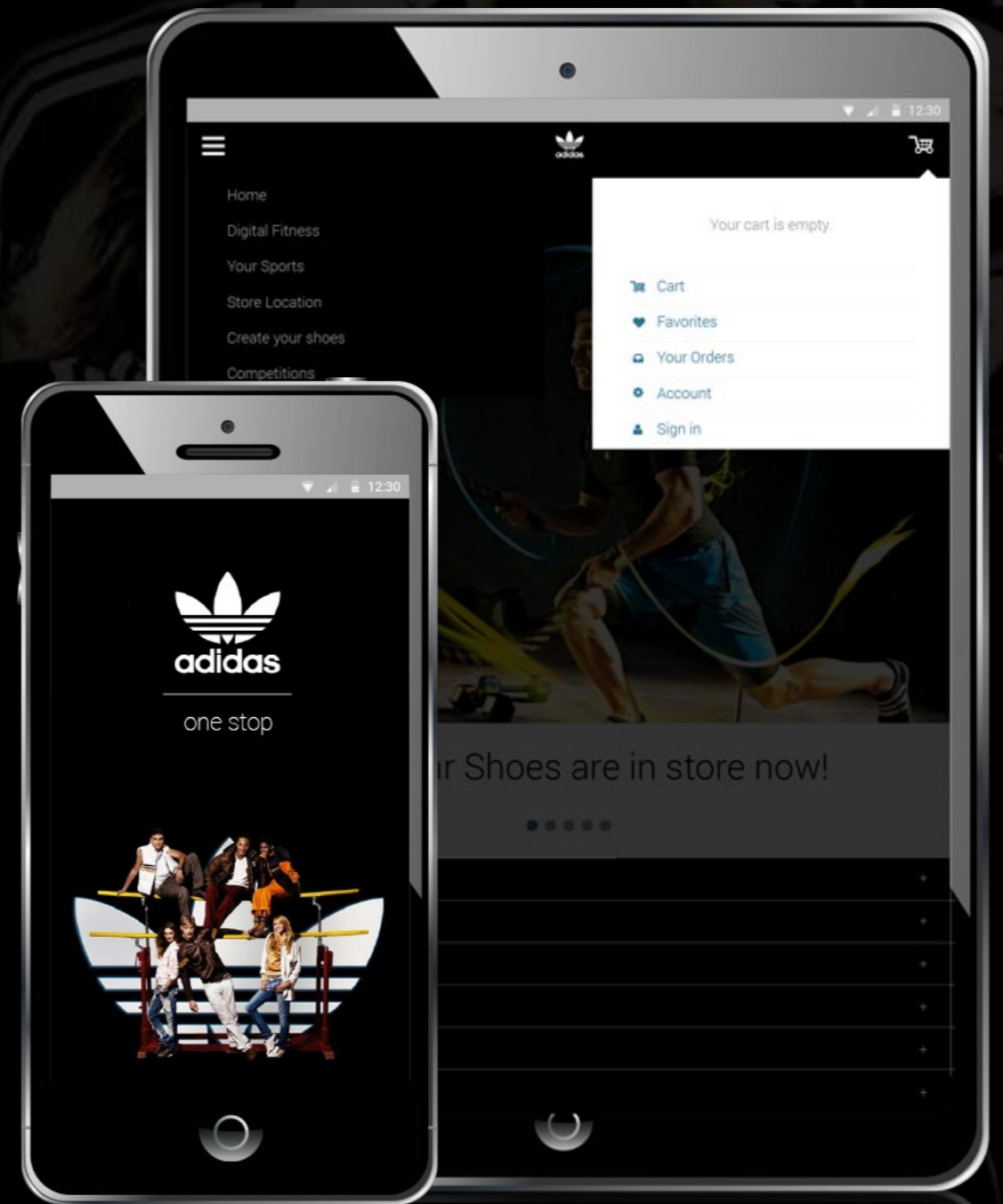
The Opportunity



# The Opportunity

We need to ensure that the app has some form of edge over the competition that will make users want to engage for the first time and want to keep returning.

For Adidas, the young consumers, the next generation, are the focus. We have to connect to them and get them excited.



## How should it be perceived?

We are past being amazed by the novelty of apps with audiences experience fatigue with any product that does not fulfill a clear need or offer a startling service. The Adidas app needs to avoid this issue and ensure Adidas users have a good reason to engage with the application on an ongoing basis.

It needs to be **useful, engaging, unique** and offer a compelling **value-add**.

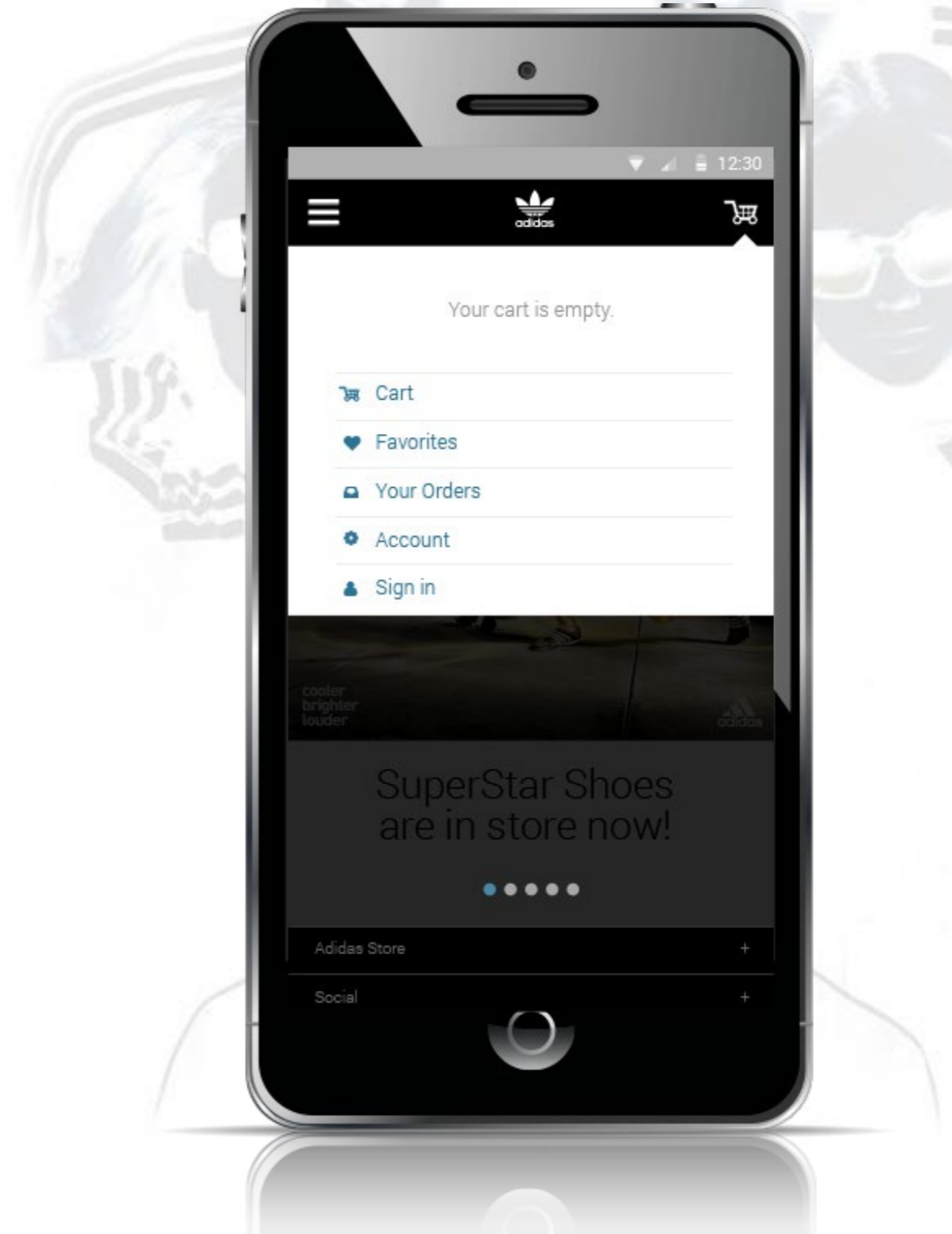




## What is the 'useful'?

Key elements that could make this application stand out from the crowd include:

- Notification of key events
- Promotion of products and pre-announcements to the App audience of new releases.
- It should also link with existing in-store POS to make the shopping experience that much simpler
- E-commerce and providing a smooth and user-friendly purchasing mechanism that gives them what they want, when they want it.



## What is the 'engaging'?

Beyond this though, the app needs to provide compelling and engaging content that speaks to the user. To this end the provision of the following content mix would help fill this quiet time:

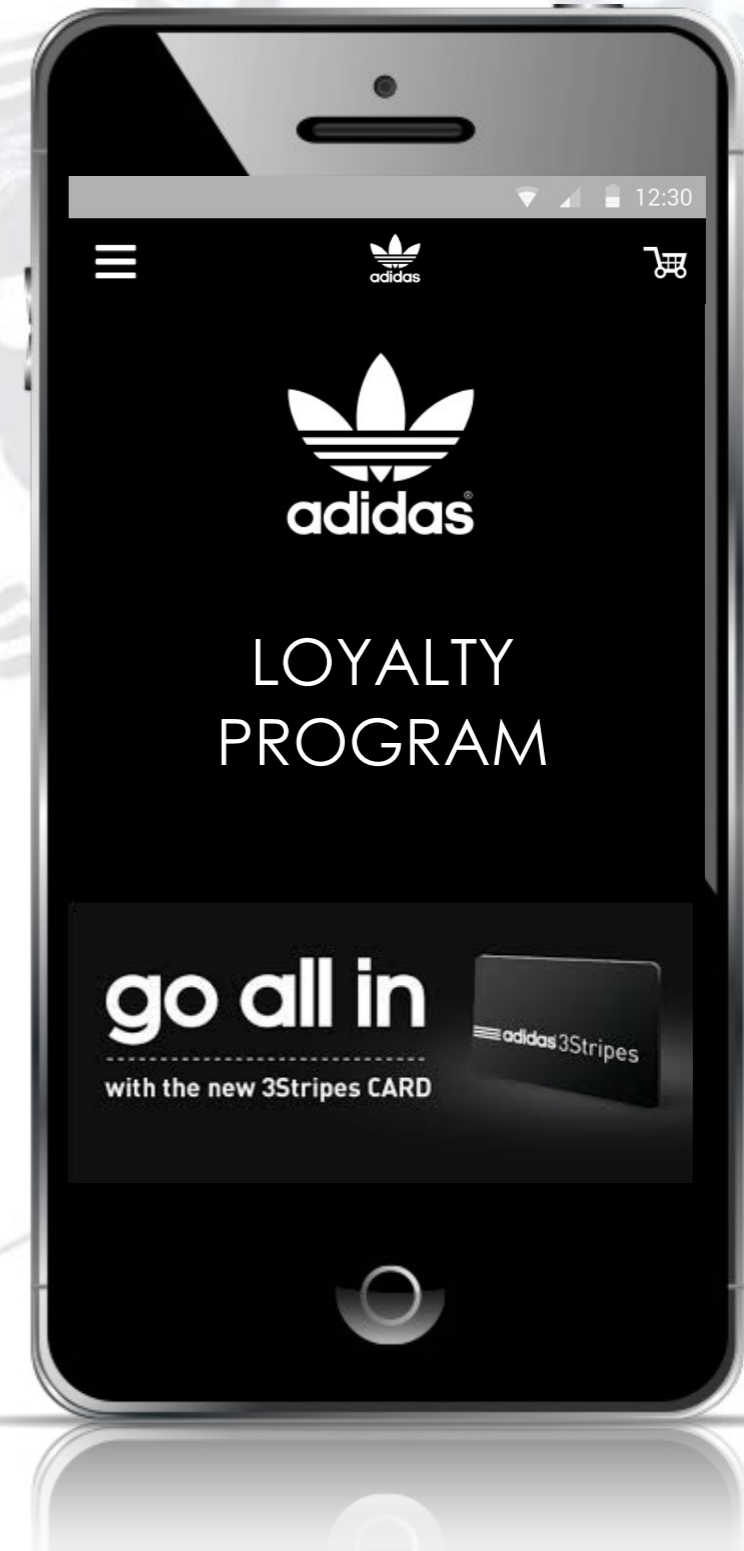
- General news (Product announcements, previews, showcase)
- Sports events news and promos
- Digital fitness tips and demonstrations
- Store locator
- Competitions



## What is the 'unique'?

The app needs to contain unique elements that differentiate it from competitors and establish a firm footprint in the mind of the user.

**GAMIFICATION** – Gamification has been shown to be a great way to incentivise engagement and keep users returning for more. It adds the 'fun' element that turns an application from a boring 'service offering' into a friendly tool that makes one's life better. There are many ways this can be spun out. One example of this could be to level-up users with badges based on in-app activity could deliver vouchers/discounts to certain levels based.

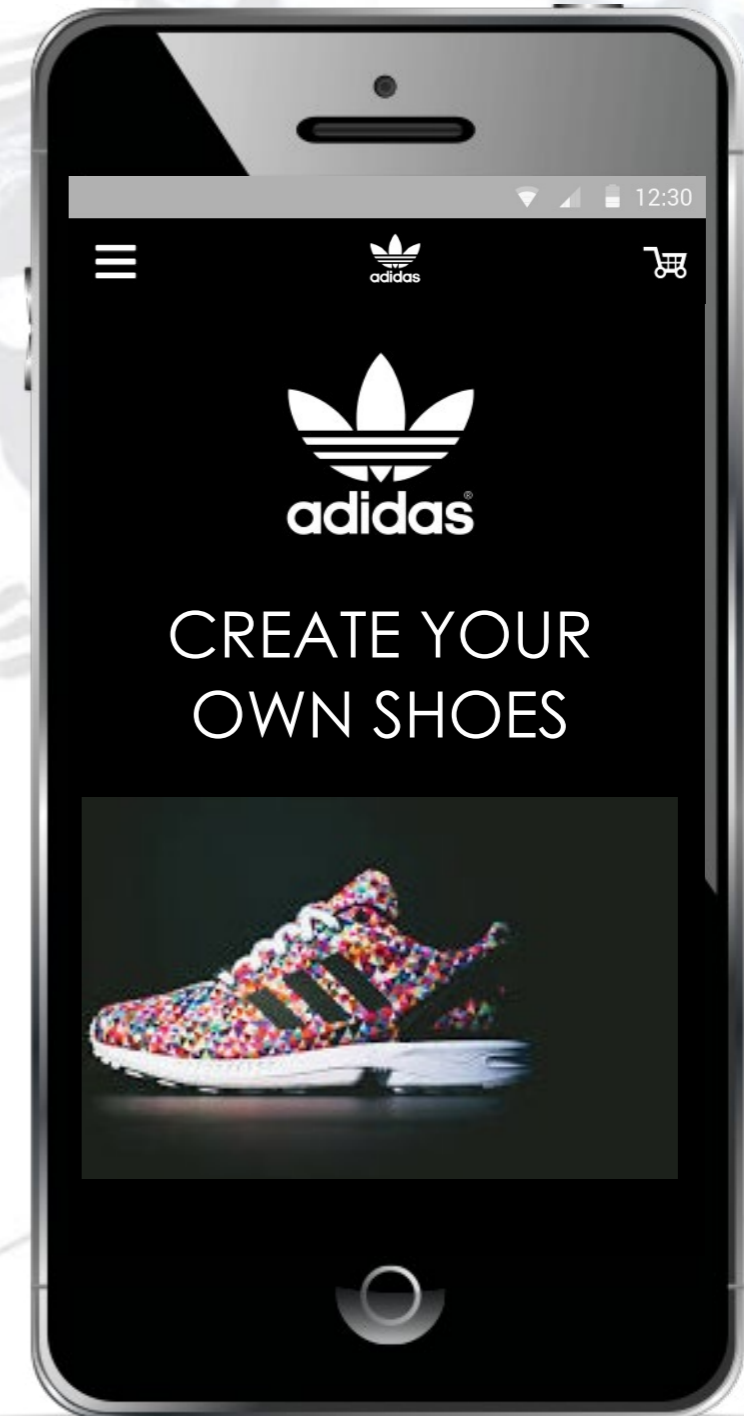




# What is the 'unique'?

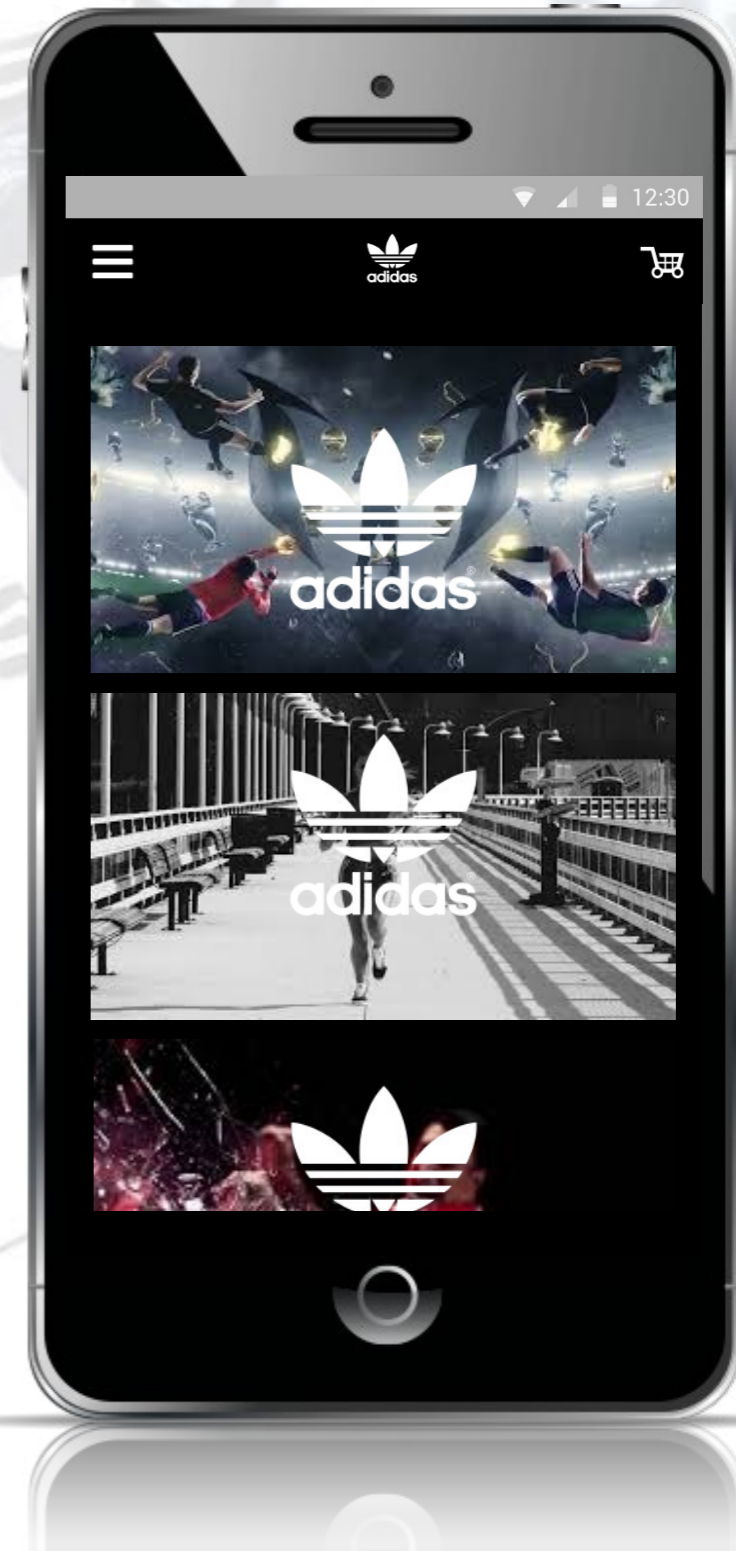
**CREATE YOUR SHOE** – this feature could allow users to select and design their customised ideal Adidas shoe based a series of template. This could be connected to a showcase of audience favourites with judges ultimately nominating a fan favourite that could be made, or win prizes etc.

**LIMITED EDITION SHOES** – Before the debut of a new range of limited edition shoe users of the app could be given advanced warning. Users, or selected levelled users, could receive a push notification, alerting them when reservations are open. They then select a size, choose a store nearby and receive a confirmation and pickup window. Reservations are first come, first serve, and each person is limited to one pair per release. The app doesn't process any payments; users pay for shoes in store at the pickup times.



## What is the 'unique'?

**VIDEO** – there are ample opportunities to provide engaging video content. For example a series of fitness training tips and advice videos could leverage key Adidas brand ambassadors. Offering this as a content channel within the app would create additional opportunities for providing unique, sticky content to the app audience.



## What is the 'value-add'?

It is also essentially that the app offers a tangible value-add to the user, this should be the "I want to use this app because it gives me something special".

**VOUCHERS** - Adidas shops could offer promotions and vouchers in-app on selected promoted products. Users could receive a 10% discount by selecting a voucher, which they could then redeem in-store. This could also be structured to incentivise engagement by rewarding users who successfully complete a section (e.g. running) with a voucher/discount redeemable at one of the Adidas partner stores. This feature could also be connected to a loyalty programme, that would provide feedback on product use.



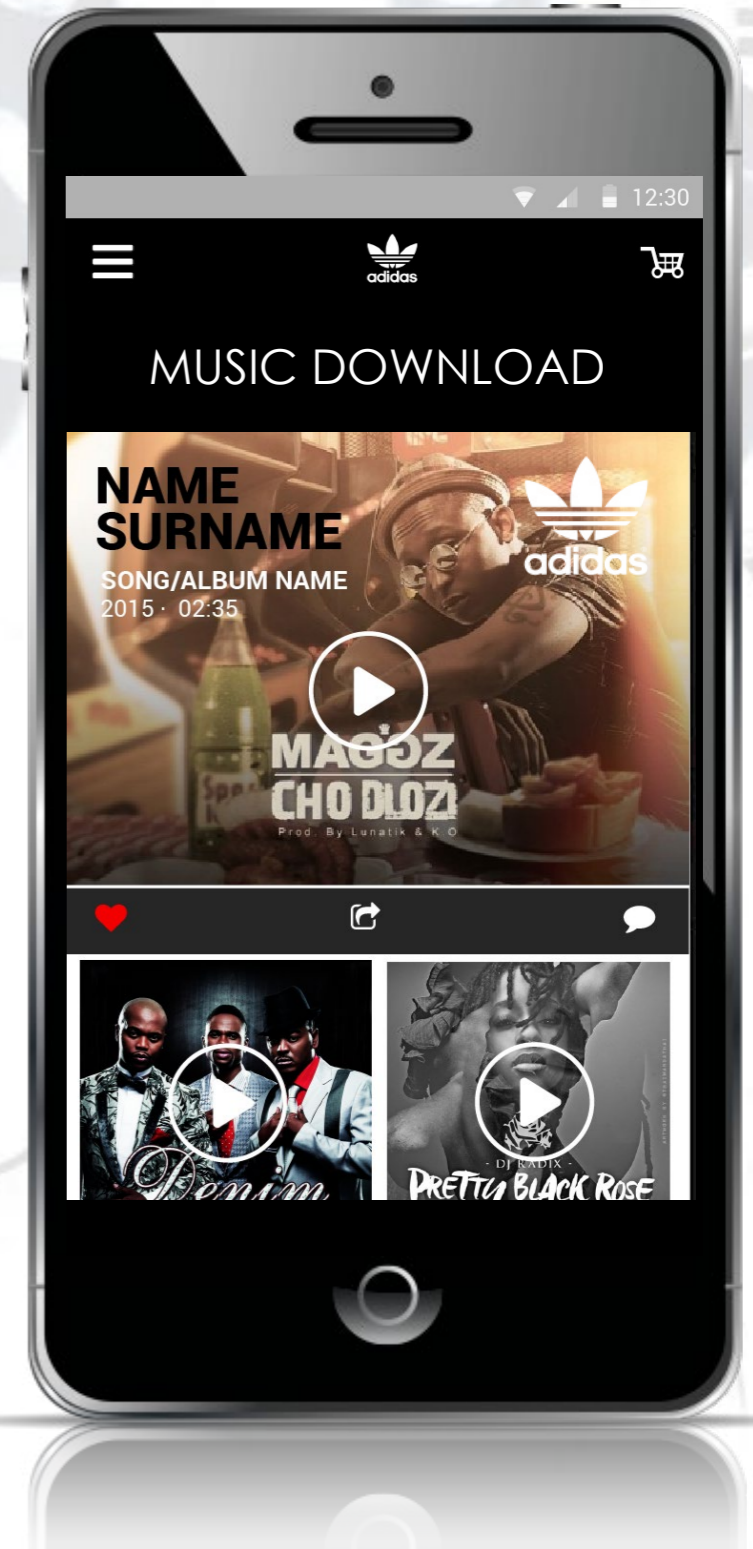


## What is the 'value-add'?

**MUSIC** - Music downloads would offer a great opportunity to excite the user. Imagine the newly arrived traveller downloading a set of local tunes. This also connects with positioning of Adidas brand and it's urban appeal.

**TICKETS AND GIVEAWAYS** - Tickets and giveaways to concerts/ sponsored events would be a great way to keep the audience engaged and add value. This could be promoted in-app.

**SPECIAL EVENTS** - The above concept could be applied to a range of events and targeted marketing opportunities. Notifications could be sent to app users, or targeted segments, notifying them of special events tied to Adidas SA marketing objectives. Use of in-app gallery feature could further drive the social awareness of the app and create a desire to follow the brand so as to be at such events.





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The Technical Stuff...

# Platform and download

The Adidas brief requests that the app be a combined Android, iOS.

**SIMPLE IS BEST** – the most successful provide a very clear function and very simple user experience. Over complicating an app with too much functionality can disorientate the user and encourage them to exit the experience.





# Platform Solutions – Going the App route

The native app provides a range of features and a dynamic, fast experience. One of the great advantages of the app route is in fact the app stores, and the relative ease they give the user to load the application onto their device. The extensive R&D done by the major industry players to smooth this process for the consumer means people become familiar with the process and unafraid to try new things. It is best not to try and reinvent this process and to own the whole application installation experience. The app stores are in fact a low friction point in the overall process.



# Phased releases - Going the App route

No digital product is ever perfect, or complete, and is essential to respond to the feedback of users as well as any technological advancements as rapidly and effortlessly as possible. Each new 'feature update' also provides a potential marketing opportunity to remind the user of the value of the product.

If the app route is decided on as being a necessary route, we would suggest producing this as a hybrid offering. This build once for all platforms shortens delivery times, simplifies updates and allows the rapid evolution of the app over





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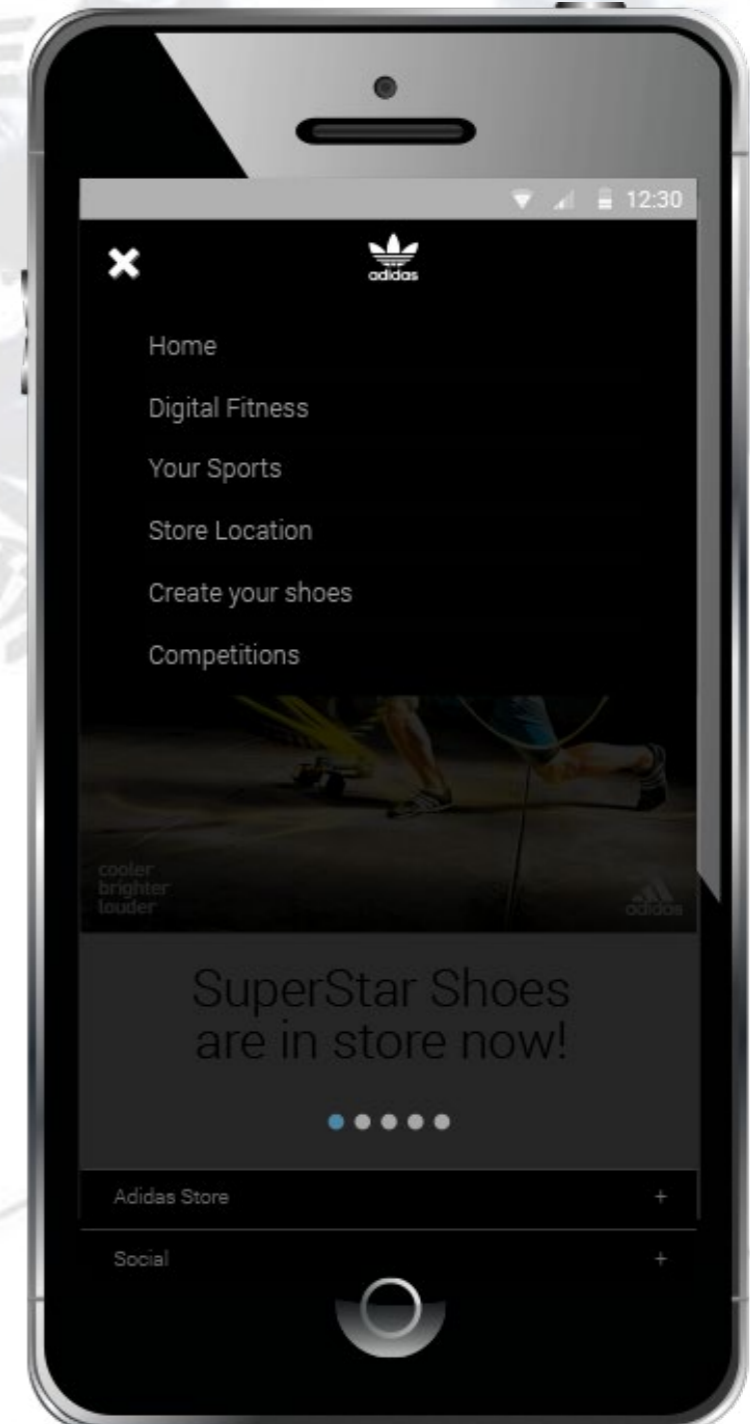
Making it Happen



# What makes an app successful?

'Success' means an app fulfills these 4 definitive goals:

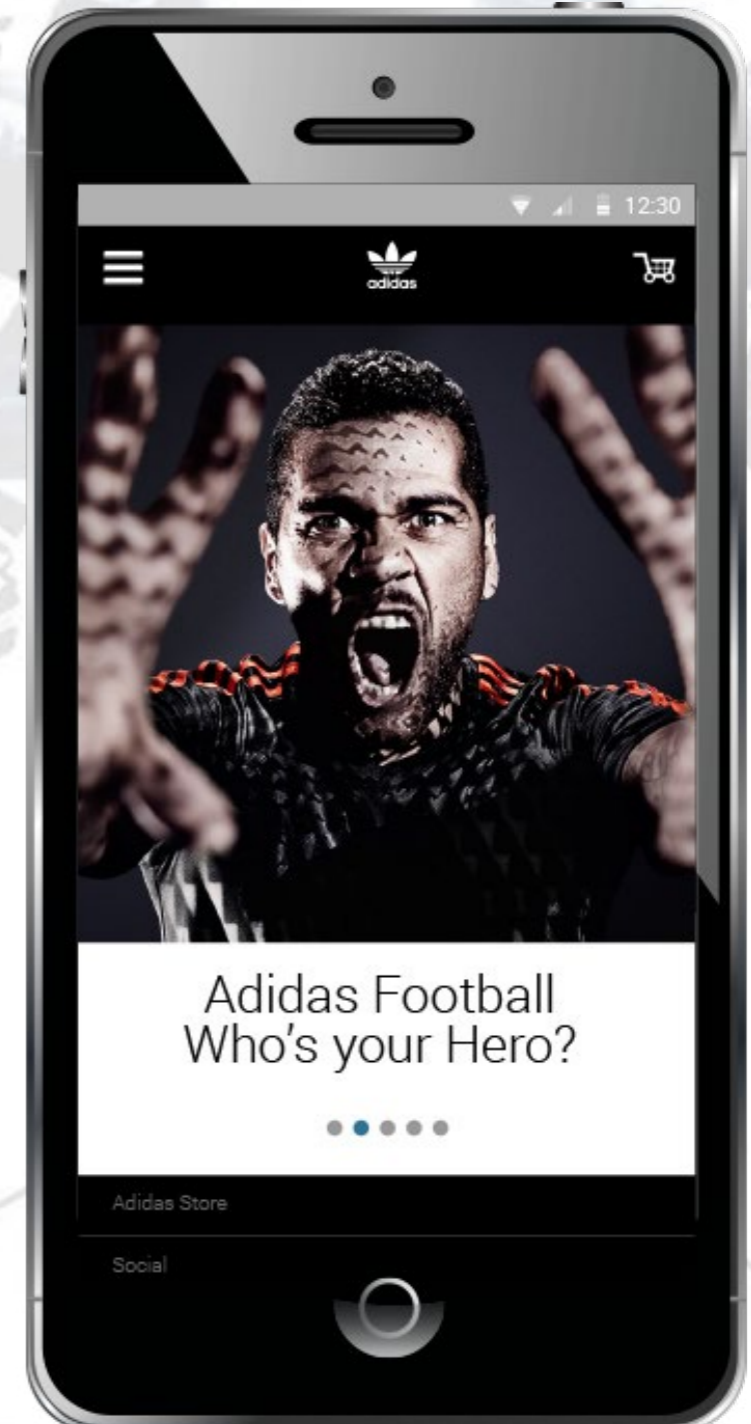
- The app achieves the sales or adoption objectives set by the publisher.
- The app attracts a large audience to meet the first criteria.
- The app meets the needs and fulfills the expectations of its audience.
- The app entices audience members to continue its use, install upgrades to future versions, and become evangelists for the app.



## Planning for Success

We would work with you closely in the initial phases to ascertain proper benchmarks for these targets. Through this process we should all come to conclusions and clear strategies for the following:

1. Agree on goals for the program.
2. Understand target users.
3. Build a user testing focus group.
4. Identify a minimally viable product (MVP)
5. Plan for multiple releases.
6. Balance users and your business.
7. Know what is out there.
8. Bring the development team into the discussions early.
9. Decide on the technology you can live (and grow) with.
10. Plan to analyze.



## Key phases of successful app creation

So proper planning and defining each of the above is essential. This process would be broken down into the following key stages:

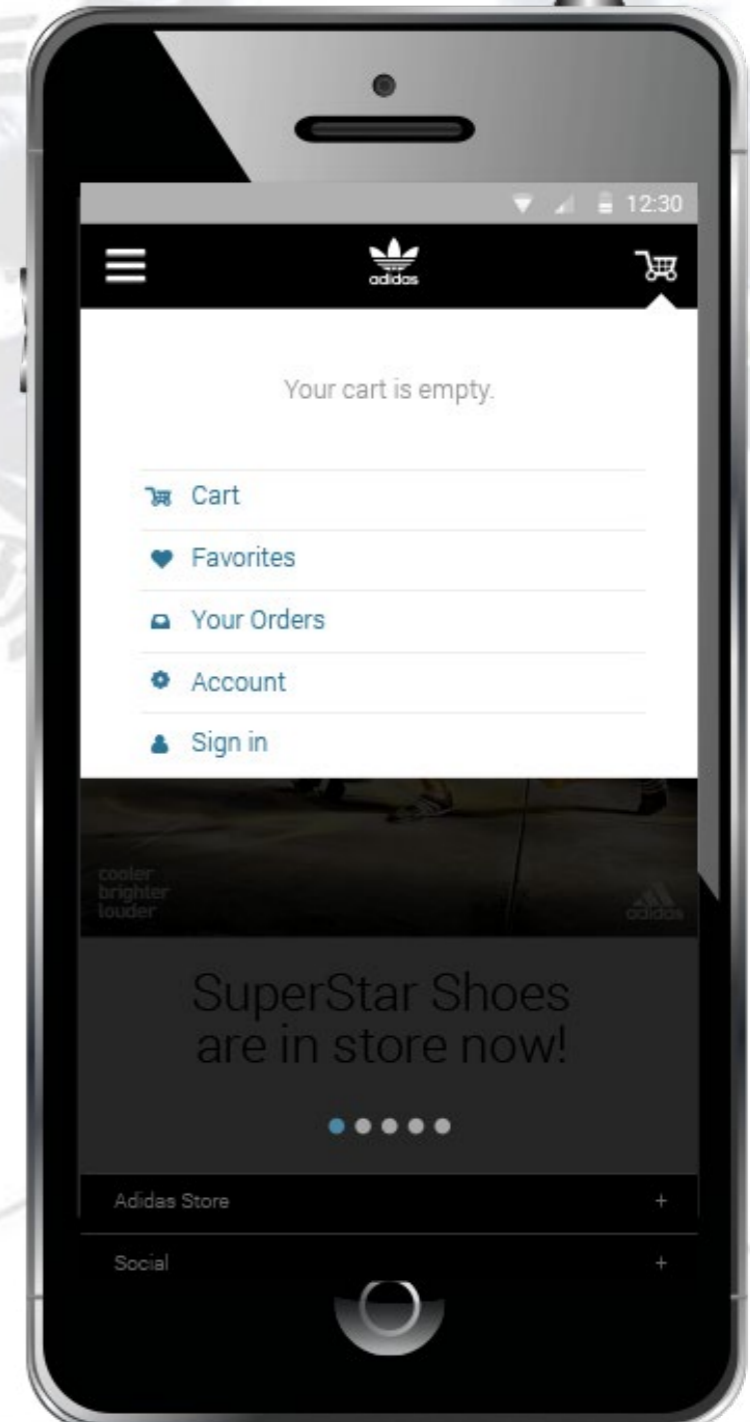
**Strategy** – Why are we doing this?

**Design** – How are we doing this?

**Development** – Let's create this.

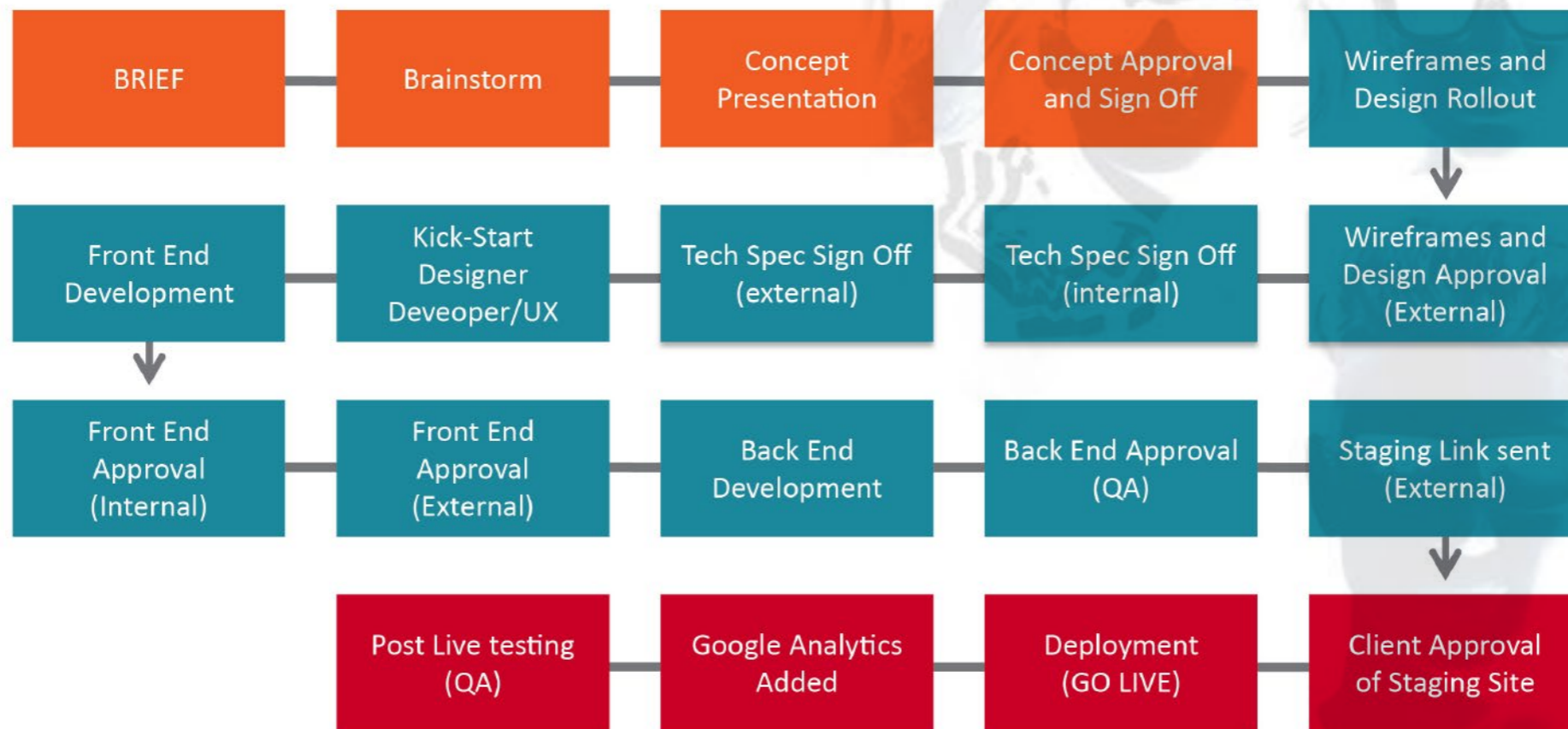
**Marketing** – Let's sell this.

**Maintenance** – Let's keep people using this.





# Our Processes



- DISCOVERY PHASE
- CREATE & BUILD PHASE
- LAUNCH PHASE



# Costs estimate

The suggestion is the Adidas app be delivered on a phased approach. The expectation is that all the features will not be available for delivery in the first iteration.

Requirement	Low Cost		High Cost	
<b>PHASE 1 - MVP</b>				
Project Management				
<b>Discovery</b>				
Scoping				
Wireframes				
Technical Specification				
<b>Concept &amp; Design</b>				
UX & user analysis				
Design & Prototype setup				
Asset creation				
<b>App Development</b>				
iOS				
Android				
<b>Integration</b>				
Back End Web Management System				
eCommerce API for Zando				
POS Instore				
QA & Testing				
	<u>R 719 300,00</u>	24 weeks	<u>R 885 550,00</u>	31 weeks
<b>PHASE 2</b>				
<b>Loyalty Program</b>				
Vouchers				
QR Code				
	<u>R 195 900,00</u>	6 weeks	<u>R 300 900,00</u>	10 weeks
<b>PHASE 3</b>				
<b>Project Management</b>				
GPS Route Tracking				
iBeacon				
	<u>R 135 700,00</u>	4 weeks	<u>R 266 950,00</u>	9 weeks
<b>PHASE 4</b>				
<b>Augmented Reality</b>	<u>R 189 150,00</u>		<u>R 238 950,00</u>	4 weeks







Thank you.

