

The Reebok Journey

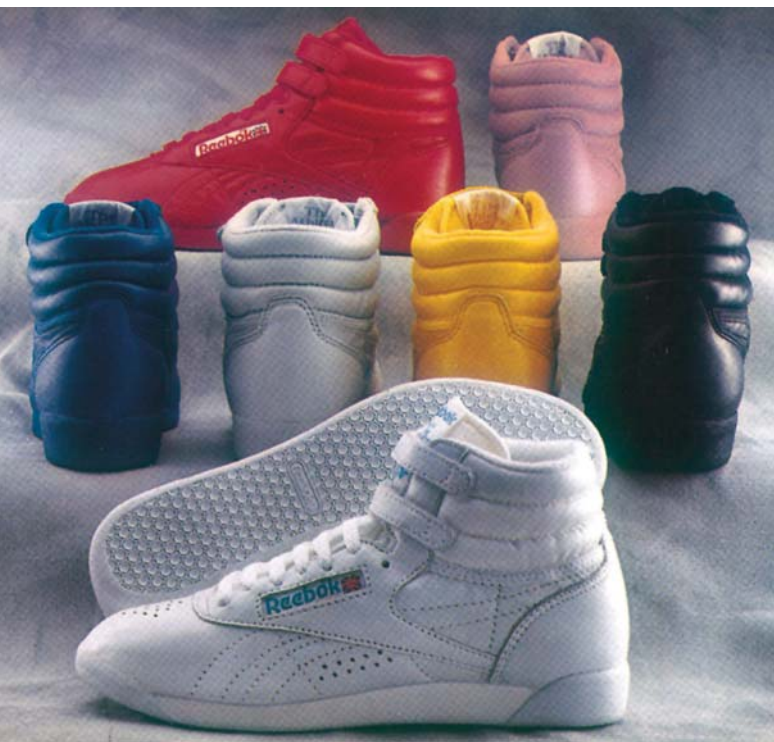
There are few brands that have impacted the breadth and depth of the fitness industry to the same degree as Reebok.

The idea that Reebok could possibly even lay claim to being the most authentic of all trainer brands may come as a surprise to some. Its long standing 'trainer wars' with Nike, and from the same era its links with the birth of aerobics have overshadowed its long heritage of innovation and cultural influence. **By Di Mace**

PHOTO: SHUTTERSTOCK.COM

Unlike Dunlop and Converse, who have also laid claim to founding rights, Reebok began life as a dedicated sports firm, passionately designing shoes to improve an athlete's performance. Founded in the 1890's, Reebok's United Kingdom ancestor company was called J.W. Foster and Sons. A runner himself, the founder's goal was to make people run faster; so to achieve his purpose he employed the first known usage by a shoemaker of adding spikes to the bottoms of shoes.

Before long word spread of his success and his company had an elite international clientele. Clever marketing tactics were a hallmark even in the early days, as by 1905, Foster was sending out free samples of his shoes to champion runners all over the world. Their return letters of satisfaction (or in today's terms, testimonials) were then published in their local country's press. Soon Fosters shoes, all made by hand were being worn by Olympic athletes worldwide.



In 1982, Reebok introduced the first athletic shoe designed especially for women; a shoe for a hot new fitness exercise called aerobic dance. The shoe was called the Freestyle™ (high-top version in 1985), and it quickly became a cultural sensation. Unlike traditional athletic shoes, which were made of unglamorous materials in dull colours, Reebok aerobics shoes were constructed of soft, pliable leather and came in a variety of bold, fashionable colours. With this single shoe Reebok anticipated and encouraged three major trends that transformed the athletic footwear industry: the aerobic exercise movement, the influx of women into sports and exercise and the acceptance of well-designed athletic footwear by adults for street and casual wear.

By selling its shoes to women, Reebok had opened up a new market for athletic shoe sales. This market would continue to expand as women began to wear their comfortable athletic shoes on the street, for daily life. In 1983, the year following the introduction of the shoe for aerobics, Reebok sales shot to US\$13 million. The company had become the instigator and the beneficiary of an all-consuming fad – the fitness craze.

The male version of the Freestyle, dubbed the Ex-O-Fit, followed soon after. With bright colours and Velcro straps, the Freestyle and Ex-O-Fit helped to define 80's fashion. Suddenly Reebok shot straight to the top of the trainer sales league. Explosive growth followed in international markets, which Reebok fuelled with new product categories, making it an industry leader available in over 170 countries.

By 1985 Reebok had gained a large following of trendy young consumers, and the shoe's standing as a fashion item was solidified by the appearance of actress Cybill Shepherd wearing a bright orange pair of Reeboks under her formal black gown at the presentation of the Emmy awards. From this point, Paul Fireman, who had bought out Reebok International, the company's British parent in 1984, set up an office in California to help the company stay on top of trends and maintain its shoe's popularity.

The 80's were Reebok's decade of success. The company developed and released the famous Pump technology marketed with the memorable slogan "Pump It Up" in the late 80's. The shoes used an air bladder, inflated with a small pump integrated into the tongue of the shoes, to hold them tightly to the wearer's feet.

Reebok rode the wave of popularity by continuing to introduce new products and becoming a leader in their industry. Anticipating an inevitable decline in the popularity of its aerobics shoes - which contributed 42 per cent of the company's sales in 1985 - as the trend peaked and dropped off, Reebok diversified its product offering.



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Steady success continued through the early decades of the twentieth century. In 1958 two of the founders' grandsons renamed the company. Reebok is the Afrikaans spelling of rhebok, which is a type of African antelope. The brand's influence and range of sporting goods then gradually spread across 28 countries worldwide, but when it launched into the US market its future was set on an upward trajectory.

Not available there until 1979 when they were spotted by Paul Fireman at an international trade show, their potential was soon realised. He negotiated the North American distribution rights and ultimately, the rest is history. He released three shoes that year and at US\$60 each they were the most expensive running shoes at the time.

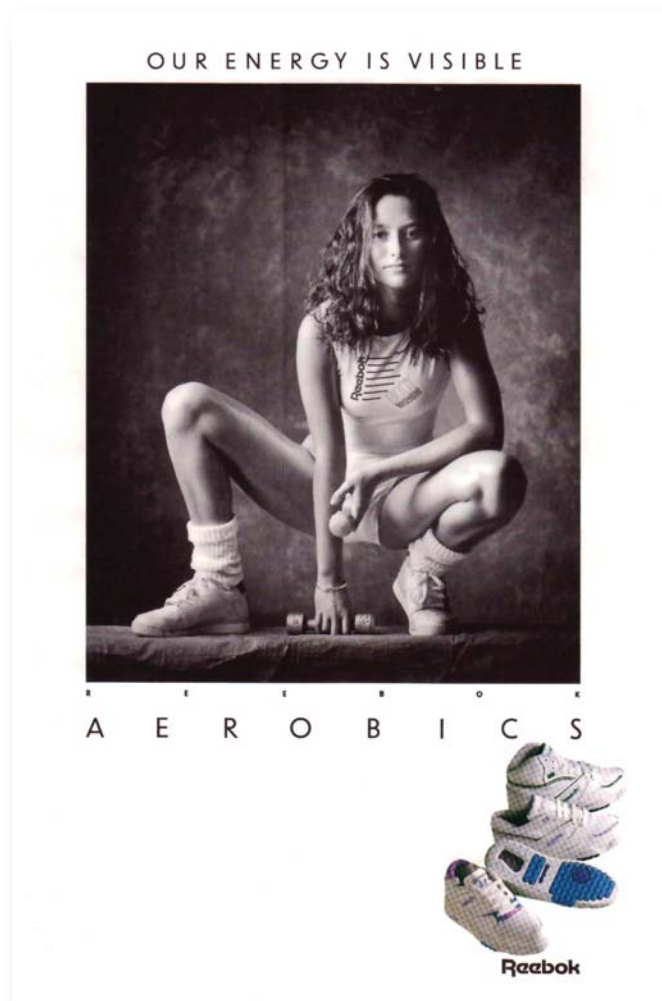
By 1981 Reebok's sales exceeded US\$1.5 million, and the production plant in Bolton UK couldn't keep up with the demand. To increase capacity, Reebok decided to open a new plant overseas, in South Korea. This increased capacity was more than needed in the following year when a dramatic revolution started and the face of the training shoe industry was to change forever.

In an attempt to change its reputation as a company noted for fashion products, Reebok introduced high-tech design innovations. This was an area previously dominated by its competitor Nike. Perhaps the most significant innovation was the introduction of a basketball shoe. In entering this market, Reebok was stepping up its competition with rival shoemakers Nike and Converse, who at the time controlled a large part of the lucrative basketball shoe market.

As a consequence of Reebok's move into technology the 80's have been described as the era of the 'trainer wars'. This was a battle fuelled by enormous, ever increasing advertising budgets and was a fight for market dominance, fought mainly between Reebok and Nike. In this era the emphasis was on staying one step ahead of the other, primarily

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driven by introducing gimmicks. Reebok pulled away with its Pump Court Victory, forcing Nike to reply with the Air Max. It seemed that everybody wanted into the shoe market. At the end of 1987, Reebok held a quarter of the market for basketball shoes and dominated the field in aerobics, tennis, and walking shoes.

In 1989, Reebok launched Step Reebok after conducting comprehensive scientific and biomechanical research that showed step aerobics was a highly credible and effective format for cardiovascular exercise. This revolutionary, never before seen form of exercise quickly caught and launched a new exercise trend worldwide.

In 1992, Reebok began a transition from a company identified principally with fitness and exercise to one equally involved in sports by creating several new footwear and apparel products for football, baseball, soccer, track and field and other sports. In the late 1990s, Reebok made a strategic commitment to align its brand with a select few of the worlds most talented, exciting and cutting-edge athletes. Reebok also made partnerships with the National Football League, the National Basketball Association and the National Hockey League.

However, the repositioning of Reebok away from fitness/fashion to a greater focus on high-end performance shoes had proved difficult. The company signed several high-profile athletes to endorsement contracts. Most notable was the emerging basketball superstar Shaquille O'Neal, but the "Shaq Attaq" sneaker that was launched - a white sneaker when black shoes were the hot commodity, with a big US\$130 price tag - failed miserably.

"I'm tired of hearing about money, money, money, money. I just want to play the game, drink Pepsi, wear Reebok." - Shaquille O'Neal

Sales of athletic shoes declined industry-wide in the late 90's. Reebok lost US\$7.1 million in 1998. It's debatable whether losses were due to the industry problems or internal problems in Reebok during that period. The company found some success with the 1996-debuted Shaqnosis basketball shoe, but flat sales of athletic shoes in the mid-1990s increased Reebok's problems. Their push into performance shoes and the subsequent 'trainer wars' with Nike had also translated into large increases in expenses, ultimately resulting in decreased net income.

After several difficult years of trading, in January 2006, Reebok was bought out by Adidas and became a subsidiary of the company. Adidas, which was formally one of the biggest competitors of Reebok, paid US\$3.8 billion. Today, the Adidas Group, which includes the Adidas, Reebok, TaylorMade-adidas Golf and Rockport brands is a global leader in the sporting goods industry and offers a broad portfolio of products.

In the last two years Reebok has undergone a transformation in management and repositioned itself within the market through a major reinvention strategy, focusing on innovative product, new branding and a celebration of all things sport. The first priority has been to create a strong identify from what had become a confused collection of brands, logos and directions. The ultimate strategy now comes down to one mandate: Stay in shape and have fun.

At the end of the day after more than a century of creation and trading, whatever your brand, shoe and colour likes and dislikes, beliefs and biases, it cannot be left unrecognised that Reebok has had a major influence on training shoe development. Specifically in the past 25 years, as a brand and cultural influence they created innovative products that initiated and drove unheard of excitement and fads in the marketplace. All this, and ... they have a genuine claim to being the oldest and most authentic of the trainer brands. **25**