

REEBOK STRATEGY Reebok's mission is to "always challenge and lead through creativity". The idea of fit and comfort is at the core of all product development. Reebok is a consumer-driven brand with a balanced sales split between sport and lifestyle. Women's and running are the brand's two global category priorities alongside several regional initiatives to drive growth worldwide. Building the branded apparel business and recalibrating its lifestyle offering are other strategic priorities for the brand.

SIGNIFICANT ORGANIZATIONAL AND OPERATIONAL PROGRESS In 2007, the main focus at Reebok was on laying the groundwork for a sustainable revitalization of the Reebok brand going forward. While financial results were mixed, [see Reebok Business Performance, p. 099](#) significant organizational progress was made. During the year, new regional heads were put in charge in North America, Europe and Asia with the appointment of Matt O'Toole (North America), Nigel Griffiths (Europe) and David Mischler (Asia). Michael Rupp was also appointed President and CEO of the Rockport brand effective January 1, 2008.

In North America, Reebok took important steps in improving its distribution mix by cleaning inventories and strengthening relationships with retailers in the sporting goods channel. A strong presence in this distribution channel is critical to strengthen credibility as a sports brand. Reebok also proactively started to limit distribution in the mall-based athletic specialty retail channel by solely accepting at-once orders from one major account. [see Risk and Opportunity Report, p. 104](#) The Sports Licensed Division, an adidas Group unit which focuses on licensed apparel for both adidas and Reebok, acquired the assets of Mitchell & Ness Nostalgia Company, a wholesaler, marketer and distributor of authentic vintage athletic product effective October 31, 2007 (transaction value: low-single-digit million euro amount). The acquisition offers Reebok further sales potential and helps the brand strengthen its position in the sports licensed business.

In addition, Reebok made significant organizational headway outside of North America. The brand's European Headquarters relocated from Bolton (UK) to Amsterdam (Netherlands). This move was initiated to sharpen the brand's focus on the region's traditional and emerging markets and to improve range merchandising. During the year, Reebok also bought back distribution rights in Turkey and Greece, effective April 1, 2007 and January 1, 2008, respectively.

Reebok also made progress with several brand marketing initiatives. With the addition of tennis star Jelena Jankovic and the global sponsorship agreement for the 2008 Avon Walk Around the World for Breast Cancer, [see Reebok Products and Campaigns, p. 138](#) the brand further strengthened its partnership portfolio in the women's business. Regarding brand communication, Reebok ran its largest fully-integrated global running campaign: "Run Easy". This campaign highlighted the camaraderie, joy and fun of running. And in China, the brand launched its "Fuel Yao's Unlimited Power" campaign for the Beijing Olympics featuring basketball star Yao Ming.

BECOMING "THE BRAND THAT FITS ME" As a consumer-driven brand, Reebok commits to offer the "perfect fit" for consumers. On the one hand, this implies designing and developing products with materials, styles and technologies that enhance fit and comfort for consumers. In 2007, for example, Reebok developed 893 fit initiatives to be included in products for the spring/summer collection 2008. Highlight products are footwear and apparel featuring KineticFit technology. [see Research and Development, p. 072](#) On the other hand, it means addressing consumers in a personal, engaging way so that they can better identify with the brand. Reebok's 2008 global brand campaign – "Your Move" – stresses the fact that consumers have a choice and that Reebok is the brand that best understands and meets their needs. [see Reebok Products and Campaigns, p. 138](#)

However, the concept of fit is not only a product and marketing philosophy. Instead it should guide all facets of the brand's business. Reebok's intent is to be "the brand that fits me". That means meeting the needs of consumers, promotional partners, retailers and employees. With a "perfect fit" distribution strategy, Reebok intends to offer the right product for the right accounts at the right margins. Moreover, Reebok is committed to building a work environment that matches the need of its employees and to hiring people who fit the brand's values.