Research on Brand Internationalization Strategy of ANTA

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**Abstract.** ANTA has become the second largest company in the global market value since its establishment, which is closely related to its goal setting, strategic choice and strategy implementation in the process of internationalization. This paper starts with the research on the brand internationalization development of ANTA, focuses on the analysis of its products and advertising strategies implemented in the process of internationalization, and summarizes its successful experience as a sports brand.

1. Introduction

ANTA Group is a comprehensive and multi-brand sporting goods group specializing in the design, production and sales of sports shoes, clothing, accessories and other sports equipment. The company was founded in 1991 and listed in Hong Kong, China in 2007. ANTA brand was founded in 1994. After decades of development, ANTA Group has transformed from a traditional private enterprise into a public company with modern governance structure and international competitiveness. Since 2011, ANTA has been the largest sporting goods group in China. In 2019, the market value of ANTA Sports exceeded 200 billion Hong Kong dollars, ranking second in the global industry, second only to Nike [1-3].

ANTA Group adheres to the development strategy of "single focus, multi-brand and omni-channel". The group owns many well-known Chinese and international sports brands such as ANTA, FILA, DESCENTE, KOLON SPORT, DESCENTE, SPRANDI, etc., which fully meet the diverse needs of consumers. In 2019, ANTA completed the acquisition of AMER SPERTS, officially starting the process of globalization. In 2005, ANTA put forward the slogan of "keep moving"[4,5].

2. Brand Internationalization of ANTA

2.1. Brand Internationalization Process of ANTA

With the country starting to attach importance to national sports and consumers’ demand for sportswear is increasing, the competition in China's sports market is very fierce. In addition to Adidas and Nike, the two major international brand companies that firmly occupy the share of the Chinese market, domestic brands such as Li Ning, 361° and PEAK are closely following. Therefore, if ANTA wants to successfully develop domestic and even foreign markets, it must make a big impact on the brand. After several internationalization attempts, ANTA finally chose the path of brand internationalization. ANTA's internationalization began in 2001. This paper divides it into three stages: Brand retail, dual-brand strategy and multi-brand strategy.
2.1.1. Brand Retail

From 2001 to 2008, ANTA implemented its own brand overseas retail. ANTA has established a branch in Russia since 2001, and has become a leading Chinese sports brand in the Russian market. After that, ANTA has gradually entered overseas markets such as Taiwan, Greece, Ukraine, the Czech Republic, etc. Its international business mainly operated in overseas markets such as Southeast Asia, Eastern Europe, and the Middle East by recruiting distributors and agents, focusing on product export, and at the same time retailing for some international brands in China. In 2007, ANTA set the goal of "Becoming the no.1 Chinese sports company in brand reputation and market share in the Chinese market, and becoming the top 10 sporting goods company in global sales volume". However, because of the low popularity of its own brand and low-end positioning, ANTA was unable to successfully explore foreign markets. Therefore, in 2009, ANTA's international strategy began to change.

2.1.2. Dual-brand Strategy

From 2009 to 2015, ANTA implemented the dual-brand strategy and changed its goal to "become a world-class sporting goods company with the highest brand reputation and market share in China, respected and sustainable development". In 2009, ANTA acquired FILA's business in China, Hong Kong and Macao, and began to enter the high-end market. At this stage, the company focused on the development of ANTA and FILA, while developing the mass and high-end markets, and expanding the market share of China and neighboring countries.

2.1.3. Multi brand Strategy

Since 2016, ANTA has proposed a multi brand strategy. After the successful completion of the integration of FILA, the company changed its goal in 2016 to "Become a respected world-class multi brand sporting goods group". ANTA has successively acquired international famous brands such as DESCENTE, KOLON SPORT, DESCENTE, etc., and gradually formed a brand group matrix in the field of sports shoes and clothing, realizing the expansion from line to surface. In 2019, it successfully acquired AMER SPERTS and formally entered the European and American markets through capital.

| Table 1. Proportion of overseas sales of China's well-known sports brands. |
|-------------------------|----------|----------|----------|----------|----------|
| ANTA                   | 1.56%    | 1.58%    | 1.87%    | 1.34%    | 1.98%    |
| Li Ning                | 2.30%    | 2.60%    | 3.00%    | 2.10%    | 2.60%    |
| PEAK                   | 13.00%   | 20.00%   | 23.00%   | 22.00%   | 23.00%   |
| ERKE                   | 1.00%    | 1.03%    | 1.05%    | 0.91%    | 1.23%    |

2.2. Status of ANTA Brand Internationalization

Although ANTA's market share in China's sports apparel market is second only to Adidas and Nike, reaching 8%, in terms of overseas revenue, ANTA is inferior to PEAK and Li Ning, accounting for less than 5% (Table 1). But ANTA has opened its reputation by sponsoring international events. Before that, Although ANTA was committed to acquiring a variety of international brands, its focus was not on overseas sales, but on domestic integration of brands. In 2019, ANTA acquired AMER
SPERTS and officially began to enter the European and American markets, aiming to achieve 15% of overseas business in the next five years.

3. Analysis of ANTA Brand Internationalization Strategy

After years of development, ANTA has gradually changed from a follower of the market to a market leader. This is inseparable from its clear understanding of its own positioning, reasonable goal setting, precise strategy implementation and detailed strategy development. The following is a detailed description of ANTA's strategy.

3.1. Product Strategy

3.1.1. Accurate Positioning and R & D of Products

In terms of product positioning, ANTA initially positioned its own brand as "brand that consumers can afford". After that, ANTA transformed and upgraded to "brand that consumers want to buy" through product research and development. Based on the mass market, ANTA's target groups are domestic second and third tier cities and developing countries in Southeast Asia and the Middle East. At the same time, ANTA expanded the medium and high-end market by acquiring international famous brands. For example, in 2009, ANTA acquired the trademark right of FILA Greater China region to enter the middle and high-end market, and acquired AMER SPERTS in 2019 to enter the European and American markets.

![Figure 1. Ratio of R & D expenses to cost of sales.](image)

Due to the fierce competition in the sporting goods industry, the gradual convergence of products in the industry has led to more intense competition among products, which, to a certain extent, puts forward requirements for product technological innovation. For sporting goods companies, if they want to further build their own brands, they need to take the technological innovation of products as the core of sporting goods development. Compared with other domestic sports brands, ANTA takes the lead in product R & D. As shown in Figure 1, ANTA's R & D investment accounts for 5%, second only to 7% of 361 °. ANTA has never stopped the research and development of its own brand. Now it has set up five R & D centers in the United States, Japan, South Korea, Italy and Hong Kong, China, so as to gradually improve the value of ANTA brand [6,7].

3.1.2. Brand and Trademark Diversification

ANTA's brand strategy in the domestic market has changed from dual-brand to multi-brand. By the successful acquisition of AMER SPERTS in 2019, ANTA has formed a complete brand matrix, which has achieved full coverage from mass market to medium and high-end market, from professional sports to fashion sports.
Table 2. Information of brand acquisition of ANTA.

<table>
<thead>
<tr>
<th>Acquired brand</th>
<th>Time</th>
<th>Acquisition of content</th>
<th>Product positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>FILA</td>
<td>2009</td>
<td>The right to use and operate FILA's trademarks in China (including Hong Kong and Macau)</td>
<td>Middle and high-end market</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fashion sport</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Middle Market</td>
</tr>
<tr>
<td>SPRANDI</td>
<td>2015</td>
<td>Wholly owned acquisition</td>
<td>Outdoor clothing</td>
</tr>
<tr>
<td>DESCENTE</td>
<td>2016</td>
<td>Set up a joint venture company with 60% of the shares to exclusively operate and engage in the design, sales and distribution of all types of products bearing the &quot;DESCENTE&quot; trademark in China (excluding Hong Kong and Macau).</td>
<td>Middle and high-end market</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ski suit</td>
</tr>
<tr>
<td>KINGKOW</td>
<td>2017</td>
<td>Acquired 100% equity and trademark of KINGKOW business</td>
<td>Middle and high-end market</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Children's wear</td>
</tr>
<tr>
<td>KOLON SPORT</td>
<td>2017</td>
<td>Set up a joint venture company with 50% of the shares to exclusively operate and engage in marketing, sales and distribution of products with KOLON SPORT IP and trademarks in China (including Hong Kong, Macau and Taiwan).</td>
<td>Middle and high-end market</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Outdoor sportswear</td>
</tr>
<tr>
<td>AMER SPORTS</td>
<td>2019</td>
<td>Controlling interest</td>
<td>high-end market</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Professional sport</td>
</tr>
</tbody>
</table>

ANTA’s internationalization process started in 2001, but it can't get a foothold in overseas only by virtue of its own ANTA brand. In 2009, ANTA acquired the right to use FILA's trademark in Greater China, officially started the dual-brand strategy. From 2009 to 2015, the company focused on the development of ANTA and FILA brands, and continuously improved its brand integration and marketing capabilities. After basically completing the integration of FILA brands in 2015, ANTA began to continuously acquire other major brands to expand its brand matrix.

As can be seen from table 2, ANTA operated various brands in China by means of acquisition and joint venture before 2019. In 2019, ANTA successfully acquired a controlling stake in AMER SPORTS in the form of capital, and began to use the brand's previously established brand image to enter the European and American markets, absorbing its global terminal layout, R&D technology, global top suppliers, etc., to support the globalization of its various brands.

3.1.3. Strategic Alliance

Through cooperation with world-famous IP and releasing co-branded products, the company can well open the world's reputation and improve brand awareness, which is a win-win cooperation measure. Since Anta signed with the NBA in 2014 to establish an NBA joint brand, it has continued
to cooperate with well-known IPs such as Marvel and Coca-Cola to strive to enhance the international reputation of the Anta brand. The sale of these co-branded products has been very successful and loved by consumers. Most of the products were sold out very quickly.

3.2. Advertising Strategy

As a sporting goods company, it is necessary to establish brand image through international events, sports games, athletes, etc. ANTA's advertising investment in this area is relatively high, with advertising costs accounting for 12%. ANTA has become a partner of China's Olympic Games from 2009 to 2024, as well as the garment supplier of the International Olympic Committee. Through the garment of athletes in the Olympic Games, ANTA has effectively expanded the world's popularity; In terms of athletes, those who sign contracts in basketball, football, marathon, boxing and other sports types can better promote derivative activities and products in these professional fields and strengthen consumers' recognition of the brand. The successful appearance of FILA and ANTA children in fashion week has deepened their recognition of fashion sports.

4. Conclusion

ANTA has been established for 26 years since its establishment in 1994. It has developed from a nameless sports brand to the second largest market value in the world. Such success is closely related to its accurate cognition of its own positioning. Among them, the setting of three goals is particularly critical: the first attempt of overseas layout from 2001 to 2008, when the domestic and foreign profits were not brilliant, ANTA reset its goals and changed its internationalization strategy; Since the acquisition of FILA in 2009, its operating revenue has grown rapidly. From 2018 to 2019, the proportion of FILA brand's business revenue has increased from 35% to 44%. After reaching the goal, ANTA reset a higher goal and actively began to layout international brands at home and abroad. This paper summarizes its success as a sports brand has three points.

4.1. Brand Integration

After the acquisition of FILA brand agency in 2009, ANTA successfully repositioned the FILA brand as a fashion sport, formed differentiated competition with Adidas Nike at the same price, and gradually turned losses into profits. In the process of integrating and reshaping FILA, ANTA Sports realized the overall upgrading of product building and brand coordination, established barriers in operation, and reflected strong terminal retail management ability and supply chain control ability. And these have also brought positive impetus to ANTA SPORTS. After the acquisition of FILA, Anta has accumulated rich experience in integrating and managing new brands, which has laid a foundation for the subsequent acquisition of several brands and the improvement of brand matrix.
4.2. R&D Capability

For sports brand products, R & D is a necessary factor to maintain the core competitiveness of products. As can be seen from the above, compared with other domestic brands, ANTA has invested more in R & D. It has not only established the first sports science laboratory in China, but also set up special R & D centers in the United States and other places to cooperate with the world's top sports designers. It can be seen that ANTA brand has been taking the middle and low-end line, but it has not given up the shaping and upgrading of its own brand. If it wants to become a brand like Adidas and Nike, it must have its own patented technology. This is a long-term process. Although the progress is slow, it cannot give up.

4.3. Advertising Investment

For sports brands, the exposure in the Olympic Games and other international events and the endorsement of well-known athletes can establish a good brand image and improve consumers’ trust and love of the brand. According to the previous article, ANTA's investment in advertising is very high, and it has basically won the endorsement of the Olympic Games for many years since then. The spokesmen signed by Anta cover a lot of sports categories, so as to open its popularity in each segment of the sports market. At the same time, ANTA cooperated with world-famous IP such as Coca-Cola, Marvel, etc., and sold co-branded products, which increased the exposure in the non-sports field and achieved a win-win situation.

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