

Business Model Innovation Analysis of Adidas from the Perspective of the Business Model Canvas

Yisheng Xu*

Shanghai University of Engineering Science, Shanghai, China

**Corresponding author: Yisheng Xu.*

Abstract

In today's increasingly competitive global sports industry and amid constantly evolving consumer demands, traditional sportswear brands are facing the need for transformation and innovation in their business models. This paper takes Adidas as a case study, using the Business Model Canvas as an analytical tool. By integrating information on Adidas' development history, current core businesses, and industry position, it examines the company's current status through the lens of the Business Model Canvas, conducts an in-depth analysis of its innovative aspects in business model design, and discusses existing challenges and issues. Furthermore, it offers valuable references and recommendations for traditional sportswear companies seeking to build or optimize their own business models. The article concludes that although Adidas is facing challenges from competitors, based on sufficient channel, partners, resources and promotion events, Adidas still could optimize its brand and product matrix, strengthen operational capabilities, and ensure the ongoing refinement of its business model. This article may provide solid business model support for business model research, especially for sportswear industry.

Keywords

Adidas, business model innovation, business model canvas

1. Introduction

With the rapid development of economic globalization and digital technology, market competition dynamics and environments are undergoing significant changes, placing enterprises in an increasingly complex and unstable landscape. Traditional product category competition has gradually shifted toward competition among brands and business models. Against the backdrop of evolving consumer patterns, customer demands for products have also transformed—consumers no longer focus solely on functionality but are increasingly concerned with deeper brand elements such as brand culture and consumption experiences. As a result, this shift in mindset continuously requires companies to adjust, optimize, and innovate their business models to better adapt to current market developments.

In the global sports apparel market, Adidas stands as a renowned international leader in sportswear manufacturing, rivaling Nike as one of the most prominent players in the industry. The brand is household-

name [1], making it highly representative. In recent years, Adidas has actively pursued new initiatives to advance its digital transformation and business model innovation, thereby strengthening its methods of creating, delivering, and capturing value.

This study employs the Business Model Canvas as a research tool to analyze Adidas's business model, examining nine key dimensions: value proposition, customer relationships, channels, key activities, core resources, customer segments, partnerships, revenue streams, and cost structure.

Based on these factors, this paper focuses on Adidas as a case study, applying the theoretical framework of the Business Model Canvas to conduct a specific and appropriate analysis. It aims to highlight Adidas's innovations in its business model and identify potential challenges, offering valuable insights for the transformation and innovation of business models among Chinese sports brands.

2. Industry Background

2.1 Strong Competition in the Sportswear Industry

One of the biggest challenges facing Adidas is the intense competition in the sportswear industry. As its largest competitor, Nike continues to launch similar products to attract consumers and increase its market share. The two companies have competed for many years in different sports categories such as running, football, and basketball. At the same time, Puma, another German sports brand, is also a strong competitor. In addition, many new sportswear brands are attracting consumers with their own technologies and product designs. In the Chinese market, local brands such as Anta and Li Ning have grown rapidly. With advantages in localized operations, supply chain management, and pricing, they compete directly with Adidas [2]. These brands offer different product performance, prices, designs, and brand culture, which reduces Adidas' attractiveness to some consumers.

2.2 Pressure from Expanding into New Market Segments

Besides competition from traditional sports brands, Adidas also faces pressure from different sports segments. As sports consumption becomes more diversified, consumers have higher expectations for specialized products. Therefore, Adidas has been expanding into more sports categories. For example, Lululemon has achieved rapid growth by focusing on yoga products and female consumers. Its professional products and strong brand community have helped the company build a loyal customer base. In the outdoor market, The North Face has also developed a strong reputation and high customer loyalty. In recent years, running has become one of the most popular sports. Brands such as On and HOKA have attracted more runners through advanced running technology, comfort, and innovative product design, putting greater pressure on Adidas in the running market.

As a result, Adidas needs not only to strengthen its traditional advantages, but also to continue developing new market segments. As sports technologies become more similar across brands, product differentiation is becoming smaller, making future competition even more challenging.

2.3 Risks Caused by Rapid Changes in Fashion Trends

Fashion trends in the sportswear market change very quickly. A popular product may lose its popularity within a short period of time, while an old product may suddenly become fashionable again. Therefore, it is becoming more important for sports brands to understand market trends and consumer preferences. The experience of Adidas is a good example. In 2022, Adidas ended its partnership with Yeezy after a public controversy. Since Yeezy had been one of the company's most successful product lines, the termination had a significant negative impact and resulted in Adidas' first annual loss in many years [3]. However, the company recovered in 2023 because classic products such as Samba and Gazelle became popular again during the global retro footwear trend.

Although Adidas has rich brand archives and strong product management capabilities, no product can remain popular forever. If the company fails to predict market trends correctly, it may face inventory pressure, slow sales, and wasted resources. Therefore, continuously identifying new consumer trends and adjusting the product portfolio remain important challenges for Adidas.

2.4 Changes in Consumer Decision-Making

Young consumers have different values and ideas from previous generations. Because of this, traditional marketing methods are becoming less attractive. Consumers no longer only care about the functions of products. They also pay more attention to design, culture, personal expression, and the value behind a brand. At the same time, because of the current economic situation, consumers are paying more attention to value for money instead of only famous brand names. In lower-tier markets, Adidas products are still relatively expensive, which may affect many consumers' purchasing decisions.

3. Theoretical Foundation

The Business Model Canvas (BMC) is a business analysis tool developed by Swiss scholars Alexander Osterwalder and Yves Pigneur [4]. It divides a business model into nine parts: Value Proposition, Customer Relationships, Channels, Customer Segments, Key Activities, Key Resources, Key Partners, Revenue Streams, and Cost Structure. These nine parts show how a company creates value, delivers value, and earns value.

3.1 Value Proposition (VP)

Value proposition refers to the core value that a company provides to its customers. It explains why consumers choose a brand and is the starting point of the Business Model Canvas. For Adidas, its value proposition is built around two important statements. The first is its mission, "To be the best sports brand in the world." The second is its purpose, "Through sport, we have the power to change lives" [5]. These two ideas reflect not only Adidas's pursuit of product quality and brand leadership, but also its belief that sport can bring positive influence to people's daily lives.

Instead of simply selling sports products, Adidas has always developed its business around the concept of sport. From product development and technological innovation to brand marketing and customer communication, the company tries to deliver both professional sports performance and lifestyle value. This consistent value proposition has helped Adidas build a strong brand image and maintain its competitiveness in the global sportswear market.

3.2 Customer Interface

3.2.1 Customer Relationships (CR)

Adidas has moved from just selling products once to building long-term relationships with its customers. Instead of a simple "buy and goodbye" model, the brand now focuses on keeping in touch with people over time.

For everyday consumers, the AdiClub membership is a key way to connect with Adidas. Members can get personalized product suggestions or even custom items, along with points and rewards. On social media, people can also interact with Adidas' official accounts, which helps create a stronger sense of connection and loyalty to the brand. All of this makes it easier for Adidas to maintain a good, lasting relationship with its users.

Adidas also puts a lot of effort into working with athletes, celebrities, famous designers, and influencers. When it comes to sports sponsorships, Adidas is a regular at big events like the Olympics and the World Cup. In fact, ever since it was founded, Adidas has been supplying sports products for the Olympics [6]. Event organizers, professional clubs, and athletes themselves are all important customers that help Adidas show its serious sports image.

By teaming up with celebrities, well-known designers, and brand ambassadors, Adidas goes beyond just being a traditional sports brand and moves into different areas. It partners with young stars and artists to stay connected with today's consumers. In this way, Adidas grows its brand influence and becomes more popular. And by having key opinion leaders and influencers spread the message on social media, more people get to know and understand what the Adidas brand is about.

On the business side, Adidas builds long-term, effective partnerships with distributors, retailers, and e-commerce platforms using different communication channels. The company takes advantage of the "Internet Plus" trend and fast-moving digital technology to share information better and work more efficiently together.

At the same time, by joining shopping festivals and promotional events on e-commerce platforms, Adidas can boost its online sales, creating a win-win situation for both the brand and its partners.

3.2.2 Channels (CH)

Adidas sells its products through both offline and online channels.

For offline sales, Adidas has its own retail stores and also works with authorized retailers such as TOP Sports, HLA, Billy's, and US Weight. Besides selling products, some stores also hold special events to introduce the brand and connect with local consumers.

For example, in 2025, Adidas held a series of "Superstar Street" pop-up events in Jing'an District, Shanghai [7]. Visitors could take part in different activities, experience the brand culture, and try Adidas products in person. These events helped Adidas get closer to consumers and made the shopping experience more interesting.

For online sales, Adidas operates its official website, online flagship stores, and mobile app, allowing the company to communicate directly with consumers. As shown in Table 1, direct-to-consumer (DTC) sales accounted for about 40% of the company's total revenue in 2025. Compared with the traditional wholesale model, the DTC channel allows Adidas to better understand customers' shopping habits and collect consumer data, which supports future marketing activities and personalized services.

Table 1: Adidas Revenue by Sales Channel in 2025 [2]

Channels	Profits (Billion euros)
Wholesale	148.3
DTC	99.3
Total Net Sales	248.11

3.2.3 Customer Segments (CS)

Currently, Adidas' customer segmentation is no longer limited to traditional sports consumers, but is shifting towards a broader consumer market, as shown in Table 2.

Table 2: Adidas Customer Segmentation Analysis Diagram

Customer Segment	Key Characteristics	Core Needs	Business Value
Professional Sports Consumers	Individuals who actively participate in competitive sports (e.g., football, basketball, and fitness training) or work in sports-related professions	High product performance, advanced sports technology, and professional equipment	Reinforces Adidas' professional sports brand image and serves as an important platform for technological innovation
Fashion-Oriented Consumers	Consumers who value fashion trends, street culture, and personalized style	Stylish design, brand identity, cultural relevance, and social recognition	Enhances brand visibility through trend-driven marketing and strengthens brand influence
Lifestyle Consumers	Consumers who wear sportswear as part of their daily lifestyle and casual wardrobe	Comfort, brand recognition, and everyday usability	Expands the boundaries of the sportswear market and broadens Adidas' consumer base
Niche Sports Consumers	Consumers interested in women's fitness, yoga, outdoor activities, and other specialized sports	Professional products, sport-specific solutions, and customized product offerings	Enables Adidas to enter emerging market segments and create new growth opportunities

3.3 Assets Management

3.3.1 Key Activities (KA)

Product development and operation are one of Adidas' core businesses, and product development can help Adidas maintain strong market competitiveness in different fields. Adidas is also updating its products and technology as the company continues to grow. Just as in the recent London Marathon, champion Sebastian Savi wore Adidas' latest Adizero Adios Pro Evo 3 ultra-light running shoes and ran a time of 1 hour, 59 minutes,

and 30 seconds, breaking the 2-hour mark for the first time in an official human marathon race, thus setting a new men's marathon world record and making history.

The term 'sport' as Adidas' own value proposition is specifically reflected in Adidas' role as a sponsor of sports events, providing equipment for participants. In these grand sports events, it is inevitable to attract some consumers outside the industry. Through the sense of participation in these sports events, Adidas also conveys and spreads its concept and unique image of sports to a certain extent, thereby attracting these consumers to become Adidas' customer base.

In addition, Adidas will also combine fashion with sports to enter different markets and expand the brand's influence and popularity in different fields. For example, Adidas collaborated with Japanese designer Yohji Yamamoto around the turn of the millennium to establish its high-end subsidiary brand, Y-3, which features Yohji Yamamoto's consistent minimalist black and white avant-garde design [8]. While pursuing fashion in brand design, it also retains its original sporty genes.

3.3.2 Key Resources (KR)

Key resources serve as a crucial foundation for businesses to create value and maintain competitive advantage in the market. For Adidas, it possesses numerous key resources that enable it to maintain its competitiveness in the market. The most critical key resource is Adidas' brand. Adidas' brand identity is highly recognizable, allowing consumers to instantly identify it through its brand logo. At the same time, the Adidas brand has become a symbol of professional and fashionable sportswear in consumers' minds, which not only helps it achieve product premium pricing but also enhances its competitive advantage to a certain extent. Adidas' product archive is also an important resource. The various shoe models launched in different stages of the company, such as Samba training shoes, Superstar basketball shoes, Stan Smith tennis shoes, and the ADIZERO 0 series of professional running shoes, are sometimes revamped to align with current market aesthetic preferences and re-launched, which also contributes to the company's sustainable development to a certain extent. Adidas also possesses other key resources, such as research and development, supply chain, talent, and so on. These key resources also ensure the operation and development of Adidas.

3.3.3 Key Partners (KP)

Adidas works with a wide range of partners, forming a diversified partnership network, as shown in Table 3. These partners cover different areas, including the supply chain, sports resources, marketing, and sales channels. By building this partnership network, Adidas not only reduces operational risks but also improves its ability to innovate its business model.

Table 3: Partnership Network

Partner Type	Examples	Resources and Support Provided	Contribution to the Business Model
Suppliers and Manufacturers	Regional OEM factories, raw material suppliers	Product manufacturing, raw material supply, supply chain support	Ensure stable production, reduce investment in manufacturing facilities, and support global operations
Sports Organizations	FIFA World Cup, UEFA European Championship, Olympic Games	Global sporting events and brand exposure	Strengthen Adidas' professional sports image and increase global brand awareness
Professional Clubs and Athletes	Real Madrid C.F., Manchester United F.C., Lionel Messi, Xavi	Professional sports platforms and product testing	Improve consumer trust in product performance and enhance brand value
E-commerce Platforms and Channel Partners	Tmall, JD.com, TOP Sports	Sales channels, customer traffic, consumer data	Expand market coverage, improve sales efficiency, and reach more consumers
Celebrities and KOLs	Brand ambassadors, fashion influencers	Social media promotion and brand communication	Increase attention from young consumers and improve brand communication
Designers and Fashion Brands	Yohji Yamamoto (Y-3), Wales Bonner, Gucci	Design capability, fashion resources, cultural influence	Support the brand's fashion transformation and promote value co-creation and cross-industry innovation

3.4 Financial Perspective

3.4.1 Revenue Streams (RS)

Revenue streams show how a company generates income. For Adidas, footwear remains the largest source of revenue. Footwear generated €14.23 billion in revenue in 2025, accounting for the largest share of total sales, with a 12% increase compared with 2024. Apparel ranked second, generating €8.76 billion, followed by accessories with €1.82 billion [2]. It shows that footwear is still Adidas' core business, while apparel has also maintained strong growth in recent years.

3.4.2 Cost Structure

Among all the costs, research and development as well as production costs are the main sources of expenses. To maintain the competitiveness of Adidas products in the market, it is necessary to continuously invest funds each year in researching and developing technologies, designing products, and innovating materials. Moreover, the aesthetic demands of contemporary consumers are constantly changing. Adidas also needs to allocate funds for the reasonable design and development of products to adapt to the changing requirements of consumers, which can effectively enhance the market competitiveness and value of the enterprise.

The enterprise needs to continuously gain popularity and recognition in the market, so the expenses for marketing and promotion are also indispensable. Adidas itself has a very high brand value, so the enterprise needs to continuously invest and promote and publicize the brand, as mentioned in the cooperating party's content, in order to continuously maintain the brand value of Adidas.

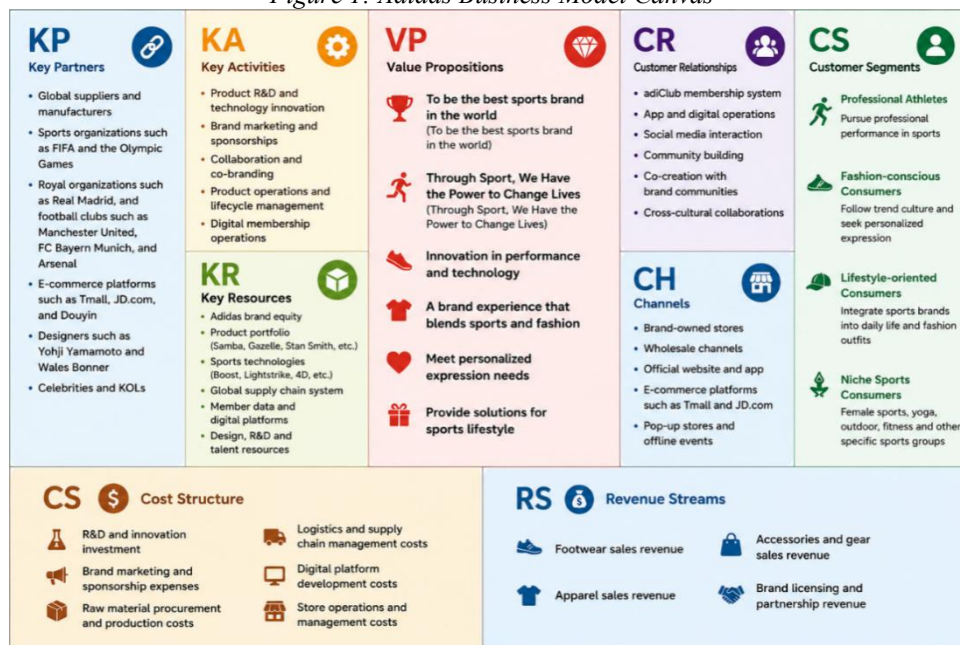
At the same time, although Adidas can continuously optimize its own supply chain and enterprise operation level, some inevitable costs will still occur: maintenance and construction of direct stores, administrative management expenses, raw material procurement, and losses generated during production, manufacturing, and sales.

Overall, the structure of Adidas not only supports the realization of Adidas' value proposition but also provides an effective guarantee for the continuous innovation of its business model.

3.5 Business Model Canvas

To sum up, based on the detailed analysis of the 9 modules of the business model canvas mentioned above, the business model canvas of Adidas is shown as follows.

Figure 1: Adidas Business Model Canvas



4. Analysis of Adidas' Business Model Innovation

4.1 Innovation in Adidas' Brand Value Proposition

The greatest innovation in Adidas' business model lies in the effective innovation of its brand value proposition. Although Adidas' brand proposition centers on sports, it has not completely tied itself to the concept of sports. It has moved beyond the scope of a traditional sporting goods manufacturer.

As consumer preferences and attitudes continue to evolve, athletic footwear and apparel are no longer limited to the functionality of sports technology; the fashion and social attributes of these products have also come to the fore, and Adidas has begun to successfully blend professional functionality with fashion-forward design.

In recent years, Adidas has capitalized on the broader trend of sportswear becoming fashion-forward, positioning the Trefoil logo as a fashion icon and vigorously developing its Adidas Originals line. The company has expanded this concept into a lifestyle brand, integrating footwear and apparel—originally designed for athletic settings—into consumers' everyday wardrobes and lifestyles. At the same time, Adidas has not neglected its image as a professional sports brand; rather than relying solely on past levels of R&D and technology, it has continued to refine its offerings.

This "sports + fashion" strategy has not only significantly reduced the company's risk of dependence on a single market but has also allowed it to firmly capture growth in other markets and attract new consumers. It is precisely for this reason that Adidas achieved record-high revenue in 2025.

4.2 Adidas' Innovative Value Co-Creation Model

In today's market, collaborative partnerships have become one of the most important marketing strategies for brands. A successful collaboration can lead to a win-win outcome for all parties involved—even multiple parties—achieving a synergy where the whole is greater than the sum of its parts.

In traditional collaborative partnerships, the participating parties typically have limited influence and involvement, with the initiative driven primarily by the partner being featured. In contrast, Adidas grants its partners greater autonomy in its collaborative efforts.

In recent years, Adidas has engaged in in-depth collaborations with numerous international fashion brands, well-known IPs, and prominent figures, such as Gucci and Wales Bonner [9]. These collaborations go beyond simply combining design elements or making color adjustments on an assembly line; instead, they blend the design philosophies and cultural values of these brands. This model, which grants a high degree of autonomy, also attracts lesser-known brands to partner with Adidas, allowing them to gain effective exposure on such a large platform.

This collaborative model not only expands the reach of Adidas's own products—successfully attracting the attention of consumers from diverse sectors and, to a certain extent, driving sales—but also effectively establishes the brand's unique competitive advantage, fostering more sustainable development.

4.3 Adidas' Product Eco-Innovation

Adidas is currently attempting to establish a diversified product portfolio within its current business model. By continuously exploring and leveraging the classic assets in its brand archive, it aims to achieve a virtuous cycle for the product ecosystem, avoiding the risk of overly relying on a single cash cow product.

During Adidas' past enterprise development process, it also relied too heavily on a single hit product (the Yeezy series) to continuously increase its market value and revenue. However, after the termination of the partnership, Adidas' product sales and inventory backlog were severely affected and pressured, revealing the operational risks brought about by relying too heavily on a single popular product.

After learning from the lessons and experiences of the Yeezy shoe series, Adidas began to study and build a more diversified product matrix type, reducing its reliance on a single hit product, effectively improving the stability of the company's operation and management, and diversifying the risks from the current fragile market. Recently, Adidas noticed that the shoe market today has witnessed the fading and weakening of the popularity

of the past few years' hit low-tread shoes (including the Samba and Gazelle series), and thus began to promote new products to test the reactions and preferences of the global market, in an attempt to build a more flexible product system.

Similarly, according to the content of the product life cycle theory, products in the market inevitably and inevitably go through four stages: introduction period, growth period, maturity period, and decline period. After these four stages, most products will be forced to exit the market due to losing attention, disappearing from the public consumers' and capital markets' sight. However, for Adidas, these situations do not fully apply.

They will re-market and reposition these products that have entered the decline period or lost popularity. Then, they will carry out modifications and designs that conform to the aesthetic preferences of contemporary people, allowing them to regain vitality and new value in different eras. The Samba shoe is a good example. Since its inception in 1950, it has been used as a training shoe for football. Despite the passage of time, Adidas has not discontinued or abandoned it. Instead, with the changes in global fashion trends and aesthetic systems in the new era, it has refurbished it from the brand archive and reintroduced it, becoming an important contributor to Adidas' revenue growth in 2023.

5. Conclusion

First, Adidas, as the subject of this study, is representative in its own right. Subsequently, using the Business Model Canvas framework, we effectively analyzed and elaborated on Adidas's business model. Based on this analysis, several innovative aspects of Adidas's business model become evident: the gradual transformation and evolution of its brand identity; collaboration with various partners through co-branding initiatives; the development of a diversified product portfolio; and the implementation of localized strategies across different markets.

Although Adidas's business model is highly innovative, it still faces challenges, including competition from similar brands, rapid market changes, and the need to expand into lower-tier markets. Therefore, Adidas must continuously optimize its brand and product matrix, strengthen operational capabilities, and ensure the ongoing refinement of its business model.

References

- [1] Adidas. (2026). History. <https://www.adidas-group.com/en/about/history>
- [2] Adidas. (2026). Annual Report 2025. <https://report.adidas-group.com/2025/en/>
- [3] Adidas. (2023). Annual Report 2022. <https://report.adidas-group.com/2022/en>
- [4] Osterwalder, A., & Pigneur, Y. (2013). Business model generation: a handbook for visionaries, game changers, and challengers. John Wiley & Sons.
- [5] Adidas. (2026). About. <https://www.adidas-group.com/en/about>
- [6] Smart, B. (2018). Consuming Olympism: Consumer culture, sport star sponsorship and the commercialisation of the Olympics. *Journal of consumer culture*, 18(2), 241-260.
- [7] Tang, Y. (2025). Yongyuan Road Transformed into "Superstar Block": Why International Fashion Brands Are Bringing Runway Shows and Pop Ups to Small City Streets. *Shanghai Observer*. <https://export.shobserver.com/baijiahao/html/871702.html> (in Chinese)
- [8] Chen, T., Li, L., & Zheng, J. (2023). A study on the brand culture of avant-garde clothing with Yohji Yamamoto as an example. In *Proceedings of the 2022 International Conference on Science Education and Art Appreciation (SEAA 2022)* (pp. 88-95).
- [9] O'Sullivan, M. (2022). From Gucci to Khaite, 10 Adidas Sneaker Collaborations to Know and Shop. *Vogue*. <https://www.vogue.com/article/adidas-sneaker-collaborations>

Funding

This research received no external funding.

Conflicts of Interest

The authors declare no conflict of interest.

Acknowledgment

This paper is an output of the science project.

Open Access

This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

