



Speedo

"Speedo's performance was turned around from one in decline to one of growth in market share, profit margins and the development of new market segments."

Tim Lees
Marketing Director,
Speedo Australia

Published May 2010

Introduction

It is not unusual to see strong global brands founder during phases in their history. It may be due to complacency, competition or changing consumer tastes. It often is a case of: strong brand – wrong product – poor service – weak value proposition. The Speedo story is one such case.

Setting

Speedo is a swimsuit manufacturer that began at Bondi Beach near Sydney, Australia. It is the world's largest selling swimwear brand and manufactures products for both recreational and competitive swimming.

Tim Lees, Marketing Director of Speedo Australia, saw the need to revitalize the company. He believed Australia was the best place to start given its strong swimming and beach culture. His CEO agreed and gave Tim his full support.

Problem

Speedo had been losing swimwear market share and profitability over several years as the market for competitive swimming, which it dominates, matured. Tim realised that although 80% of top performance athletes wear the Speedo brand, the company was losing its appeal to the general marketplace, particularly for the occasional swimmer and the beach goer. New recreational segments had been growing, spurred by new competitors focusing on fashion and styling. Speedo was manufacturing-oriented rather than market-focused. Filling manufacturing capacity was all important and the company was relying on the perceived strength of

"I could see this was not an overnight fix. We needed to tackle the problem holistically with an experienced external partner"
Tim lees

its brand.

Solution

The MarketCulture team worked closely with Tim and his marketing team, and later with a broader section of the executive team to create the mindset and skills needed to turn the company around. This Involved:

- a) Mindset Change – A series of programs were needed across the company to create awareness of the importance of developing an intimate understanding of the market. This included a view of peripheral markets which may offer opportunities for new business expansion. This included market research conducted by Speedo staff and an external agency.
- b) Systematic Marketing planning – Tim and the executive team needed a framework and tools based approach to strategic market planning.
- c) New skills were needed in marketing and across the business that supported a market focused management approach.

“MarketCulture Strategies provided structure for our strategic market planning. We now analyze the market first and make sure our offerings meet the market’s needs. We have significantly increased our capabilities to create successful business and marketing strategies.”
Tim Lees

Action

This program was implemented over a 3 year period. It was built around the framework of a strategic marketing planning process. Six steps were followed:

- 1) Research of the market to establish facts
- 2) A gap analysis to quantify the size of the task and the urgency for change
- 3) A strategic marketing plan developed by the senior executive team with market inputs and involvement from all functions

- 4) Presentation of the vision for change and a plan to follow
- 5) Marketing and sales skills workshops for marketing and sales employees and agents
- 6) Collaborative skills workshops to enhance cross function effectiveness. These were attended by finance, production, warehousing, design, purchasing, sales and marketing personnel. Cross-function projects were used to embed the new skills into the business.

Results

Speedo's performance was turned around from one in decline to one of growth in market share, profit margins and the development of new market segments. The company became customer and market-focused with cross-functional teams working together to deliver improved value to consumers.

The Speedo Australia experience was used within the Speedo International group as an example of how a market-focused company can deliver excellent results.

Tim Lees notes "I have come across no end of "consulting organizations" that promise the world but ultimately disappoint. I guess the best way to sum up MarketCulture Strategies is that "they deliver."