Herzogenaurach: the world of sports, living and commerce
Contemporary corporate branding is dismantling the boundaries between customers, employees, brand ambassadors and other company stakeholders. Adidas, managed to capture this approach in a new type of campus, inviting its entire "family" to experience the brand in its new Herzogenaurach headquarters.

Herzogenaurach is a small historical town with around 25,000 inhabitants on the river Aurach, 20 kilometres northeast of Nuremberg, Germany. Since 1920, it has slowly become the core of an international footwear business lead initially by the Dassler Brothers Shoe Factory and after its split in 1948, by Puma and Adidas (Kyle, 2006). Both still have their headquarters here although growing international competition has forced them to restructure their approach towards their products and subsequently, to the region where they initially were founded.

The Puma – Adidas rivalry is deeply imprinted in Herzogenaurach’s community

In the beginning of the 90s after talks of relocation to other regions or countries because of the lack of much needed office space (Adidas AG, 2009) at Adi Dassler Platz in the historic centre, Adidas decided to keep its headquarters in the region by moving 1.6 km away and expanding in the nearby 114-hectar former US military base. In order to make the best out of the move, in 1999, Adidas organised an international competition to determine an urban design concept for their new lead Marketing and Sportswear R&D campus (Adidas AG, 2009). The winning entry by Angelil/Graham/Pfenninger/Scholl Architects (AGPS) divides the Herzo-Base into four areas: World of Sports (the global headquarters), World of Living (the residential area), World of Commerce (commercial real estate) and Public World (public facilities) (AGPS, 1999).

Much like a conventional zoning plan, this proposal defines the future programmes on the site as a materialisation of Adidas expanding understanding of their line of business, but while the name of the areas make clear references to functional uses, at the building level the separation between, living, working, commerce and leisure are deliberately blurred and reflect Adidas’s new approach to sportswear as an experience for their customers and as a way to open up their design process by involving consumers and third parties in the development of their products (Hoeger and Blindels, 2007). With its campus-like combination of work, living and leisure, the Herzo-Base reflects the corporate brand mission of the Adidas Group. The landscape and the buildings melt into one cohesive space that is inseparably linked with the brand.
The brand as a lifestyle
In the past, the development of new sportswear products was focused on adding more features to a futuristically designed equipment and came from the belief that consumers' decisions are based on a product's technical specifications (The Economist, 2007). Today, product sales are driven more by its perceived feel, thus, by the experience that a product provides. Nike and Puma, Adidas's main competitors, have invested heavily in marketing, fashion and brand ambassadors and while Adidas has done the same in order to promote its "lifestyle" goods (which provide a third of its annual revenue), an important part of their business still relies on professional sportswear (The Economist, 2013). Bridging the two sectors relies on the perceived innovation of the brand by its users, professional or not, and Adidas has focused heavily on designing their products around their customers through a user-centric design approach that combines induced quality and feel with technical advancements (The Economist, 2007).

The Herzo-Base represents the physical representation of this approach, as it is both the main unit in charge of global marketing and an important site for product research and development. The area houses management activity in the repurposed army barracks and their Lace building (opened in 2011) where all the main innovation in sportswear and tech-related products (mobile apps and smart sports gear) are taking place (Maker, 2014). Among them, materials, biomechanical, design, engineers research, product development and marketing analysis (The Economist, 2013). The building also contains a biomechanical lab and a state-of-the-art test centre with a test hall three times the size of a sports hall, for optimum test and research conditions.

The state-of-the-art working environment aside, the most valuable asset of a firm focused on constant innovation is its staff and Adidas is struggling to attract young people to come and work in the remote town of Herzogenaurach. In an effort to poach new employees, Adidas has also opened offices in Portland, near Nike's headquarters, an area that has become a magnet for the global footwear industry in the last two decades (Thomasson, 2014). At its home office, Adidas has invested heavily in creating an attractive living and working environment but also in promoting the city as an attractive place to live through media campaigns like 360 Lifestyle Herzogenaurach (Thomasson, 2014).

Adidas is also investing in a global "Learning Campus" concept for its employees as a strategy to promote long life learning (Adidas AG, 2014) but also as a way to attract the new creatives, striving for constant self-development in the workspace. The "New Ways of Learning" programme comprises of physical learning spaces similar in design and functionality to co-working spaces where employees can meet in their spare time and share knowledge, a virtual Learning Campus and a redesigned workplace concept entitled "Future Workplace" (Kuhna, 2014). The first of the physical learning centres, the "Shed", just opened in Herzo-Base (Maker, 2014) while the new flexible working environments of the campus, combined with specially designed furniture represent the first step towards the "Future Workplace".
The Shed, Adidas’s new learning environment concept

All in all, these experimental approaches are pioneering steps towards the development of "workscapes" where the line between leisure and work and between the office, the public space and the home blur out.

360 Lifestyle Herzogenaurach

The way they are designed and managed, on the other hand, transforms them into semi-public amenities for its staff, business partners, citizens and customers alike (Hoeger and Blindels, 2007).

This approach comes from the way Adidas understands and values the interactions between all of these groups. For example, the new "Meet&Eat" facility designed by COBE as a part of "World of Sports" allows interesting synergies by combining a public conference centre, an employee restaurant and a showroom in a multifunctional environment (COBE Architects, 2014) designed for the "Adidas Family" (employees, brand ambassadors and customers). The campus also provides a gym and a child day-care centre.

World of Living houses

As a unique character to the campus designs analysed in this report, Herzo-Base also offers residential units for their staff in the "World of Living" in collaboration with Bouwfonds (Adidas AG, 2015), an international Dutch real estate company, and other business partners.

An experience economy campus for the entire “family”

International competition from brands like Nike and the constant pressure for efficiency in manufacturing and distribution has led Adidas, as well as all other global brands towards a shift in strategy, where the companies defined as “hollow-corporations” (Lambooy, 1986) kept only their core marketing and research functions while outsourcing manufacturing and retailing. Adidas’s global retail restructuring is based on virtualization, franchising (The Economist, 2013) and development of new types of concept and multi-brand stores and Herzo-Base represents an important testing ground for all of these ideas.

First of all, as stated before, the campus design revolves around the principles of “experience economy” and through its openness provides a new brand experience to the visiting customer which can freely explore Adidas’s advanced research facilities, its museum and concept stores, all of them floating in a diffused landscape inspiring a healthy state of the art lifestyle (Maker, 2014).

The World of Sports, one of the campus’s most private areas, although gated and monitored, can be divided into different zones so that the sports areas, usually used for research and brand ambassador visits, its conference centre and multifunctional halls can be made available to the public without compromising the inner functions of the office (Hoeger and Blindels, 2007). The Adi Dassler Brand Centre works as a showroom for the brand and the new Meet&Eat facility, as a showroom, conference centre and restaurant.

However, some areas of Herzo-Base are more clearly defined as interfaces between the brand and the consumer and are located in the "World of Commerce". The first of these facilities was the Adidas Factory Outlet (2003) but the most daring of its retail experiments is the new 360 Lifestyle Herzogenaurach centre (Hoeger and Blindels, 2007).
The future 360 Lifestyle Herzogenaurach Shopping Center promises innovative shopping experiences

The new building which is “not a factory outlet, nor a concept store, nor a mall” (Adidas AG, 2015) acts as a trade centre for the brand and as image promotion for the company and the city. It is a mall that provides all the latest and most innovative products but also services and wholesale trade. It is a concept store devoted to lifestyle choices, focusing on health, sports and tourism but it is not devoted to only one brand. Adidas acts as a curator for the space, promoting the development of a network of regional product and service providers in line with its brand vision (Adidas AG, 2015). In this sense, the new centre plays a pioneering role in the creation of a new and modern economic structure for the interaction between manufacturers, retailers and customers from the region.

Building the future Herzogenaurach together

After the departure of American forces in 1992, the city of Herzogenaurach was left with an important land resource that needed redeveloped. In order to manage it, the municipality established GEV Land Herzogenaurach mbH & Co. KG (GEV) in 1996. In 1998, Adidas acquired 90% of the shares in the public company with the remaining 10% being acquired in 2012 (Stadt Herzogenaurach, 2016). As a result of the second financial transaction, the city was able to buy 50 hectares of land in the vicinity of Adidas's "World of Living". They were also zoned as a residential area combining single-family housing, multi-story subsidised rental housing and condominiums catering to interested developers, cooperatives and individuals (Stadt Herzogenaurach, 2016).

Although after the 2012 acquisition the municipality went out of the private-public cooperation framework facilitated by GEV, there are still signs of cooperation between the two parts. From Adidas’s side, their efforts to attract, maintain and grow its Marketing and R&D young urbanite staff force them to develop and grow a vibrant urban environment that needs to expand outside its multi-functional modern campus (Adidas AG, 2009). At the same time, the municipality sees the continued presence and expansion of Adidas in the area as an important growth potential for the small city (Stadt Herzogenaurach, 2016).

Bibliography:


