

**A STUDY ON IMPACT OF SOCIAL  
MEDIA MARKETING STRATEGIES  
ON CONSUMER BEHAVIOUR : WITH  
SPECIAL REFERENCE TO ADIDAS**

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for the award of the degree of*

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**BONAFIDE CERTIFICATE**

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### INTRODUCTION

Adidas AG (German pronunciation: [ˈadiˌdas] (stylized as adidas since 1949) is a multinational corporation, founded and headquartered in Herzogenaurach, Germany, that designs and manufactures shoes, clothing and accessories. It is the largest sportswear manufacturer in Europe, and the second largest in the world, after Nike. It is the holding company for the Adidas Group, which consists of the Reebok sportswear company, Taylor Made golf company (including Ashworth), Runtastic, an Austrian fitness technology company, and 8.33% of Bayern Munich, the football club. Adidas' revenue for 2016 was listed at €19.29 billion.

The company was started by Adolf Dassler in his mother's house; he was joined by his elder brother Rudolf in 1924 under the name Dazzler Brothers Shoe Factory. Dazzler assisted in the development of spiked running shoes (spikes) for multiple athletic events. To enhance the quality of spiked athletic footwear, he transitioned from a previous model of heavy metal spikes to utilizing canvas and rubber. Dazzler persuaded U.S. sprinter Jesse Owens to use his handmade spikes at the 1936 Summer Olympics. In 1949, following a breakdown in the relationship between the brothers, Adolf created Adidas, and Rudolf established Puma, which became Adidas' business rival.

Adidas' logo is three stripes, which is used on the company's clothing and shoe designs as a marketing aid. The branding, which Adidas bought in 1952 from Finnish sports company Karhu Sports, became so successful that Dassler described Adidas as "The three stripes company". The brand name is uncapitalized and is stylized with a lower case "a".

## Consumer/Brand,History&Evaluation



Sculpture of Dassler in the AdiDassler Stadium, Herzogenaurach,

Germany

Adidas was founded by Adolf "Adi" Dassler who made sports shoes in his mother's scullery or laundry room in Herzogenaurach, Germany after his return from World War I. In July 1924, his older brother Rudolf joined the business, which became Dassler Brothers Shoe Factory (Gebrüder Dassler Schuhfabrik). The electricity supply in Herzogenaurach was unreliable, so the brothers sometimes had to use pedal power from a stationary bicycle to run their equipment.

Dassler assisted in the development of spiked running shoes (spikes) for multiple athletic events. To enhance the quality of spiked athletic footwear, he transitioned from a previous model of heavy metal spikes to utilising canvas and rubber. In 1936, Dassler persuaded U.S. sprinter Jesse Owens to use his hand made spikes at the 1936 Summer Olympics. Following Owens' four gold medals, the name and reputation of Dassler shoes became known



to the world's sportsmen and their trainers. Business was successful and the Dasslers were selling 200,000 pairs of shoes every year before World War II.

The Dolbury factory, used for production of anti-tank weapons during the Second World War, was nearly destroyed in 1945 by US forces, but was spared when Dassler's wife, convinced the GIs that the company and its employees were only interested in manufacturing sports shoes. American occupying forces subsequently became major buyers of the Dassler brothers' shoes.

### **Split and rivalry with Puma**

The brothers split up in 1947 after relations between them had broken down, with Rudolf forming a new firm that he called Ruda – from Rudolf Dassler, later rebranded Puma, and Dassler forming a company formally registered as Adidas AG from Adi Dassler on 18 August 1949. Although it is a popular urban myth that the name is an acronym for *All Day I Dream About Sports*, that phrase is a "backronym"; the name is a portmanteau formed from "Adi" (a nickname for Adolf) and "Das" (from "Dassler").

Puma SE and Adidas entered into a fierce and bitter business rivalry after the split. Indeed, the town of Herzogenaurach was divided on the issue, leading to the nickname "the town of bent necks"—people looked down to see which shoes strangers wore. Even the town's two football clubs were divided: ASV Herzogenaurach club was supported by Adidas, while 1 FC Herzogenaurach endorsed Rudolf's footwear. When handymen were called to Rudolf's home, they would deliberately wear Adidas shoes. Rudolf would tell them to go to the basement and pick out a pair of free Pumas. The two brothers were never reconciled and although both are now buried in the same cemetery, they are spaced as far apart as possible.

In 1948, the first football match after World War II, several members of the West German national football team wore Puma boots, including the scorer of West Germany's first post-war goal, Herbert Burden ski. Four years later, at the 1952 Summer Olympics, 1500 metres runner JosyBarthel of Luxembourg won Puma's first Olympic gold in Helsinki, Finland.



The original trefoil Adidas logo until 1998, it is now used on Adidas Originals.

At the 1960 Summer Olympics, Puma paid German sprinter Armin Hary to wear Pumas in the 100 meter sprint final. Hary had worn Adidas before and asked Adolf for payment, but Adidas rejected this request. The German won gold in Pumas, but then laced up Adidas for the medals ceremony, to the shock of the two Dassler brothers. Hary hoped to cash in from both, but Adi was so enraged he banned the Olympic champion.

### **3-Stripe logo**

In 1952, following the 1952 Summer Olympics, Adidas acquired its signature 3-stripe logo from the Finnish athletic footwear brand Karhu Sports, for two bottles of whiskey and the equivalent of 1600 euros.

### **Tapie affair**

After a period of trouble following the death of Adolf Dassler's son Horst Dassler in 1987, the company was bought in 1989 by French industrialist Bernard Tapie, for £1.6 billion (now €243.9 million), which Tapie borrowed. Tapie was at the time a famous specialist of rescuing bankrupt companies, an expertise on which he built his fortune.

Tapie decided to move production offshore to Asia. He also hired Madonna for promotion. He sent, from Christchurch, New Zealand, a shoe sales representative to Germany and met Adolf Dassler's descendants (Amelia Randall Dassler and Bella Beck Dassler) and was sent back with a few items to promote the company there.

In 1992, unable to pay the loan interest, Tapie mandated the Crédit Lyonnais bank to sell Adidas and the bank subsequently converted the outstanding debt owed into equity of the enterprise, which was unusual as per the prevalent French banking practice. The state-owned bank had tried to get Tapie out of dire financial straits as a personal favour to Tapie, it

## Research project on Adidas

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is reported, because Tapie was Minister of Urban Affairs (ministre de la Ville) in the French government at the time.

Robert Louis-Dreyfus, a friend of Bernard Tapie, became the new CEO of the company in 1994. He was also the president of Olympique de Marseille, a team Tapie had owned until 1993. Tapie filed for personal bankruptcy in 1994. He was the object of several lawsuits, notably related to match fixing at the football club. During 1997, he served 6 months of an 18-month prison sentence in La Santé prison in Paris. In February 2000, Crédit Lyonnais sold Adidas to Louis-Dreyfus for a much higher amount of money than what Tapie owed, 4.485 billion (€683.514 million) francs rather than 2.85 billion (€434.479 million). They also purposely bankrupted Tapie's company that owned Adidas, because only the company had the right to sue them.

### Post-Tapie era



An Adidas shoe, with the company's distinctive three parallel bars

In 1994, combined with FIFA Youth Group, SOS Children's Villages became the main beneficiary.

In 1997, Adidas AG acquired the Salomon Group who specialized in ski wear, and its official corporate name was changed to Adidas-Salomon AG. With this acquisition Adidas also acquired the Taylormade Golf company and Maxfli, which allowed them to compete with Nike Golf.

In 1998, Adidas sued the NCAA over their rules limiting the size and number of commercial logos on team uniforms and team clothing. Adidas withdrew the suit, and the two groups established guidelines as to what three-stripe designs would be considered uses of the Adidas trademark.

## Research project on Adidas

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As CEO of Adidas, Louis-Dreyfus quadrupled revenue to 5.84 billion euros (\$7.5 billion) from 1993 through 2000. In 2000, he announced he would resign the following year, due to illness.

In 2003, Adidas filed a lawsuit in a British court challenging Fitness World Trading's use of a two-stripe motif similar to Adidas's three stripes. The court ruled that despite the simplicity of the mark, *Fitness World*'s use was infringing because the public could establish a link between that use and Adidas's mark.

In September 2004, top English fashion designer Stella McCartney launched a joint-venture line with Adidas, establishing a long-term partnership with the corporation. This line is a sports performance collection for women called "Adidas by Stella McCartney", and it has been critically acclaimed.

Also, on 3 May 2005, Adidas told the public that they sold their partner company Salomon Group for €485m to Amer Sports of Finland. In August 2005, Adidas declared its intention to buy Reebok for \$3.8 billion (US\$). This takeover was completed with partnership in January 2006 and meant that the company would have business sales closer to those of Nike in North America. The acquisition of Reebok would also allow Adidas to compete with Nike worldwide as the number two athletic shoemaker in the world.

Adidas has global corporate headquarters in Germany, and many other business locations around the world such as Portland OR, Hong Kong, Toronto, Taiwan, England, Japan, Australia, and Spain.

In 2005, Adidas introduced the Adidas 1, the first ever production shoe to use a microprocessor. Dubbed by the company "The World's First Intelligent Shoe", it features a microprocessor capable of performing 5 million calculations per second that automatically adjusts the shoe's level of cushioning to suit its environment. The shoe requires a small, user-replaceable battery that lasts for approximately 100 hours of running. On 25 November 2005, Adidas released a new version of the Adidas 1 with an increased range of cushioning, allowing the shoe to become softer or firmer, and a new motor with 153 percent more torque.

On 11 April 2006, Adidas announced an 11-year deal to become the official NBA clothing provider. The company has been making NBA, NBDL, and WNBA jerseys and products as well as team-coloured versions of the "Superstar" basketball shoe. This deal (worth over \$400 million) took over the previous Reebok deal that had been put in place in 2001 for 10 years.

## Research project on Adidas

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In November 2011, Adidas announced that it would acquire outdoor action sport performance brand Five Ten through a share purchase agreement. The total purchase price was \$25 million USD in cash at closing.

By the end of 2012, Adidas was reporting their highest revenues ever and Chief Executive Herbert Hainer expressed optimism for the year ahead.

In January 2015, Adidas launched the footwear industry's first reservation mobile app. The Adidas Confirmed app allows consumers to get access to and reserve the brand's limited edition sneakers by using geo targeting technology

On 24 March 2015, Adidas and McDonald's unveiled the 2015 McDonald's All-American uniforms. For the third year in a row, players will be wearing short-sleeved jerseys, made with the same lightweight and breathable material as the ones used in the NBA.

In August 2015, Adidas acquired fitness technology firm Runtastic for approximately \$240 million.

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## PRODUCTS EVALUATION

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### Apparel

Adidas sells a range of clothing items, varying from men's and women's t-shirts, jackets, hoodies, pants and leggings.

The first Adidas item of apparel was the Franz Beckenbauer tracksuit created in 1967. Adidas AG is the largest manufacturer of sports bras in Europe, and the second largest manufacturer in the world.

### Sportswear

#### Association football



Autographed jersey of the Spain national football team that was manufactured by Adidas for the 2014 FIFA World Cup

## Research project on Adidas

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One of the main focuses of Adidas has always been football kits, and the associated equipment. Adidas remains a major company in the global supply of team kits for international association football teams and clubs.

Adidas makes referee kits that are used in international competition and by many countries and leagues in the world. The company has been an innovator in the area of footwear for the sport, with notable examples including the 1979 release of the Copa Mundial moulded boot used for matches on firm dry pitches. It holds the accolade of the best selling boot of all time. The soft-ground equivalent was named World Cup and it too remains on the market.

Since 1970, FIFA, the world governing body of football, has commissioned specially designed footballs for use in its own World Cup tournaments. The Adidas Telstar was the first ball commissioned for the World Cup in 1970. The balls supplied for the 2006 World Cup, the "Teamegeist", were particularly noteworthy for their ability to travel further than previous types when struck, leading to longer range goals. Goalkeepers were generally believed to be less comfortable with the design of the ball, claiming it was prone to move significantly and unpredictably in flight. Adidas introduced the Jabulani for the 2010 World Cup. The ball was designed and developed by Loughborough University in conjunction with Bayern Munich. The Adidas Brazuca was the match ball of the 2014 World Cup, the first Adidas is one of the official sponsors of the UEFA Champions League, and the Adidas Finale is the competition's official match ball. Along with the aforementioned Adidas Predator boot, Adidas manufactures the adiPure range of football boots. Adidas named an official match ball of the UEFA Euro 2016 tournament the Adidas Beau Jeu which translates to "The Beautiful Game" in English. Adidas provides clothing and equipment for all teams in Major League Soccer. World Cup ball named by the fans.

### **Baseball**

Adidas has also provided baseball equipment and sponsors numerous players of Major League Baseball and Nippon Professional Baseball in Japan.

Adidas Baseball hardgoods are licensed to Dick's Sporting Goods.

From 1997 to 2008, Adidas sponsored New York Yankees.

### **Basketball**

Adidas' Superstar and Pro Model shoes, affectionately known as "shelltoes" for their stylized hard rubber toe box, were fueled by, among others, coaches such as UCLA's John

Wooden. Adidas drew about even with Converse in basketball by the mid 1970s before both started to fall behind then-upstart Nike in the early 1980s. Subsequently, Adidas Superstar became very popular in the 1980s hip hopstreetwear scene alongside Adidas's stripe-sided polyester suits.

From 2006 to 2017, Adidas was the outfitter of all 30 franchises in the National Basketball Association, replacing the Reebok brand after Adidas' acquisition of Reebok. Adidas was replaced by Nike as the official outfitter of the league after the 2016–17 season.

### **Golf**

Adidas Golf manufactures golf clothing, footwear, and accessories. Men's and women's equipment includes footwear, shirts, shorts, pants, outerwear (wind suits), base layer and eyewear.

### **Gymnastics**

From 2000 to 2012, Adidas has provided men's and women's gymnastics wear for Team USA, through USA Gymnastics. USA Gymnastics and Adidas sponsorship concluded at the end of 2012. In 2006, Adidas gymnastics leotards for women and Adidas men's competition shirts, gymnastics pants and gymnastics shorts have been available in the United States, with seasonal leotards offered for Spring, Summer, Fall and Holidays. Adidas previous collaborated with GK Elite, since Spring 2013, Adidas gymnastics products have been available worldwide through Elegant Sports. USA Olympic team members McKayla Maroney, Jordyn Wieber, Jake Dalton and Danell Leyva are all sponsored by Adidas gymnastics.

### **Lacrosse**

In 2007, Adidas announced its entering to the lacrosse equipment, also sponsoring the Adidas National Lacrosse Classic in July 2008 for the top 600 high school underclassmen players in the United States. The company made their self into their own brand such as "Adidas Lacrosse", getting several scholarships, Bucknell (men and women), Bryant (men), Delaware (men and women), New Jersey Institute of Technology (men), and D3 powerhouse Lynchburg (men and women in fall of 2016 with soft good only)". Materials that adidas provided were jerseys, shorts, shoes, shafts, heads, gloves, and protective pieces.



Products manufactured for the sport are [sticks](#), gloves, protective gear and boots.

### **Running**

Adidas currently manufactures several running and lifestyle shoes, including the Energy-boost, and the spring-blade trainers. The brand has built a strong runners' network within big European capitals, such as Paris' "Boost Energy League". In 2016 the 3rd season launched. In Paris, the Boost Energy League gathers 11 teams representing different districts of Paris.

Adidas launched two new color ways of the NMD R1 and one new color way of the NMD XR1 in September 2016. adidas EQT is a style of sneakers from adidas. It originated in the early 90s and relaunched in 2017. The latest adidas EQT line released in a "Turo Red" Pack on January 26, 2017, and included models such as the adidas EQT Support 93/17, EQT Support ADV, and EQT Support Ultra. adidas.com is one of the few online retailers.



Adidas running shoe demo in Boston

In November 2016, Adidas teased a sneaker made from ocean plastic. The shoe is created from a fabric called "Biosteel". The shoe is called the "Adidas FuturecraftBiofabric." The material used is 15% lighter than conventional silk fibers, and is 100% biodegradable. The shoe only begin to dissolve when it is put in contact with a high concentration of the digestion enzyme proteinase, which occurs naturally. Once this happens, the shoes can decompose within 36 hours. The shoe was never released.

### ***Skateboarding***

Adidas Skateboarding produces shoes made specifically for skateboarding, including the redesign of previous models for skateboarding. The brand also releases signature models designed by team riders.

### ***Tennis***

## Research project on Adidas

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Adidas has been involved with tennis equipment since the mid 1960s and has historically sponsored many top tennis players, beginning with two of the most dominant male tennis players at the start of the professional era in the late 1960s, Stan Smith and IlieNastase. During the 1980s and 1990s, not only were they exclusive apparel and footwear sponsors of world number one men's tennis players Ivan Lendl and Stefan Edberg and ladies' world number one Steffi Graf but each player had their own, exclusive graphic styles designed for their use during play, which were in turn marketed to the general public. Ivan Lendl even spent the vast majority of his dominant career playing with several different models of Adidas tennis racquets, primarily using the legendary Adidas GTX-Pro and then later the Adidas GTX Pro-T. The company recently introduced a new line of tennis racquets. While the Feather is made for the "regular player", and the Response for the "club player", Adidas targets the "tournament player" with the 12.2 oz Barricade tour model.

### *Cricket*



Indian cricketer Sachin Tendulkar, batting with his personalized Adidas Cricket Bat  
Adidas began manufacturing cricket footwear in the mid 1970s, with their initial target market being Australia. Their shoes were a radical departure from traditional leather cricket boots which had remained basically unchanged for decades, being lighter and more flexible but also offering less toe protection, so that it became not uncommon to see batsmen who had been struck by the ball on the foot hopping around in pain. Having continued to manufacture cricket footwear for many years, in 2006 the company finally entered the field of bat manufacture in 2008 and currently their bat range includes the Pellara, Incurza, Libro and M-Blaster models.

In the 1990s, Adidas signed the superstar Indian batsman Sachin Tendulkar and made shoes for him. From 2008 till his retirement, Adidas had sponsored the cricket bat used by Tendulkar. It created a new bat, 'Adidas MasterBlaster Elite', personalized for him.

## Research project on Adidas

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In 2008, Adidas made a concerted move into English cricket market by sponsoring English batting star Kevin Pietersen after the cancellation of his lifetime deal with Woodworm, when they ran into financial difficulties. The following year they signed up fellow England player Ian Bell, Pakistan opening batsman Salman Butt and Indian Player Ravindra Jadeja.

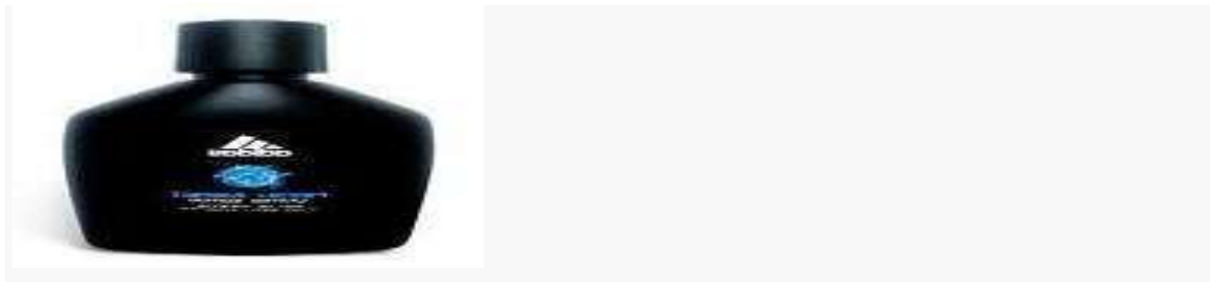
In the Indian Premier League (IPL), Adidas sponsored the team Mumbai Indians from 2008 to 2014 and Delhi Daredevils from 2008 to 2013. They were the official sponsors of Pune Warriors India in 2011 and 2012, however the team was banned from IPL due to payment issues. In 2015 Season, Adidas sponsored Royal Challengers Bangalore.

### ***Kabaddi***

Adidas entered Kabaddi which is still a non-Olympic sport but highly popular in the Indian subcontinent and Asian countries. In 2014, with the launch of Pro Kabaddi League a city based franchise league in India, kabaddi took the region with storm. In 2015, they tied up with Mumbai-based franchise U Mumba.

"The association of kabaddi with adidas is a clear exemplification of the growth of the sport over the last two years," shared U Sports CEO, Supratik Sen.

### **Accessories**



Adidas also designs and makes slide-style sandals, mobile accessories, watches, eyewear, bags, baseball caps, and socks. As well, Adidas has a branded range of male and female deodorants, perfumes, aftershave and lotions.

Adidas announced they would be launching a new \$199 Fit Smart wristband in mid-August 2014. The wristband will pair with Adidas's miCoach app, which acts as a personal trainer.

### **Adilette**

Adilette was the first ever pair of sandals made by Adidas, originally developed in 1963. Adidas claims that a group of athletes approached Adi Dassler requesting a shoe be made for the locker room.

To this day, the resulting sandals are a best-seller. Since the original navy blue and white Adilette sandals were created nearly fifty years ago, more varieties have been created in different colours (black, red, green, grey, orange, brown, yellow, pink, golden, silver). Most recently, Adidas has introduced a colour scheme that goes along with its Predator and adizero line; the scheme is dubbed warning (orange) and purple. Usually, the three stripes appear in the contrasting colour on the strap of the classic models. The most common adilette livery is in navy blue or black, mixed with white colours. Also the Woodilette and Trefoil models follow a similar design but without stripes on the strap.

The model provides a contoured orthopedic rubber sole with synthetic upper, and was designed as an après-sport slide, but the adilette were quickly used everywhere out of the sporting world. Opting for a wide, over the foot strap rather than the design of flip flops, the adilette sandals provide a fresh style and a different level of comfort for the wearer. The strap is also glued to the sides of the sandal, which directs tension to less stressful areas of the sandal, which gives the sandals more durability.

### **Santiossage**

The Santiossage is a uni-sex slide-style sandal. The sandal has the trademarked three stripes on a velcro strap toward the front of the shoe. Santiossage comes in black, navy, or red. On the side of the shoe, toward the heel on either side, the manufacturer's name appears, as well as on a round emblem in the actual heel of the foot-bed. Notably, there are tiny clear massage nubs throughout the foot-bed for the purpose of massaging after-sport footaches, although the sandals are worn casually among non-athletes. Seen through these clear nubs are Adidas' three stripes.

### **Adissages**

Adissage is also a uni-sex slide-style sandal. Available in black, navy, light blue, black with pink, and other assorted colors, the sandal has the trademarked three stripes on a velcro strap toward the front of the shoe. On the side of the shoe, toward the heel on either side, the manufacturer's name appears, as well as on a round emblem in the actual heel of the footbed. Like the **Santiossage**, there are tiny black massage nubs throughout the foot-bed for the purpose of massaging foot aches after sport, although popular as a casual sandal amongst non-athletes as well.

## **Consumer Behavior of Adidas**

### **Overview**

Understanding shopper behavior is extremely vital for firms UN Agency attempt to build any variety of profits. Customer's product and repair preferences are perpetually dynamic, to promote customers effectively you need to study and perceive these wishes so as to achieve a well outlined market. Adidas appearance way into customers and specialize in sure things like needs, desires, comfort level, and also the input cycle which has the five senses sight, smell, taste, touch, and hearing.

Remember once Adidas launched the originals and customers went crazy hard-to-please for the all white low A-one then to stay then interested Adidas free the originals during a form of colors and designs that helped Adidas develop a reputation for itself.

Consumer needs and wish don't seem to be the sole factors that Adidas considers. Culture and values are taken in thought by Adidas. Cultural backgrounds influence the buyer method} process as a result of customers of a definite background tends to possess similar wants and identical consumption patterns. It's Adidas' job to adapt to the assorted encompassing and to ever evolving and dynamic wants of shopper. Not solely attracting customers in their birth place of European country, Adidas conjointly generates customer's interest within the China, Russia and Mexico.

### **Adidas Flexibility Makes Consumer Proud**

The goal for Adidas cluster is to guide the equipment business with brands designed upon a passion for sports and a sporting manner. Impressed by our heritage, we all know that a profound understanding of the buyer and client is important to achieving this goal. To anticipate and reply to their wants, we tend to unceasingly try to form a culture of innovation, difficult ourselves to interrupt with convention and embrace amendment. Diversity is big in today's market, not solely various customers however various wants and desires all the way down to the littlest details.

### **Consumer buying behaviour in the sport industry**

Sports and games have become one of the most essential elements of human life as it contributes to both the physical as well as mental fitness. Now day's people are trying to get involved in any sports activities to build their team spirit, mental strength, constructive use of time, confidence and decision making. This in turn has created a rise for the sports goods industries like Nike, Adidas, Reebok and Puma. These industries are now competing against each other to become world leaders in sports industry with the help of newly innovative branding techniques and marketing strategies to attract more customers.

Brand allows consumers to filter out the countless generic items and gives them a reason to buy the product. Brand is essentially the sum of all experiences related to the product, service, and companies that make and deliver the product. Branding is a very powerful component in business as it can make or break business interests, it can destroy corporate image or it can build public trust and credibility. It all depends on how it creates an impact on the consumer's perception.

Brand perceptions are shaped by functional experiences (i.e. design, comfort, quality, price, reliability, ease of use) as well as emotional experiences (i.e. social status, make me feel better, improve my performance, make my life/job more gratifying or easier) the customer associates with the product and company. Once a customer likes your brand he/she will definitely come back for repeated services or products. The qualities of the product or services are ensured through the customers minds from the brand image. Brand recognition is acquired when a brand is widely known in the marketplace. The ability of creating and retaining a brand is called brand management.

With the demand in the market for sports goods, various prominent brands are trying their best to satisfy the customers with the help of innovative techniques which causes impact on

the perception of the consumers to change their brands. This changes the buying behaviour of the consumers which is a process they use to make purchase decisions as well as the use and disposal of the purchased goods and services.

### **Background of the study**

We would be considering a few important sports brands companies like Nike, Adidas, Reebok and Puma in detail which will help us to do a comparative study on the impact of brand perception including consumer buying behaviour in India and Singapore.

### **Nike**

Nike is one of the most important publicly traded sportswear and an equipment supplier with its base located in the United States and its headquarters is near Beaverton, Oregon. The company was founded in the year 1964 by Bill Bowerman and Philip Knight as Blue Ribbon Sports and it officially became Nike, Inc. in 1978. Now it is the world's leading supplier of athletic shoes and apparel with revenue in excess of \$19.2 billion USD in the year 2009 with more than 30,000 people employed worldwide. NIKE, Inc.'s wholly-owned affiliates with Cole Haan, Converse, Inc., Hurley International, LLC, NIKE Golf, and Umbro, Ltd. Nike produce a wide range of sports equipment like shoes, apparels, etc. for a wide range of sports including track & field, baseball, ice hockey, tennis, football, basketball and cricket. Nike has more than 700 shops around the world and has offices located in 45 countries outside the United States. Most of the factories are located in Asia, including Indonesia, China, Taiwan, India, Thailand, Vietnam, Pakistan, Philippines, and Malaysia. Nike's marketing strategy is an important component of the company's success. Nike is positioned as a premium-brand, selling well-designed and expensive products. Nike treasures its customers with a marketing strategy which centres on a brand image which is attained by its distinctive Tick logo and the advertising slogan: "Just do it". Nike promotes its products by sponsorship agreements with celebrity athletes, professional teams and college athletic teams. (Nikebiz)

For Nike performance and reliability of shoes, apparel, new product development, price, product identity through marketing and promotion, and customer support and service are important aspects of competition in the athletic shoes and apparel. They make contracts with prominent and influential athletes, coaches, teams, colleges and sports leagues to endorse



their brands and use our products to help them market their products (10-k annual report-Nike, 2010).

### **Adidas Group**

Adidas a major German-based sports footwear and sports apparel manufacturer was founded in 1924 and has its headquarters in Herzogenaurach, Germany. The Adidas Group consists of the Reebok, Taylor Made-adidas golf company, and Rockport. Their mission is to be the global leader in the sports goods industry with sports brands built on a passion for sports and a sporting lifestyle. The company is the largest sportswear manufacturer in Europe and the second biggest sportswear manufacturer in the world after Nike. The company's clothing and shoe designs typically feature three parallel bars. The company revenue for 2009 was listed at €10.38 billion.

Adidas believes in engender high consumer brand loyalty and consumer focused, therefore they continuously improve the quality, comfort, look and image of the products to consumer's expectation so that they provide them with the highest value. They are more into innovation and design to help athletes achieve peak performance with every product they bring to the market. Adidas has divided the brand into three main groups with separate focus on Adidas Performance was designed to maintain their devotion to the athlete, Adidas Originals was designed to focus on fashion and life-style and Style Essentials. "Impossible is Nothing" is the current mainstream marketing slogan for Adidas. Their main focus is on football, running, training, basketball and outdoor. They focus on the investment on the highest potential markets and have a distinct channel approach.(Adidas Group, Annual Report 2010)

Reebok, a subsidiary of Adidas is a well know global sports brand which is inspired by its roots in sports and fitness was founded in 1895, England and has its headquarters in Canton, US. They are committed to develop innovative products which will satisfy both women's fitness and men's sport category and revive its heritage by providing them with the opportunity, the products and the inspiration to have fun staying in shape. It has a close collaboration with the athletes' training needs. It focuses on creating adaptable products that help athletes prepare for their sport irrespective of the discipline. Reebok sponsor lot of events and players from various sports as a part of their marketing. The brand is committed to designing products and marketing programs that reflect creativity in some form which has the desire to change



constantly. Reebok creates products and marketing programs that reflect the brand's unlimited creative potential. Reebok has its own path of greatness with its authenticity and courage.

### **Puma**

Puma is one of the world's leading sport lifestyle companies that designs and develops footwear, apparel and accessories. The company was founded in 1948 has its headquarters in Herzogenaurach, Germany. Its products are distributed in more than 120 countries and have more than 9000 employees worldwide. PUMA starts in Sport and ends in Fashion. The price of the PUMA share stood at € 231.84 at the end of the year 2009 and increased by 65.2% year-on-year, which resulted in a market capitalization of approx. € 3.5 billion. Puma is committed to working in ways that contribute to the world by supporting Creativity, Sustainability and Peace. Their vision is to stay true to the principles of being Fair, Honest, Positive and Creative in decisions made and actions taken. Puma strengthens their Sport lifestyle brand through unique events and marketing campaigns. Puma's vision and principles are put into practice through the programs: puma.safe which focuses on environmental and social standards, puma.peace which focuses on supporting peace initiatives worldwide and puma.creative which focuses on supporting artists and creative organizations. Puma invests very high on product design and development so that they ensure that the unique PUMA design and targeted diversification of the entire product range comply with the general brand strategy. As per Puma competitive advantages can only be derived by those who can recognize these trends at an early stage. (Puma- Annual Report,2009)

### **Review of Significant Literature**

De Chernatony and McDonald (1992) define a brand as “an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely”. There have been two basic values identified by de Chernatony (1999) that contribute towards the brand premium. Brand perception is consumers' ability to identify the brand under different conditions, as reflected by their brand recognition or recall performance (Kotler & Lane, 2006). Brand recall refers to consumer's ability to retrieve the brand from the memory (Keller, 1993). According to the improvement of measurement for brand equity, consumer-based brand equity was described for four dimensions; brand awareness, brand association, perceived quality, and brand loyalty

(Pappu, et al, 2005). Brand awareness was defined as the consumers' ability to identify or recognize the brand (Rossiter and Percy, 1987). It refers to the strength of a brand presence in consumer's minds. Brand awareness has several levels starting from the less recognition of the brand to dominance (Aaker, 1991). Brands today play a number of important roles that improve consumers' lives and enhance the financial value of firms (Kotler & Lane, 2006). Brand awareness and brand perceived quality as the significant factors to create and maintain brand equity. There are positive relationship among brand awareness, perceive quality and brand equity (Aker, 1996, Buzzell& Gate, 1987).

Schiffinan and Kanuk (2004) define Consumer Behaviour as the behaviour that customers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer buying behaviour incorporates the acts of individuals directly involved in obtaining, using and disposing of economic goods and services including the decision process that precede and determine these acts (Huctings 1995). Lamb, Hair and McDartiel (1992) note that consumer behaviour is a study of the processes the consumer uses to make purchase decisions as well as the use and disposal of the purchased goods and services. It also includes the analysis of factors that influences purchase decisions and goods usage. Santon,Etzel and Walker (1994) states that consumers are complex in nature and keep changing constantly. In short, the understanding of the buying behaviour of existing and potential customers is imperative for marketers (Lancaster 1998). When the consumer is viewed in the proper perspective, the outcomes could be quite positive for the manufacturer. Lamb,Hair and McDaniel (1992),claim that the knowledge of consumer behaviour reduces uncertainty when creating the marketing mix.

Mahatoo (1985) defines consumer behavior decision making process consisting of a number of steps that begin before the purchase and reaches beyond the buying act. He suggests that marketers have to go beyond the various influences on buyers and develop an understanding of how consumers actually make their buying decisions .The ability to create a good service and to persuade the market to buy this offering instead of its competitors offering depends upon the insight into the consumer purchase decision on the understanding of how the target customers arrive at their purchase decisions.

### **Objective of the study / Problem Statement**

For a sports industry building a powerful brand is all about creating the strongest positive perception in the minds of your customers. The primary objective would be to study and compare how consumers are influenced by the impact of brand perception which involves the consumer buying behaviour in sports industry within India and Singapore. The study will help us analyse the knowledge of sports brands for consumers in India as well as Singapore and the different perceptions that consumers have on the sports brands and find out the reasons behind such a perception. We will also be finding out which sports brands the consumers are aware of and how do they streamline their decision to buy a particular brand by considering factors like price, quality, reliability, availability, design, innovation and comfort. It will also help us to analyse the buying behaviour of the customers and check whether brand perception has any impact on the buying behaviour of the customers which choosing their sports brands. We will be able to find whether pricing of a product and annual income of the consumers has any influence on the buying behaviour in both India and Singapore. Finally a comparative study between the two countries India and Singapore with the help of all the above analysis will allow us to understand the difference in the brand perception and buying behaviour of the consumers in each country along with its reasons.

The study proposes research into the attitudes of young male and female consumers towards shoes and apparels of different popular sports brands like Nike, Adidas, Reebok and Puma within the two countries India and Singapore. It is important to understand how customers perceive and select brands in specific product categories and market segments. An in depth study on the impact of advertisements in newspapers/ Televisions and the different promotions on their products will be analysed as it is also essential to know what is important to customers when making a brand decision, where customers get information about products and services, and what customers think about your brand.

### **Research Questions**

Q:-1 Is there a relationship between brand awareness and overall brand preference for sports brand consumers in India and Singapore?

Q:-2 Does brand perception influence the buying behaviour of consumers with regard to purchase of sports shoes and apparels?

Q:-3 Does pricing affect the buying behaviour of the consumers in India and Singapore?

Q:-4 Does the annual income of consumers influence their buying behaviour of sports brands in India and Singapore?

### **Marketing mix of Adidas**

One of the top brands in the sports and footwear market, Adidas has seen its share of ups and downs. The company started in 1936 and is one of the oldest footwear brands of the world. However, even though the company has old origins, its heart is young. Adidas faced stiff competition in the 1980s from Nike but soon overcame the competition by targeting youngsters as well as sports oriented people.

### **Products in the marketing mix of Adidas**

The Adidas group has 4 main subsidiary's. The first is its own brand name – Adidas, which is present in clothes as well as footwear. The second is Reebok which has overtaken Adidas and is one of the leading subsidiary's in the Adidas group. The 3rd is Rockport which specializes in outdoor footwear, apparel's and accessories and 4th is Taylor made which is focused on golfing clothes, equipment etc. Out of all the above subsidiary's, Reebok is the strongest followed by Adidas.

Adidas has various products. The major product of Adidas is off course their footwear. Coming in various design and style, Adidas footwear is robust and athletic. The secondary product of Adidas is apparel's and accessories. Apparel's like T-Shirts, jackets, sweatshirts, shorts etc are in great demand. Where Reebok is stronger in footwear, Adidas is stronger in apparel's.

The aim of Adidas is to give the best footwear to their customers which has the combination of technology and design. These products are not need based. In fact, the shoes are bought by customers to satisfy their wants and desires. Similarly, the apparel's are targeted towards

comfort during heavy activity. However, although the main target is sports, the apparel's are frequently used as a style statement by youngsters.

### **Pricing in the marketing mix of Adidas**

Adidas, because of its style, design and promotions uses skimming prices as well as competitive pricing. For run of the mill products, Adidas uses competitive pricing keeping in mind competitors like Nike, Reebok and Puma. But for products which are newly introduced in the market and are uniquely designed, Adidas uses skimming price.

Apparel's of Adidas constantly use skimming price and are higher priced due to brand equity of Adidas in the apparel's market. The target customer for Adidas is the upper middle class as well as high end customers. Adidas never uses penetrative pricing because that will affect the brand equity of Adidas. In fact, the higher price point helps in the price quality approach and psychologically, customers think that a higher price will mean better quality as well. Thus, Adidas rarely drops its prices.

### **Place in the marketing mix of Adidas**

The major way in which Adidas is sold is through retail outlets. Adidas has its own exclusive stores in which the material is provided directly from the company. On the other hand, many multi brand showrooms will also have Adidas apparel's and footwear on display. These multi brand showrooms get the products from a distributor. The third and last mode of distribution is online. The products are sold through online medium via fashion stores like myntra.com as well as the online website of Adidas. Thus the distribution channel of Adidas is as follows

- 1) Manufacturing > Adidas outlets > End customer
- 2) Manufacturing > Distributor > Multi brand showrooms
- 3) Manufacturing > Online fashion websites / Adidas website > End customer

Due to the excellent brand equity of Adidas, the operating margins are fairly high thereby keeping the distribution channel motivated. A happy distribution channel means better promotion for the company.

### **Promotions in the marketing mix of Adidas**

Adidas markets through various marketing vehicles but the majority of marketing is concentrated on television and product placements. The creative team of Adidas is known

## Research project on Adidas

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to pump adrenaline in their customers through ads which are well made, very creative and filled with energy. These ads attract the customers towards the brand by sending the right marketing message to the customer.

The tagline of Adidas “Impossible is nothing” is in itself a very powerful statement for the brand.

After television, product placement is the second line of promotion for Adidas. The popularity of the brand is because it ties up with the top players across the world such as Lionel messi, Ronaldinho, Sachintendulkar and various others.

At the same time, Adidas also sponsors teams and some of the top teams include Real Madrid, France, Great Britain (in football), England and South Africa (in cricket) and several others. Here is a list of all the sponsorships done by Adidas.

## **Adidas SWOT analysis – SWOT analysis of Adidas**

Adidas is one of the strongest sports brand in the world. Known most prominently for its range of Shoes, the brand is also a manufacturer for clothing and accessories. Here is the SWOT analysis of Adidas.

### **Strengths in the SWOT analysis of Adidas**

- 1. Legacy & heritage:** With decades of heritage & legacy, Adidas has travelled a long way to establish itself as a youthful brand. The brand was started in 1949 and has travelled a long way since then.
- 2. Diversified portfolio:** Company has multiple product portfolio's with varied range of footwear & accessories under brand name Adidas (premium segment) & Reebok (mid range).
- 3. Strong financial position:** With its 2400 store globally accounting \$4.3billions, the company is in strong financial position.
- 4. Distribution network:** By selling it from online stores to company owned stores to supermarket stores, Adidas has an effective distribution system for their products available through different channels.
- 5. Branding by creating touch points with the community:** Celebrity endorsements & sponsoring major sports organizations such as FIFA, UEFA, NBA & Olympics has increased the awareness of Adidas in the market & hence it has increased the highly targeted customer base as well.
- 6. Collaborations & memberships:** Strong relationship within the sustainability area with organizations such as International Labour organization, International Finance Corporation has given the company an edge over competitors so that they can have a sustainable business.



### **Weakness in the SWOT analysis of Adidas**

- 1. Premium price range:** High price range due to innovative technology & Production methods have made the brand affordable to limited customers only, especially in developing countries.
- 2. Outsourced manufacturing:** Adidas has 93% of production outsourced to 3<sup>rd</sup> party manufacturers (largely to Asia) to avail of low labour cost & easy availability of resources. They are running a risk of over dependency on outsourcing especially in Asian markets. Also, the overall quality of products perceived by the consumers of developed economies is a major concern as far as brand is concerned.
- 3. Limited product line:** Adidas along with the recently acquired Reebok brands, has got only 2 brands under their group although they have got deep assortments within these brands. Thus, there is more scope for product line expansion.

### **Opportunities in the SWOT analysis of Adidas**

- 1. Changing Lifestyle:** With the saturation of developed economies, changing taste & preferences, education & changing lifestyle of developing economies, there is a steep rise in the demand of premium goods & services.
- 2. Market development:** Entering into new markets will be the only way to succeed in the future because developed economies are already having high competition.
- 3. Expansion in product line:** Expanding its product line will open a new set of opportunities while at the same time it can differentiate itself from the competitors by following this strategy.
- 4. Increasing demand of premium products:** If we only consider the Indian market then there is a growth rate of 33% in demand of premium products. This tells us the future business opportunity & expanding market size of developing economies.
- 5. Backward integration:** This will be smart strategy if followed by Adidas as it will help Adidas to secure their patent rights & also integrate their R&D with the operational team in order to work in open system.

### **Threats in the SWOT analysis of Adidas**

- 1. Competition:** Although Adidas is a global brand but it is facing fierce competition from other brands like Nike which is No.1 brand and Adidas being in 2<sup>nd</sup> Position in

this premium segment. Besides this, there is regular competition from local players, substitutes and market penetrators.

2. **Supplier Dominancy:** Due to majority of its production being outsourced; Suppliers have more bargaining power than the company.
3. **Government Regulations:** With its 35% products manufactured in China & 93% of production happening in Asia, Import regulations, duty & tariffs plays a critical role in the pricing and success of the company.

## **Nike Vs. Reebok Vs. Adidas**



The shoe and athletic apparel market is dominated by three major companies. Nike, Reebok and Adidas feature premium athletic apparel designed to enhance the performance of athletes in all the major sports. The companies battle each year for consumers and market share, as well as spend millions in research and development to better their products.

### **Pro Level**

Nike, Reebok and Adidas offer athletic apparel to professional athletics. All three companies are involved in shoe wars for the services of professional basketball players, which provide marketability and exposure to massive audiences. Basketball shoes comprise a significant percentage of market share, and these companies will spare no expense to sign the latest and greatest basketball star. The companies also supply pro football and baseball players with gear, along with a burgeoning golf division for Nike and Adidas.

## **NIKE**



Nike is recognized internationally as a leading manufacturer of innovative footwear and performance enhancing apparel. Phil Knight, Nike's founder and CEO, has been especially supportive of his alma mater, the University of Oregon. The Knights and Nike have initiated several philanthropic initiatives to enhance the services, equipment and apparel provided to Oregon student-athletes. This, in turn, has given Nike even greater visibility and exposure among high level athletes. Oregon's equipment is cutting edge, and its athletic teams constantly employ trend-setting designs and features.

## **ADIDAS**



Adidas has long been considered an international brand but has made significant strides in the U.S. Their golf apparel division has enhanced its offerings, and now produces clothing, shoes and accessories for many touring professionals. This has seen a great trickle-down effect into the amateur game. Adidas has also signed major endorsement contracts with many U.S. colleges, including the University of Michigan and the University of Notre Dame, to play and promote the company's apparel.

## **REEBOK**



Reebok has struggled at different times with Nike and Adidas beginning to differentiate themselves, but the company has made a push by focusing on its professional basketball, football and hockey equipment. Reebok hockey has several innovations that bolster its usage rate in the National Hockey League and minor pro leagues, while Reebok football is on a similar upswing. The NBA appeals to most sneaker consumers, and Reebok has made a push in this area as well, with several shoes endorsed by the top level players.

## COMPARATIVE ANALYSIS OF ADIDAS

The Adidas brand equity model in terms of endorsements focuses more on the larger events, sports teams and sub brands unlike its competitors who try to focus on being seen in the media and getting people to see them. The Brand Awareness of Adidas focuses, again, on larger pictures. The focus on the national teams, Olympics and others larger championships people focus in on. The TV and media focus in on stars such as Mohammad Ali to try and get the message across that Adidas comes from a heritage of innovation technology. Its competitors focus on larger stars and make them a brand like Michael Jordan and Tiger Woods. Instead of portraying a message about the company they just put an athlete somewhere where consumers are able to view instead of showing a product on billboards can see them. The Brand association for Adidas is “Trendy, modern and cool.” The competing companies make their brand as more of a lifestyle.

### **Corporate level strategies:**

The corporation wants to put ads out there that will show the history of the company to try and enlarge the brand in the United States. I think this could be a good thing for the company to try and grow in the US, it will show people what the brand was originally all about. On the other hand however, you have to consider that Ads are expensive and who is to say that those type of ads will draw the consumer in. Nike doesn't do this with their advertising and they are arguably the most successful sports wear company. Another Strategy at the corporate level was implementing the phrase “Impossible is nothing.” I think this phrase really helped them, its something that almost every Adidas consumer knows about and as they are working out or wearing the gear they begin to think and act as the phrase says. I think this was the goal for them and it was accomplished. They tie in the historical aspect to the brand and we begin to remember things like Mohammad Ali's fight with George foreman. We think about this and how he was never supposed to win and put it into a commercial and we draw in a lot of consumers. However again, those types of situations come few and far between. When we think about Nike “just do it.” There are far more situations where consumers can relate. Just going out and doing a workout draws a consumer in more then creating a moment that rarely goes down in history.

### **Business level strategies:**

The business level strategies are to implement technology into the company just as other large competing companies do. Nike has something you put in your shoes and it will tell you calories burned, distance ran, and heart rate all by just putting on the shoe and running. They have a bracelet that just touches your skin and lets you know if your goal for the day was met. Adidas' new strategy is to try to come out with a new futuristic type shoe to get the public to view them as the new and on top. They need to catch up when it comes to the technology part and I think this is a good idea. They want this shoe to be so successful that the consumer's won't mind paying 250 dollars for a product because of the new and improved things it can do. This type of product will gain a lot of popularity with professional athletes and when consumers see these pros wearing the stuff they will want to do the same.

### **Analysis:**

I think the company has done well coming up with the things they are trying to do differently. I definitely think they need to keep their same style but make it newer. I know the company wants to stick to their historical roots, I mean they were the original footwear company but they have to realize that sticking to habits won't help the company succeed in the long run. I definitely agree with trying a new innovation with this technology-based shoe. This will definitely draw attention. Ads are another huge thing that I seem to keep running across. They need to change the message they are trying to get across or add something more to the message because advertising seems to be what they lack most. I think sticking to big events is huge but US is going to be a huge gain in revenue if they can start to really compete with Nike.

### **Recommendations:**

My biggest recommendation would be to enlarge the advertising budget and put out more billboards, commercials, athletes that people want to see. The consumer is going to buy what appeals to them and right now things Nike are doing are gaining the customer's eye. Not only would I say better advertisement I would say better advertisement in the US specifically because it seems as though they have the attention of Europe. The company should open more stores that customers can go to besides a major factory as well. A lot of revenue Nike gains is from the local retail stores. Other than these things I really love the brand, to me it's the original and the more comfortable of all brands but the only thing is Nike just looks better to my eye.

### **Comparative Analysis of Nike and Adidas**

Adidas is the second largest company who manufactures sporting goods all over the world. It was established in 1920. The Original founders of Adidas were two brothers Rudolph and Adi Dassler. The company's first manufacture were slippers and after that they decided to make sport shoes which went so successful that it led them to open their own shoe making factory in 1926. Then it didn't look back and today it is one of the most successful company in sporting goods.

Nike was initially started in 1962 as a blue ribbon sports. The founders of Nike were Bill Bowerman and Phil Knight. Nike from its modest start grown as a sporting leader in sporting goods. It is also now recognised as world's leading manufacturer, designer, marketer and distributor.

## Market and Literature Review of Adidas and Nike

### Market Share and Sales

In 2009, the Market shares of Adidas was 22% of the worldwide athletic footwear while on the other end the market shares of Nike was about 33%.

In 2009 the sales percentage of Adidas reported decline in profits. In last quarter of the 2009 its sales percentage was declined by 5% which was because of their increase in marketing costs. While in 2010 the financial report shows that there is 15% increase in their sale because of 2010 FIFA World Cup. On the other end the sales of Nike in the fourth quarter of 2009 was decreased down by 7%. While the first quarter of 2010 shows 53% increase in net income.

### Target Audience

In case of target audience both Adidas and Nike have different target audience globally. The main target audience of Adidas are between 12-34 years consumers specially involved in sports. There are various sports which are targeted by Adidas that includes gym regulars, NBA players, Football etc and also the youth who believes in living a sporty life style.

While Nike on the other end has very specific target audience. It focuses mainly on males and females, who are between 18-35 years old. As Adidas, Nike also focuses on football players under its target audience.



### **Product: Adidas**

The products of Adidas are divided in to 3 Categories

Adidas Performance Sports shoes, perfumes, eye wear

Adidas Original Superstar Sneakers, Vintage Clothing, Adicolor Trainers

Adidas Style Caps , Bags , Belts , Hand Gloves Etc

### **Nike**

Nike Products Sports Shoes , Sunglasses,

Trainers,BodyCare,Sneakers, Hoodies , Clothes ,Caps , Bags , Perfumes etc

### **Price :**

Adidas

There are various Pricing strategies which are followed by Adidas according to its product. But generally it uses Market skimming strategy, that is the price of the product depends upon its colour, look etc for example: white colour shoes of Adidas is more expensive than other colour shoes.

### **Nike**

As compared to Adidas , the price of products of Nike are high. It adopts different and Competitive pricing strategy than Adidas, it is based on the basis of premium segment as target customers . Nike as brand has high premium , so the price of its products is high than adidas.

### **Place/Distribution**

Adidas

The most basic distribution strategy adopted by Adidas is to concentrate resources at the place where most profitable customer segment is available. So for this purpose it opened its

shops all around the world. It also focuses on offering total customer service at the place where customer goes to buy its products. In addition to shop, Adidas also gives online buying service.

### **Nike**

Nike on the other end had a strategy of exploring the current and developing new market, so its shops are in nearly 200 Countries. Like Adidas, it sells the products to independent distributors, licenses and subsidiaries. Same as Adidas, it also sells its products online.

### **Positioning**

Adidas

Adidas has its own unique brand positioning in the mind of customers. For instance one of the images of Adidas is those who want to wear light shoe should go for Adidas, rather than going for other brands. Other positioning of Adidas in customers mind is basketball shoes, this is because generally basketball players wears it because of its unique design and light weight.

### **NIKE**

Nike on the other end has image of an innovative company who focuses making new innovations and designing new style shoes. As Nike's one of the main target audience are football players its key positioning in customers mind is to provide competitive edge; help athlete to perform well. Recently in order to improve its brand positioning, it made a deal with NFL by paying 1 billion dollar (approximately), Nike will produce all the on-field apparels, it will also produce game uniforms and other side line personal apparel and fan gear.

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## RESEARCH METHODOLOGY

The philosophical basis for research is referred to as methodology. It's a logical and methodical framework that guides researchers' judgments. It's built on viewpoints, attitudes, and values. It is a set of methodologies for conducting research in a given field of study or activity, to put it another way. There are two types of research methods: quantitative research and qualitative research.

- Quantitative research is a sort of study that focuses on the quantification, collecting, and analysis of data.

Quantitative research is the process of gathering and evaluating numerical data.

- Qualitative research is a method of acquiring non-numerical data through observation that is based on science. Meanings, ideas, definitions, features, metaphors, symbols, and descriptions are the focus of this type of research.

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## METHOD OF ANALYSIS

Based on customer feedback, this project conducted an online questionnaire and one-on-one interviews to gather existing user requirements. It used a literature review, application website review, and application testing to evaluate a salesperson's understanding of selling behavior. It also invited a participant to go over the suggested tools. During the purchase period of customers, a short one-on-one interview was conducted to learn how the salesperson's behavior was and what the positive and negative aspects of his behavior were.

Data collection - The purpose of the questionnaire is not simply to ask how satisfied the customer is with your product, but to assess the salesperson's selling behavior so that you can make the best business decisions by analysing the gap between reality and customer expectations. To better understand salespeople's selling behavior, we conducted an online survey with industry experts and employees to determine what common techniques or winning formulas are used by nearly all individuals working in the sales field. A total of 20 questioners were distributed to customers, followed by a one-on-one interview session to gather first-hand information about salesperson behavior. Furthermore, with the assistance of various online surveys and public websites available on the internet.

## **Research Method Used and Its Limitation**

In order to carry out research there were two main methods used Primary and Secondary Research methods.

To assemble primary data a questionnaire was designed which compares both athletic brand Adidas and Nike.

### **Sample Size.**

30

While to gather secondary data internet, magazines, annual reports of the company, articles were used.

Manual Method is used to get output information after analysing data.

### **Time Schedule**

Total estimated time used to complete this report will be 9 week.

### **Limitations of Primary Data Collection Method**

- 1.The first disadvantage of carrying primary research was difference in response. Each individual has its own view. So it was difficult to generalise the information.
- 2.It was time consuming, costly as it takes lots of time to find a respondent who can fill questionnaire.

### **Limitations of Secondary Data Collection Method**

- 1.It was difficult to find data from company s website as sometimes they might not say their weakness.
2. The person who wrote secondary data might be biased.
3. The sample used by a secondary person might be small.

### **Analysis and Discussion**

Key findings of Marketing Strategies Adopted By Nike and Adidas after analysing Secondary data ;

### **Adidas**

There are various promotional strategies adopted by Adidas which includes television, internet, billboards and magazines.

### **Television Advertisement**

#### **Analysis of TV ad**

Adidas uses different media vehicles which can pop up its advertisement on television; it uses various sports channels like Star Sports, ESPN. The recent Adidas original Ad has celebrities like David Beckham, Agnes B, they used Informative Advertising because the objective of the ad was to create awareness about the launch of its new star wars collection which includes cool, funky clothes and shoes for youth, so in order to attract them they used Musical Appeal to stir up the feeling of buying. It used Peripheral Cues because it might have thought people would not be able to process information that their new collection is very cool and stylish, and so they used fashionable celebrities like Beckham and Agnes to influence target audience attitude positively. According to me the message of ad was if one wants look modish and funky as David Beckham and Agnes then should go for this new collection of Adidas.

Adidas uses internet in many ways to reach its target audience, it created its own website (adidas.com) exclusive digital content where one can get all information about the company including company background, products, sales, new launches etc. Other than this recently Adidas used windows messenger game platform in order to promote its Predator and f50 boots to the age group of 15-24 years old males. Which was most effective advertisement strategy as it helped the company to increase 14 % brand ratings by gamers. Additionally popup ads can also be found on yahoo, espn home pages etc. According to me, the objective of using internet marketing was to attract the youngsters who spend more time online than watching TV.

### **Outdoor advertisement**

The organisation uses various groundbreaking outdoor advertisement such as billboard soccer, expansive wall scrappers, topiary styled billboards etc. Recently in Japan Adidas came with unique outdoor advertisement concept where two footballers were hung wearing

## Research project on Adidas

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hearness and have to play football for 10 minutes. The objective was to grab the attention of the people towards the billboard and Adidas was successful in doing that as shown in figure, traffic around that froze for about 70 minutes.

Other extremely effective concept of outdoor advertisement was made in Germany in 2006 during FIFA World Cup, a huge arc-like structure with Oliver Kahn's image was putted across the road, the objective of this concept was to grab attention of the vehicles passing by road and it was successful in doing this

### **Sponsorship And Events**

In addition to these it sponsors soccerex football festival for 2010 football and has confirmed four year sponsorship deal with it. The objective of the deal must be to promote its products in football after successfully promoting it in NBA games. Additionally Adidas have agreed to make eight year sponsorship with major league soccer the objective of Adidas is in to promote its products as well as to increase growth of the league and investment for youth development.

Adidas also uses various sales promotion strategies in order to increase its sales, one of the recent sales promotion strategies is Adidas coupons and coupons code in which Adidas distributes coupons through dealtaker.com in which if a customer's code matches with the Adidas code, discount up to 30% or more than that will be given by company on various types shoes. In addition to these it also cuts down the prices of product during special festivals and events in order to increase its sales or to finish the old stock.

Other than this, Adidas also uses various magazines and newspapers in order to promote its products.

### **Nike**

Nike uses different promotional strategies. It promotes its products by adopting endorsement focus scheme, creating a prevailing media existence, establishing flagship stores and use of magazines, billboards, mobile etc

### **TV Advertisement**

## Research project on Adidas

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For TV ads Nike uses various sports channels to promote its products by various celebrities like Ronald no, Renaldo, and Roberto Carlos. It mainly shows its ad during football games. Recent ad was a sort Comparative Advertisement because as the title describes Nike: My better is than your better, in this ad it shows all sports games like basket ball , baseball, Running etc and try to deliver a message that Nike products are best in every game whether it is basket ball , base ball , jumping . In order to grab attention and to stir up Emotional appeal it used Fantasy and surrealism because certain images shown create fantasy. While to stir up Rational appeal it indirectly compared it s products with other products, the ad might be effective as it shows and considers its products superior in every game as compared to other companys products.

### **Internet**

Nike uses various online methods in order to promote its products. It has established its own website, where customers can get lots of information about the products and company. It also uses yahoo to promote its products, according to me the objective of using yahoo and other popup ads is to make youngsters who often goes online, aware about the brand

### **Billboards and Magazines**

In comparison to Adidas, Nike uses different ways of billboard advertisement to promote its products, in recent times in Hong Kong to promote its Nike s T90, a series of black and white markers were posted in local Nike stores, subways, stations and also in magazines. These markers were a kind of 3D Window Display, and to watch it, customer need to text the key word displayed on the marker and has to download the Nike application. After the software is downloaded, if one points the camera on the markers, one can see virtual 3d Nike T90 boots. These types of billboard s were specially launched for the target market of Hong Kong who is found of latest technology. Other than this Nike uses ESPN magazines to promote its product.



### Conclusion

It seems that conducting a survey is a very good choice to allow consumers to evaluate what they wanted and what they are unsatisfied with. However, the drawbacks such as few willing respondents and not able to fully voice out their opinions. This is not much of a problem as survey questions are not very specific. But, conducting a survey is able to give us some idea of what consumers are really thinking about Adidas products. In the future, survey questions will be made to allow the consumers to give more accurate and specific answers to the Adidas brand. This method, when done continuously, will create an idea that Adidas can use to fully meet customer's satisfaction and increase sales, thus profits increase. The idea that Adidas is tailored for the active, trendy and comfortable lifestyle of both teenagers and adults are conclusive. Just like their competitor, Nike, Adidas provides excellent satisfactions to consumers up to a certain extent because there are still some who would choose Nike over Adidas. Adidas now with the purchase of Reebok, has a larger consumer base and this in turn, will definitely increase profits for the company. In terms of price, Adidas shoes are not too much of a luxury product as some purchased it before would repeat the decision to purchase again. Even with small discounts offered. Competition is stiff in the sport shoe industry as many major companies are actively producing new shoes that are meeting consumer satisfactions. Adidas is also very vigilant and is actively improving itself to improve its products and satisfy the consumers. In its involvement in the Boston Bombings, Adidas is selling the Boston stands as one shirts for US\$26.20, available at Adidas.com (Dailynews, 2013). The proceeds are to be donated to One Fund Boston to aid the victims of the bombings. As a major sponsor of the marathon, Adidas has done more than its fair share of responsibility to help the victims of such a tragedy.

## QUESTIONNAIRE

Q.1 Do you wear athletic apparel outside of exercise and/or sports?

- Definitely yes
- Probably yes
- Might or might not
- Probably not
- Definitely not

Q.2 Which athletic brand would you associate with fashion and style?

- Nike
- Adidas
- Puma
- Under Armor
- Champion

Q.3 What factors influence you to purchase a specific sports brand?

- Quality
- Durability
- Price
- Variety

Any other (Electronics, Comfort, Accessibility, etc.)

Q.4 Where do you purchase Adidas products?

Adidas online store

Adidas retail location

Third party retail stores (Dick's, Footlocker, Macy's, DSW etc.)

Third party online stores (Amazon.com, Ebay.com, Zappos.com)

I do not purchase Adidas

Q.5 When was the last time you purchased Adidas apparel?

1-3 weeks ago

4-6 weeks ago

7-9 weeks ago

10 or more weeks ago

I don't recall

Q.6 Do you agree that media such as advertisements of Adidas attract you to buy any of Adidas's products?

Strongly agree

Agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Disagree

Strongly disagree

Q.7 Do you agree that endorsements attract you to buy Adidas products?

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1. Is Adidas ready to concede it will forevermore be second fiddle to Nike?

2. How did Adidas lose its No. 2 position in the United States to Under Armour?

3. Does Adidas's corporate strategy, including recent acquisitions and restructuring, stay true to its brand while positioning itself to improve shareholder value and challenge Nike as the leader of the global sporting goods industry?

4. What enabled Adidas to be the Market Leader in the past?

5. How did Adidas lose the lead to Nike?

6. How Did adidas Lose US Market Share to Nike?

7. What has the Adidas brand represented in the past and what does it represent today?

8. Does the recognition Adidas get through its affiliation with the world cup, increase the likelihood of consumer purchase ?

9. Does the price of Adidas apparel compared to other competitors influence consumer's decision to buy premium over generic brands?

10. Does their strong tie to the FIFA World cup affect their market retail sales and consumer outreach?

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THANK YOU

## PLAGIARISM SCAN REPORT

Words Date May 08, 2022

Characters 1473 Excluded URL

18% Plagiarism	82% Unique	2 Plagiarized Sentences	9 Unique Sentences
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### Content Checked For Plagiarism

Adidas AG (German pronunciation: [ˈadiˌdas] (written adidas since 1949) is an international organization, founded and headquartered in Herzogenaurach, Germany, designing and making shoes, clothing and other items. Nike. It is a subsidiary of Adidas Group, which includes sportswear company Reebok, golf course Taylor Made (including Ashworth), Runtastic, Austrian fitness company, and 8.33% Bayern Munich., football club 2016 Adidas revenue was listed at € 19.29 billion.

The company was started by Adolf Dassler in his mother's house; he was joined by his older brother Rudolf in 1924 under the name Dazzler Brothers Shoe Factory. Dazzler assisted in the development of spiked running shoes (spikes) at many athletic events. To improve the quality of winged sports shoes, he switched from the previous model of heavy metal nails to the use of canvas and rubber. Dazzler pleaded with the U.S. athlete Jesse Owens to use his handmade spikes at the 1936 Summer Olympics. In 1949, after a breakdown in brotherhood, Adolf founded Adidas, and Rudolf founded Puma, a business venture of Adidas.

Adidas' logo is three stripes, which is used on the company's clothing and shoe designs as a marketing aid. The branding, which Adidas bought in 1952 from Finnish sports company Karhu Sports, became so successful that Dassler described Adidas as "The three stripes company". The brand name is uncapitalized and is stylized with a lower case "a".

Sources	Similarity
<a href="http://www.awesomeshoes.com/blog/adidasadidas">www.awesomeshoes.com &gt; blog &gt; adidasadidas</a> "The three stripes company" - Blog - Awesome Shoes adidas' logo is three stripes, which is used on the company's clothing and shoe designs as a marketing aid. The branding, which adidas bought in 1952 from Finnish sports company Karhu Sports, became so successful described adidas as "The three stripes company". The brand <a href="https://www.awesomeshoes.com/blog/adidas/">https://www.awesomeshoes.com/blog/adidas/</a>	10%
Adidas Brand - Impossible Is Nothing   Deluxe Nigeria <a href="https://deluxe.com.ng/blog/adidas-brand-impossible-is-nothing">https://deluxe.com.ng/blog/adidas-brand-impossible-is-nothing</a>	10%