

RESEARCH PROJECT REPORT

On

**COMPARATIVE ANALYSIS OF
NIKE AND ADIDAS**

*Project Report submitted in partial fulfillment
For the award of the degree of*

BACHELOR OF BUSINESS

*Submitted by
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IN

BACHELOR OF BUSINESS

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Under the Supervision of

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ASSISTANT PROFESSOR



(Established under Galgotias University Uttar Pradesh Act No. 14 of 2011)

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SCHOOL OF BUSINESS

BONAFIDE CERTIFICATE

Certified that this project report “ **COMPARATIVE ANALYSIS OF NIKE AND ADIDAS**” is the bonafide work of “**SRASHTI KUMARI (19GSOB1010109)**” who carried out the project work under my supervision.

**SIGNATURE OF DEAN
SUPERVISOR**

SIGNATURE OF

APPROVAL SHEET

This thesis entitled “**COMPARATIVE ANALYSIS OF NIKE AND ADIDAS**” prepared and submitted by **SRASHTI KUMARI** in partial fulfillment of the requirements in Research for the Degree of Bachelor of Business Administration has been examined and is recommended for approval and acceptance.

Examiners

Supervisor (s)

Chairman

STATEMENT OF PROJECT REPORT PREPARATION

1. **Thesis title: COMPARATIVE ANALYSIS OF NIKE AND ADIDAS**
2. Degree for which the report is submitted: **Bachelor of Business Administration (BBA).**
3. Project Supervisor was referred to for preparing the report.
4. Specifications regarding thesis format have been closely followed.
5. The contents of the thesis have been organized based on the guidelines.
6. The report has been prepared without resorting to plagiarism.
7. All sources used have been cited appropriately.
8. The report has not been submitted elsewhere for a degree.

(Signature of the Student)

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Roll Number- 19GSOB1010109.

Statement of Preparation:

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ABSTRACT

This report provides an analysis and evaluation of two of the largest companies Nike and Adidas in athletic footwear industry. One amongst the foremost popular products is chosen from each of the corporate to analyze. The report is conducted by analyzing detail into the athletic footwear industry and both companies background, macro and micro environment forces, market segmentation, target markets, targeting strategies and position strategies. Many secondary researches which might be within the appendices to are done to finish the report. The result show that Adidas and Nike have similar market segmentations and targeting market. Both Nike and Adidas have essential roles within the athletic footwear market. For leather footwear market, there are various reasonably shoes involved like casual shoes, sports shoes and dress shoes. The leather footwear market also faces difficulties as fewer consumers spend money on leather footwear and more tends to spend on outdoor footwear.

INTRODUCTION

INDUSTRY OVERVIEW

Indian leather industry is the core strength of the Indian footwear industry. It is the engine of growth for the entire Indian leather industry and India is the second-largest global producer of footwear after China.

Reputed global brands like Florsheim, Nunn Bush, Stacy Adams, Gabor, Clarks, Nike, Reebok, Echo, Deichmann, Elefanten, St Michaels, Hasley, Salamander, and Colehaan are manufactured under license in India. Besides, many global retail chains seeking quality products at competitive prices are actively sourcing footwear from India.

The footwear sector has matured from the level of manual footwear manufacturing methods to automated footwear manufacturing systems. Many units are equipped with In-house Design Studios incorporating state-of-the-art CAD systems having 3D Shoe Design packages that are intuitive and easy to use. Many Indian footwear factories have also acquired the ISO 9000, ISO 14000 as well as the SA 8000 certifications. Excellent facilities for Physical and Chemical testing exist with the laboratories having tie-ups with leading international agencies like SATRA, UK, and PFI, Germany.

One of the major factors for success in niche international fashion markets is the ability to cater to them with the latest designs and in accordance with the latest trends. India has gained international prominence in the area of Colours & Leather Texture forecasting through its outstanding success in Europe. Design and Retail information is regularly made available to footwear manufacturers to help them suitably address the season's requirements.

The Indian Footwear Industry is gearing up to leverage its strengths toward maximizing benefits.

The strength of India in the footwear sector originates from its command of a reliable supply of resources in the form of raw hides and skins, quality finished leather, large installed capacities for the production of finished leather & footwear, large human capital with expertise and technology base, skilled manpower and relative low-cost labor, proven strength to produce footwear for global brand leaders and acquired

technology competence, particularly for mid and high priced footwear segments.

The resource strength of India in the form of materials and skilled manpower is a

comparative advantage for the country.

In the 1970's, the Government initially banned the export of raw hides and skins, followed this by limiting, then stopping the export of semi-processed leather and encouraging local tanneries to manufacture finished leather themselves. Despite protestations from the industrialists, this has resulted in a marked improvement in the shoe manufacturing industry. India is now a major supplier of leather footwear to world markets and has the potential to rival China in the future (60% of Chinese exports are synthetic shoes).

India is often referred to as the sleeping giant in footwear terms. It has an installed capacity of 1,800 million pairs, second only to China. The bulk of production is in men's leather shoes and leather uppers for both men and ladies. It has over 100 fully mechanized, modern shoemaking plants, as good as anywhere in the world (including Europe). It makes for some upmarket brands including Florsheim (US), Lloyd (Germany), Clarks (UK), and Marks and Spencer (UK).

India has had mixed fortunes in its recent export performance. In 2000, exports of shoes were US\$ 651 million; in 2001 these increased to 663 million but declined in 2002 to 623 million dollars.

The main markets for Indian leather shoes are the UK and the USA, which between them take about 55% of total exports.

India has not yet reached its full potential in terms of being a world supplier. This is due mainly to local cow leather that although plentiful, has a maximum thickness of 1.4 – 1.6mm, and the socio / political / infrastructure of the country. However, India is an excellent supplier of leather uppers. Importation of uppers from India does not infringe FTA with Europe or the USA.

The potential is set to change albeit slowly, but with a population rivaling China for size, there is no doubt the tussle for world domination in footwear supply is between these two countries.

Few Interesting Facts:

1. The Indian footwear retail market is expected to grow at a CAGR of over 20% for the period spanning from 2012 to 2015.
2. Footwear is expected to comprise about 60% of the total leather exports by 2015 from over 38% in 2008-09.
3. Presently, the Indian footwear market is dominated by the Men's footwear market which accounts for nearly 58% of the total Indian footwear retail market.
4. By products, the Indian footwear market is dominated by the casual footwear market which makes up for nearly two-third of the total footwear retail market.
5. As footwear retailing in India remains focused on men's shoes, there, exists a plethora of opportunities in the exclusive ladies' and kids' footwear segment with no organized retailing chain having a national

presence in either of these categories.

6. The Indian footwear market scores over other footwear markets as it gives benefits like low cost of production, abundant raw material, and has huge consumption market.

THE MANUFACTURING PRACTICES OF THE FOOTWEAR INDUSTRY: NIKE VS. ADIDAS

Footwear Industry – Players, Revenues, Market Share

To properly review the manufacturing in the footwear industry, it is necessary to first gain an understanding of the dominant leaders in the marketplace. The industry is currently experiencing hyper-competition, led by six main firms – Nike, Reebok, Adidas, Fila, Converse, and New Balance (see exhibit 1), with nearly \$7 billion in revenues domestically. Nike is the industry leader, with a 47% market share, followed by Reebok, a distant second at 16%, and Adidas at 6% (see exhibit 2). This category is facing decreasing demand and the rising popularity of alternative footwear, resulting in more pressure than ever before to achieve high gross margins through effective global sourcing practices.

Footwear companies have two basic options in the manufacturing of their products, they can both own and operate the factories that produce their products, or subcontract their products out to secondary manufacturers. These facilities can be located either domestically or internationally, and both present a myriad of positives and negatives. Firms that produce domestically benefit from the ease of monitoring, skilled workforce, government stability, job creation, and well-understood labor rules, while suffering from the relatively high wages required in the U.S. as compared to developing countries. By manufacturing products overseas, in particular, in third world economies, tremendous efficiencies are gained in the form of reduced wages, but are countered by the increased difficulty of monitoring the quality of their products and the actual working conditions in the factories. Companies that are vertically integrated, who own and operate the factories where their products are manufactured, are faced with large capital expenditure requirements and the management of the factories themselves, resulting in lower profit margins.

RESEARCH OBJECTIVES AND METHODOLOGY

RESEARCH OBJECTIVE

To study the marketing of Adidas and Nike and also about the current condition of Adidas & Nike in market

To find out that how Adidas hold to the market and what are the areas within which Adidas can improve.

To study the footwear industry in India with respect to Adidas and Nike shoes.
To get the customer, dealer and retailer's perceptions

METHODOLOGY

PRIMARY DATA

Primary data refers to the pure and the fresh data which are collected first time .

The primary data are collected from the interview schedule for this study.

SECONDARY DATA

Secondary data is collected by a third party and consumed by researchers, analysts, etc.

The secondary data for this study has been obtained from international journal and company website.

DATA COLLECTION METHODS:

The sample size taken was 100 consumers
Sample unit – Shoes Company (Adidas Shoes, Reebok, Bata, Adidas and Nike)

The Area chosen was Delhi.

The data was collected by means of

- a) Questionnaires
- b) Interviews (formal & informal)

QUESTIONNAIRES

Questionnaire prepared was open ended, structured, and disguised.

The Questionnaire was designed in such a way that it catered to every aspect of the research objective. It was disguised as the consumer was kept unaware of the product for which the research was being conducted.

Before filling up the Questionnaire, it was thoroughly discussed with them and their views were noted down in the form of facts (answers) in the Questionnaire.

INTERVIEWS

Interviews just like informal discussions were pre-planned. In fact interviews only led to informal discussions. Interviews were formal and in some cases, this was the initial step which led to second & third meeting with the interviewee and they were able to part with the information freely and informally with the researcher.

Interviews were pre-planned (after taking an appointment with them in many cases) very formal and structured.

When this was through, they were asked to fill in one chart with parameters of a footwear industry giving their rankings. It helped in finding out their awareness level and needs.

INFORMATION

1. Facts
2. Quasi-facts
3. The awareness of the people
4. Their needs
5. Demands
6. Satisfaction with the product
7. Opinions

SAMPLING

Sampling done was stratified random sampling. It was random because consumers were not determined, they were divided into groups and this was done only to explore the dimensions of the target market.

CONSUMER GROUPS

Consumers were divided into 3 groups and thereafter the study was done.

The three groups are as follows:

1. School & college going students – Graduates, fresh graduates, post-graduates & freshly employed youth (08-23 yrs.)
2. Young employed people – Businessman, Executives and professionals like chartered accounts, Doctors, Advocates, etc. (23-25 yrs.)
3. Middle-aged well settled senior Executives, Businessman, Advocates, Doctors, etc. (35 yrs. & above)

This grouping was done in order to know the general preferences of different age groups.

COMPETITIVE ANALYSIS

MARKETING & ADVERTISING ASPECTS

MARKETING STRATEGIES: AN OVERVIEW OF ADIDAS

Market research is a method of collecting data which will make you (as a business) more aware of how the people, you hope to sell to, will react to your products or services. Market research will answer questions like:

- Whether your products or services are needed
- Who might want to buy your products
- What age, sex, income occupation etc. are the people I want to sell to.
- If there are changes taking place and how this might affect what you sell
- How well your products or services might sell
- How much demand there is for what you hope to sell
- What price would people be prepared to pay

Conducting market research

There are number of ways in which you can carry out your research but you need to carefully consider why you made this choice and what you hope the evidence will suggest to you.

Questionnaires and personal interviews are one of the most common ways in which you can conduct market research, and there are many methods of gathering data this way: Direct Interview, Mail Survey and Telephone interview. Depending on the type of data you hope to collect will have an impact on what you choose to use. I have made use of two type of survey methods, questionnaire and mail survey. I have asked some question about the company my mail and also by direct contacts. The Question I have asked are given in “questionnaire part” below.

ADIDAS OTHER STRATEGY

Only now, the setting is not the playground or the track or the court, it is the urban landscape – with its omnipresent traffic jams, crowded streets and so forth. This way, Adidas becomes a part of life anyone’s life. You don’t have to be the high-voltage performer to be a part of the Adidas family. And it goes beyond that – Adidas becomes something that makes you better. Not just as an athlete, but as a sports person, a better human being.

One of the advertisement: The spot featuring Boldon, shows him chasing a thief (who’d stolen a TV set when its owner was in the bath) through the dark streets. To help a man (the owner, in a towel) in distress. And he uses all the power that he can, to do what he has to do and what he needs to do. And Adidas helps him perform better, than he would otherwise have been able to. This is perhaps shown in an oblique way when the spot ends at the feet of Boldon and the bather.

One is wearing a pair of Adidas shoes while the other is barefoot. Adidas makes

you better, goes the base. In short, the other man could have done as well as Boldon. The bather reads any man. Any man who wears Adidas. And Adidas goes beyond athletic performance – it becomes everyday life. In stark reality. Though humorously and light, it has a deep meaning.

THE ADIDAS LOGO



It was adopted as the corporate logo in 1972. It represents the heritage and history of the brand. In 1996, it was decided that the Trefoil would only be used on heritage products. Examples of product featuring the Trefoil logo include the Stan Smith, Road Laver, A-15 warm-up, and Classic T-shirt.

Equipment

The Adidas Equipment line was launched in 1991. This line of footwear and apparel represents the most unique and functional of Adidas products. Equipment is the ultimate expression of what is uniquely possible by design when form follows function.

In January 1996, the Three-Stripe brand mark became the worldwide Adidas corporate logo. This logo represents performance and the future of the Adidas brand. This logo is used in all advertising, printed collateral and corporate signage.

Since 1949, the Three-Stripes have been an integral part of our brand and product designs. This trademark has become synonymous with Adidas and its dedication to producing high-quality athletic products to help athletes perform better.



MARKETING & ADVERTISING STRATEGIES OF NIKE

In the late 20th century American, the cultural capital of corporations had replaced many human forms of capital. As we buy, wear, and eat logos, we become the henchmen and admen of the corporation, defining ourselves with respect to the social standing of the various corporations. Some would say that this the new form of tribalism that is sport corporate logos we ritualize and humanize them, we redefine the cultural capital of the corporations in human social terms. I would say that a state where culture is indistinguishable from logo and where the practice of

culture risks infringement of private property is a state that values the corporate over the human.

In light of the rash of killings over Nike shoes in 1991 and the continued market dominance of the brand, clearly Nike exerts a significant social and psychological force on the American consumer. It is my assertion that Nike appeals to a buying public that treats fitness as a worthy individual goal which simultaneously imparts social identification. The question remains how? Nike ads, when first released were “treated like new plays or books”. Concerning semiotic analysis informs this discussion and stands as a great study aid (interesting read).

SWOT ANALYSIS ADIDAS

Strengths:

The main strength of Adidas is his Product Quality. The quality and the material uses in Adidas are very good. The company has a good brand image in the market, the publicity and the advertisement is also very good and lastly company holds a healthy market share in the market.

Adidas Shoes is a very competitive organization. Phil Knight (Founder and CEO) is often quoted as saying that 'Business is war without bullets.' Adidas Shoes has a healthy dislike of its competitors. At the Atlanta Olympics, Reebok went to the expense of sponsoring the games. Adidas Shoes did not. However, Adidas Shoes sponsored the top athletes and gained valuable coverage.

Adidas Shoes has no factories. It does not tie up cash in buildings and manufacturing workers. This makes a very lean organization. Adidas Shoes is strong at research and development, as is evidenced by its evolving and innovative product range. They then manufacture wherever they can produce high quality product at the lowest possible price. If prices rise, and products can be made more cheaply elsewhere (to the same or better specification), Adidas Shoes will move production.

Adidas Shoes is a global brand. It is the number one sports brand in the World. Its famous 'Swoosh' is instantly recognizable, and Phil Knight even has it tattooed on his ankle.

Weakness:

The major weakness in the Adidas is that the manufacturing of the products of Adidas is not done in India itself it is being import hence the cost become high and the margin of profit becomes low that's why company must give a deep thought on manufacturing their products in India.

Another major weakness in the company is that it is not catering to all the segments which I have already discuss above, if these two weaknesses in the company can be eradicated then the company may earn high profit and better market status.

The organization does have a diversified range of sports products. However, the

income of the business is still heavily dependent upon its share of the footwear market. This may leave it vulnerable if for any reason its market share erodes.

Opportunities:

Adidas does have many products for the urban segment or poor people, but there is hardly any product or we can say that there are no products for this segment. India is more a rural country, in the total population of India major part of population lives in rural area and these people cannot afford the costly products of the company like Adidas hence company must target this particular segment they must introduce the shoes and other product according to their demands. And also price is one of the major factor which may influence this type of segment hence company should make their policy accordingly.

Company must also consider the range of products as compare to Nike and Reebok. In my opinion the company must introduce more range or more variety in the market to compete with their competitors and also the customers have more choices to choose the product from.

Product development offers Adidas Shoes many opportunities. The brand is fiercely defended by its owners whom truly believe that Adidas Shoes is not a fashion brand. However, like it or not, consumers that wear Adidas Shoes product do not always buy it to participate in sport. Some would argue that in youth culture especially, Adidas Shoes is a fashion brand. This creates its own opportunities, since product could become unfashionable before it wears out i.e. consumers need to replace shoes.

There is also the opportunity to develop products such as sport wear, sunglasses and jewelry. Such high value items do tend to have associated with them, high profits.

The business could also be developed internationally, building upon its strong global brand recognition. There are many markets that have the disposable income to spend on high value sports goods. For example, emerging markets such as China and India have a new richer generation of consumers. There are also global marketing events that can be utilized to support the brand such as the World Cup (soccer) and The Olympics.

Threats:

Adidas does not have strong distribution network as compare to Nike and Reebok in India. Nike has more number of retail outlet then Adidas and Reebok has a unique distribution network, the company Reebok not only use its outlet for the sale of their product but also use some other shoes company outlet like "Bata". In a Bata showroom u can find Reebok shoes and other products. But this is not a case with Adidas hence Reebok has an extra advantage over Adidas.

Adidas Shoes is exposed to the international nature of trade. It buys and sells in different currencies and so costs and margins are not stable over long periods of time. Such an exposure could mean that Adidas Shoes may be manufacturing and/or selling at a loss. This is an issue that faces all global brands.

The market for sports shoes and garments is very competitive. The model developed by Phil Knight in his Stamford Business School days (high value branded product manufactured at a low cost) is now commonly used and to an

extent is no longer a basis for sustainable competitive advantage. Competitors are developing alternative brands to take away Adidas Shoes' market share.

As discussed above in weaknesses, the retail sector is becoming price competitive. This ultimately means that consumers are shopping around for a better deal. So if one store charges a price for a pair of sports shoes, the consumer could go to the store along the street to compare prices for the exactly the same item, and buy the cheaper of the two. Such consumer price sensitivity is a potential external threat to Adidas Shoes.

'If you have a body, you are an athlete' - Bill Bowerman said this couple of decades ago. The guy was right. It defines how he viewed the world, and it defines how Adidas Shoes pursues its destiny. Ours is a language of sports, a universally understood lexicon of passion and competition. A lot has happened at Adidas Shoes in the 30 years.

SWOT ANALYSIS: NIKE

Strengths:

Nike is the world's no. 1 shoemaker. It designs and sells shoes for a variety of sports including baseball, golf, cheerleading, volleyball, tennis and football.

Nike uses a "Make to Stock" customer order which provides a fast service to customers from available stock.

Nike operates Nike Town shoe and sportswear stores, Nike factory outlets and Nike Women shops. Nike sells its products throughout US and in more than 180 countries.

Nike is strong at research and development, as is evidenced by its evolving and innovative product range. They then manufacture wherever they can produce high quality product at the lowest possible price.

Nike is a global brand. It is the number one sports brand in the World. Its famous "Swoosh" is instantly recognizable, and Phil Knight (Founder and CEO) even has it tattooed on his ankle.

Weaknesses:

The income of the business is still heavily dependent upon its share of the footwear market. This may leave it vulnerable if for any reason its market share erodes.

The retail sector is very price sensitive. However, most of its income is derived from selling into retailers. Retailers tend to offer a very similar experience to the consumer. So margins tend to get squeezed as retailers try to pass some of the low price competition pressure onto Nike.

Opportunities:

Product development offers Nike many opportunities. The brand is fiercely defended by its owners whom truly believe that Nike is not a fashion brand however consumers that wear Nike product do not always buy it to participate in sport. In youth culture especially, Nike is a fashion brand. This creates its own opportunities.

There is also the opportunity to develop products such as sport wear, sunglasses and jewelry. Such high value items do tend to have associated with them, high profit

The business could also be developed internationally, building upon its strong global brand recognition. There are also global marketing events that can be utilized to support the brand such as the World Cup (soccer) and The Olympics.

Threats:

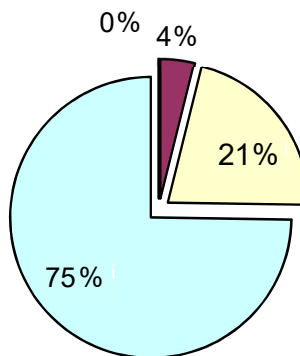
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The market for sports shoes and garments is very competitive. Competitors are developing alternative brands to take away Nike's market share.

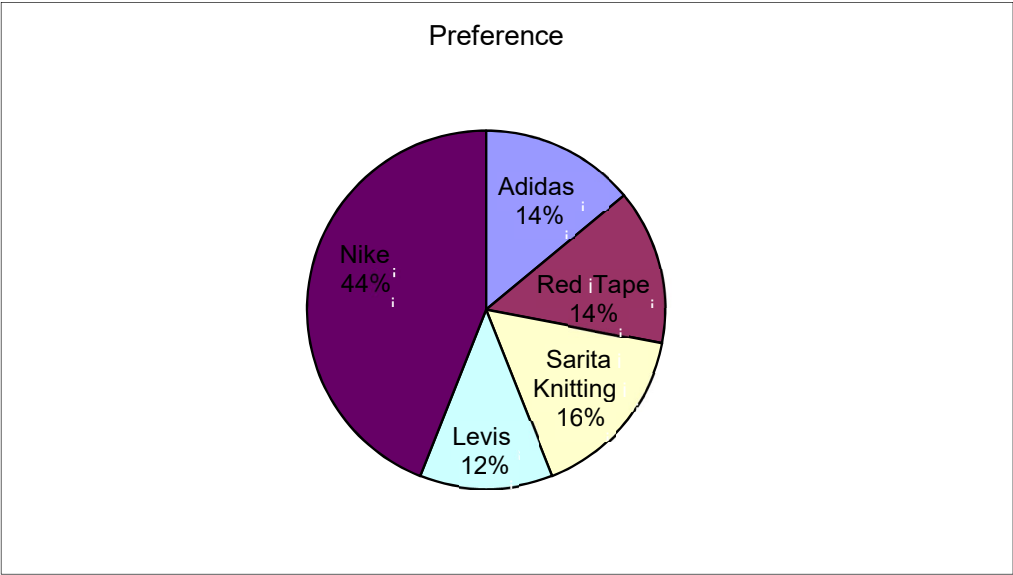
DATA INTERPRETATION & ANALYSIS

The following is the analysis that is based on the responses filled in by the consumers in the questionnaire. It is calculated with the help of frequency tables, bar graph, pi-charts, etc. all close-ended questions have been included as a part of the analysis and the analysis of the face to face interaction and the analysis of the close-ended questions from the base for recommendations.

1. Income Level (Per Month) of Respondents:

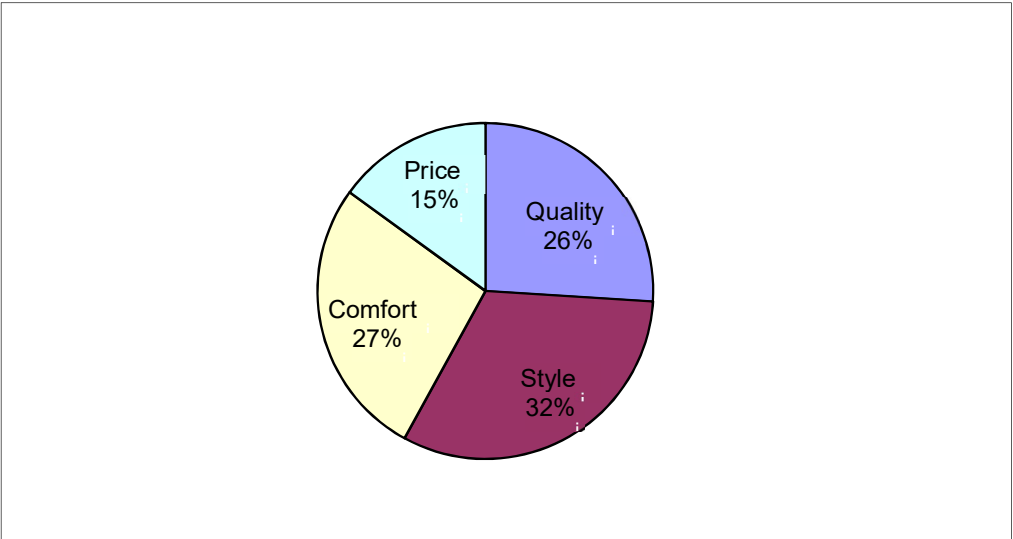


2. Brand preference



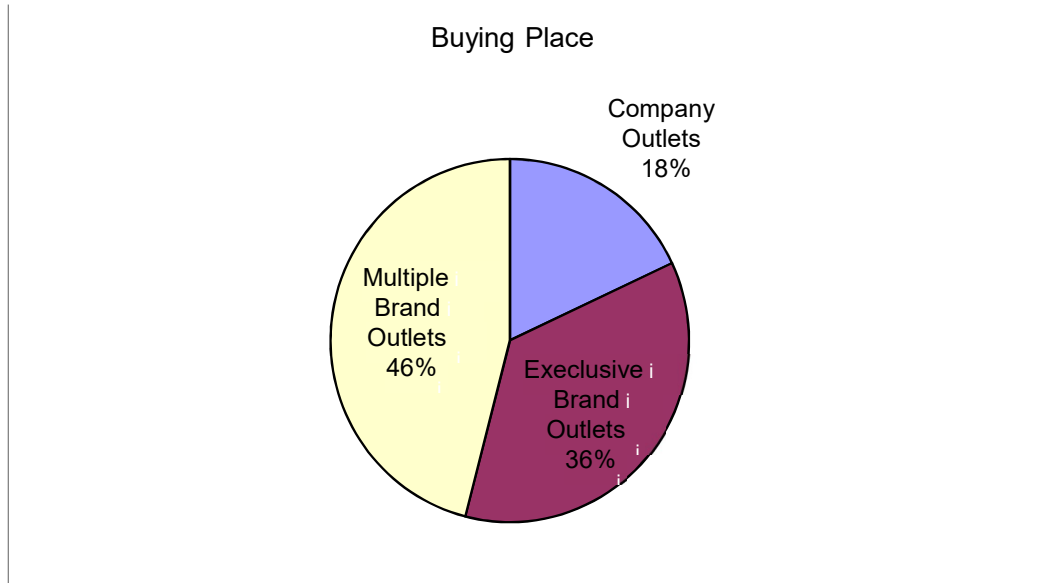
- 43.5% prefer Nike
- 12.5% prefer Levi's
- 16% prefer Sarita Knitting
- 14% prefer Red Tape
- 14.5% prefer Adidas

3. Parameter for choosing the brand



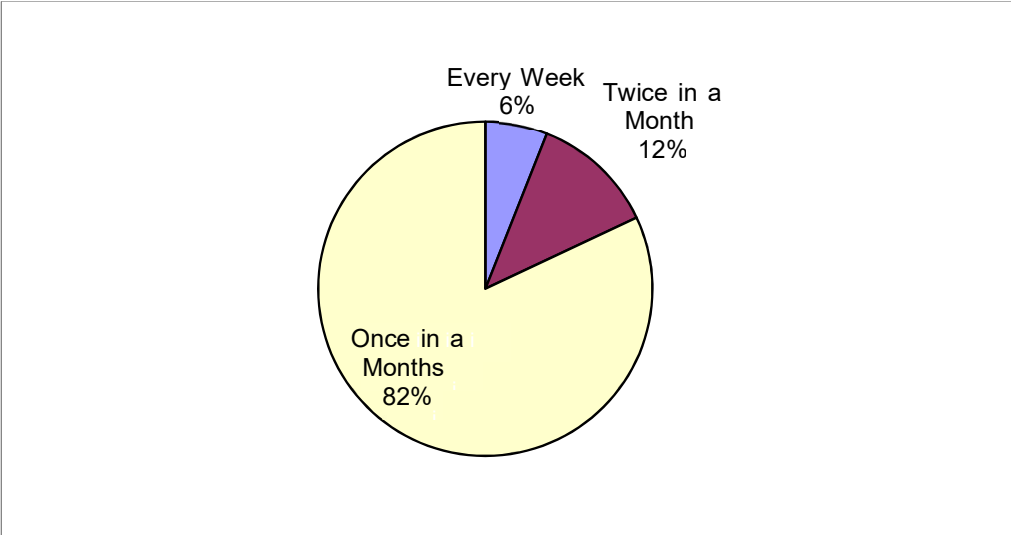
- 32% choose on style basis
- 27% choose on comfort basis
- 15% choose on Price basis
- 26% choose on quality basis

3. Buying Place



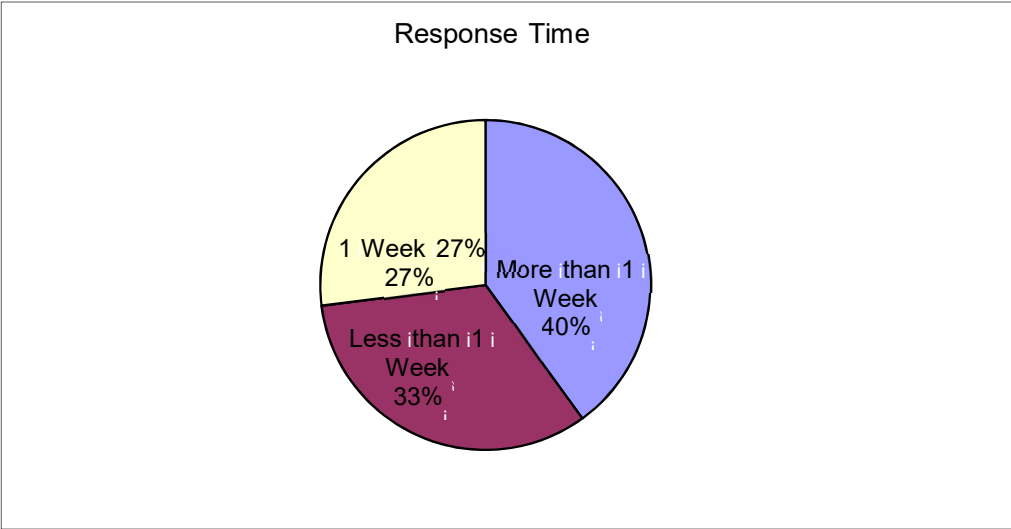
- 18% from company outlets
- 46% from multiple brand outlets
- 36% from exclusive brand outlets

3. Visits to the outlets



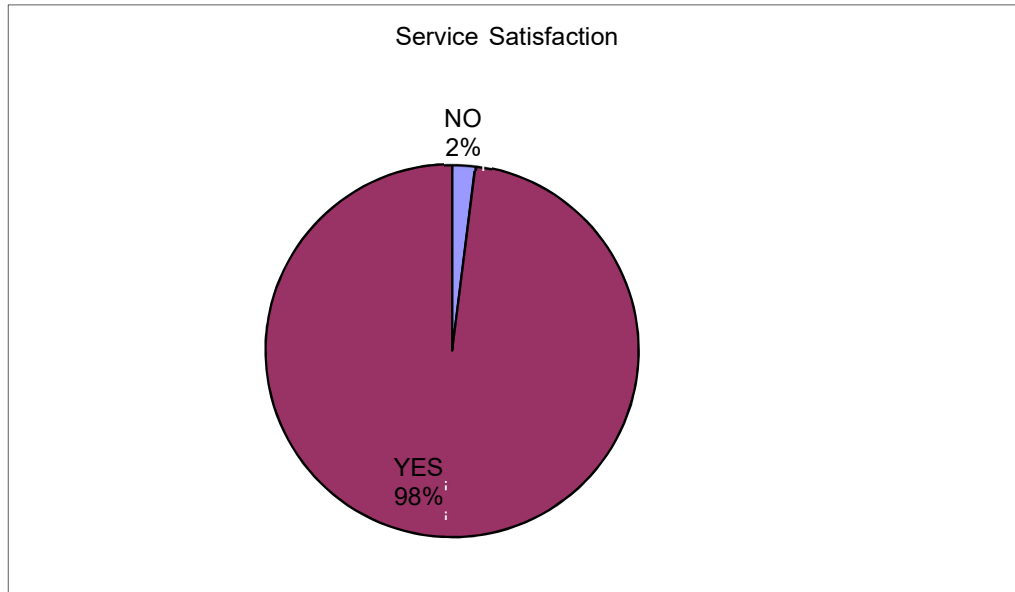
- 82% visits once in a month
- 12% visits twice in month
- 6% visits every week

3. Response time taken by company in case of defective products?



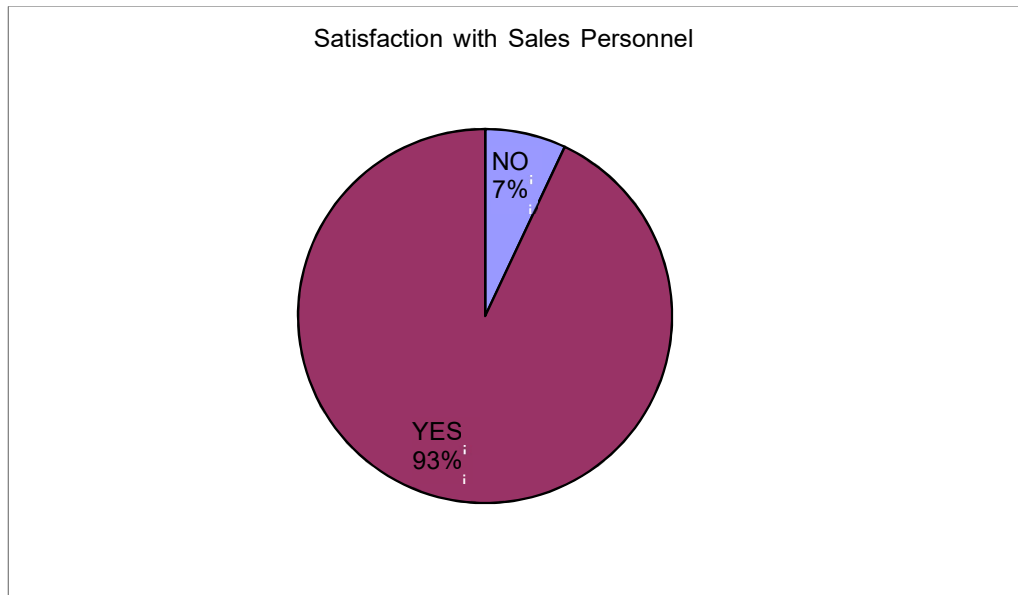
- 33% customer thinks company takes less than 1 week time in case of any defective product
- 27% thinks company takes 1 week.
- 40% thinks company takes more than 1 week.

3. Customer Satisfaction with services provided by the company?



- 98% customers are satisfied with the services provided by the company
- 2% are not satisfied

3. Customer Satisfaction with the sales personnel of the outlets?



- 93% are satisfied
- 7% are not satisfied

1. Ranking of brands

Adidas

Levis

Sarita Knitting

Red Tape

Nike

2. By 50 customers on the parameters:

Quality

Style

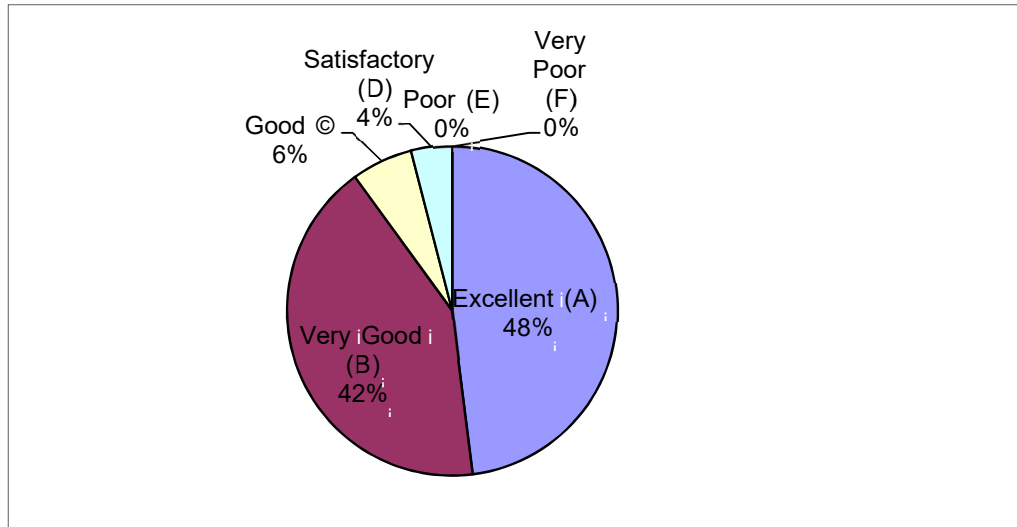
Comfort

Price

Service

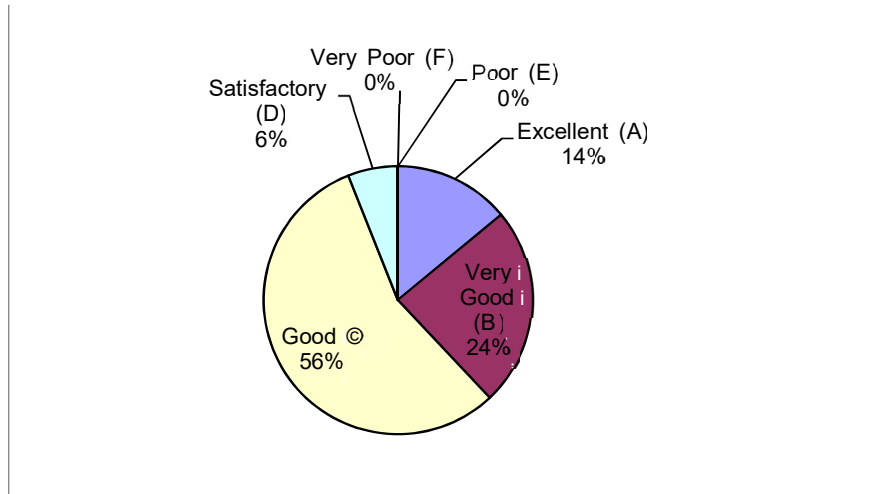
Advertisement

Quality



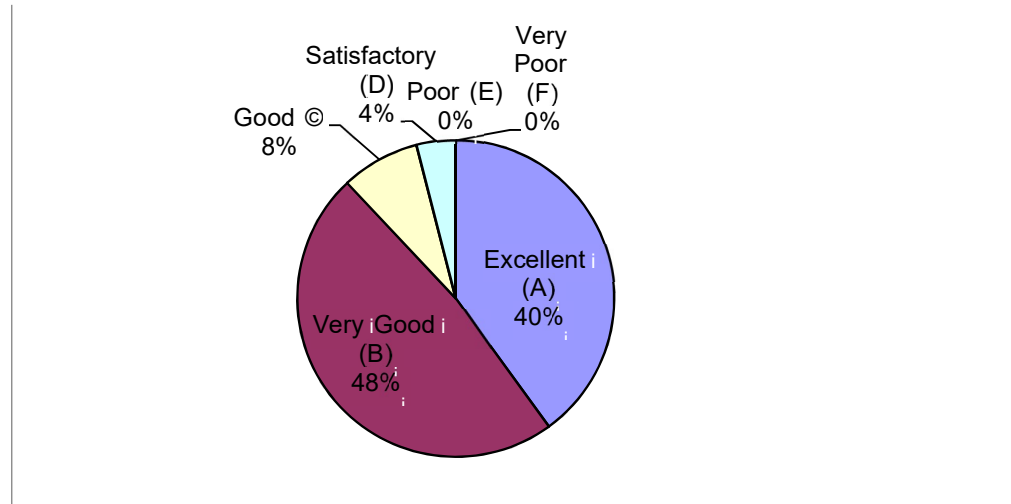
- 42% customers are satisfied with the services provided by the company
- 48% are not satisfied
- 6% services provided by the company

Price



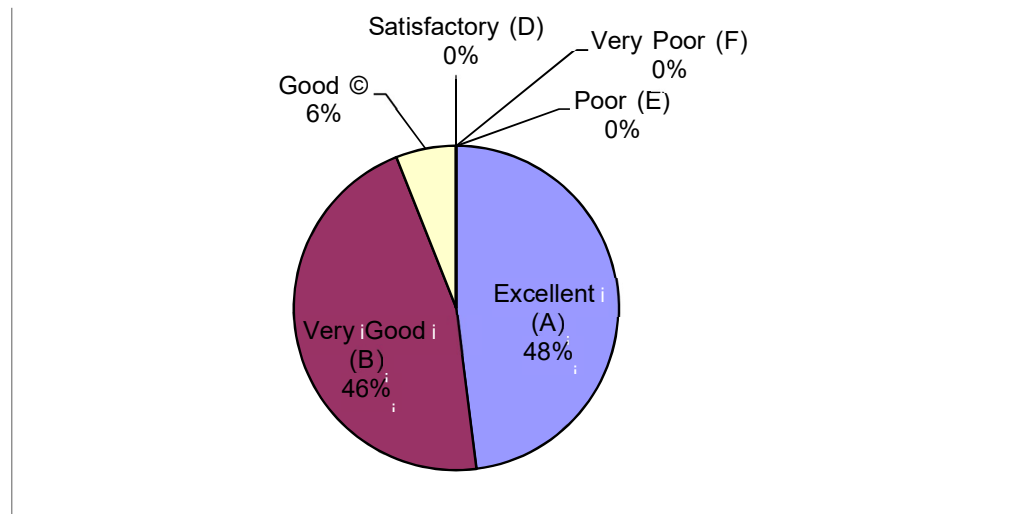
- 60% customers are satisfied with the services provided by the company
- 20% are not satisfied
- 20% services provided by the company

Service



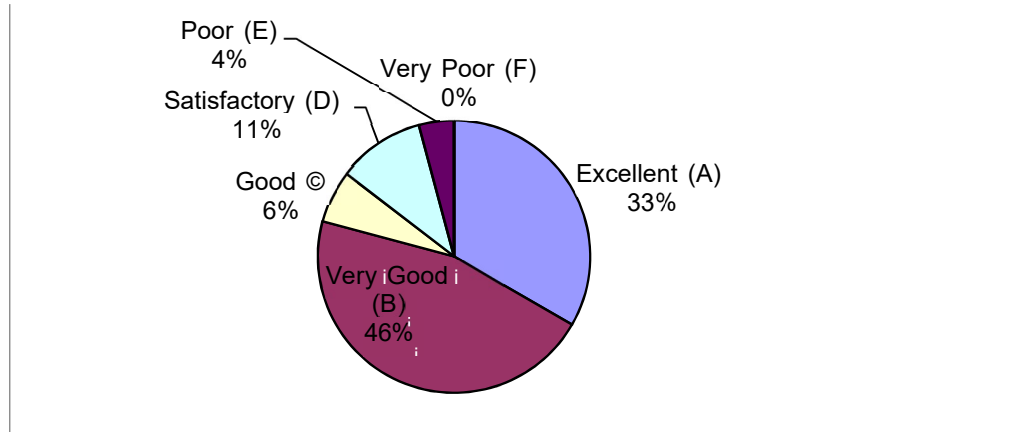
- 50% customers are satisfied with the services provided by the company
- 30% are not satisfied
- 20% services provided by the company

Comfort



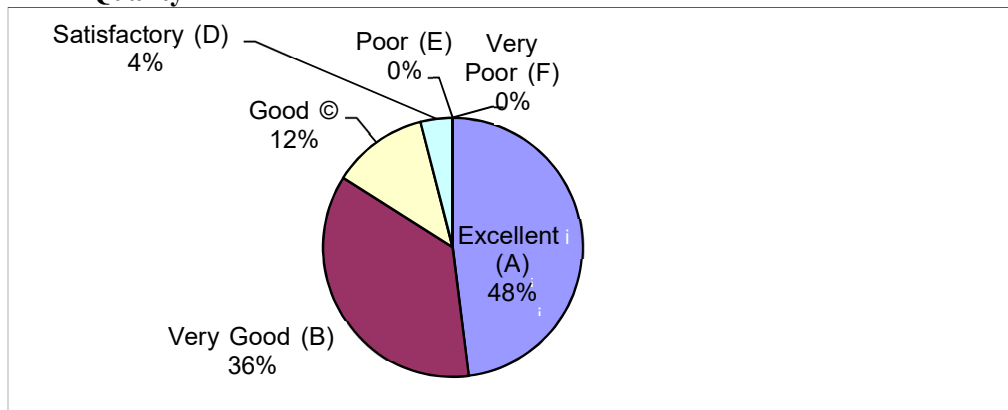
- 40% customers are satisfied with the services provided by the company
- 30% are not satisfied
- 30% services provided by the company

ADVERTISEMENT



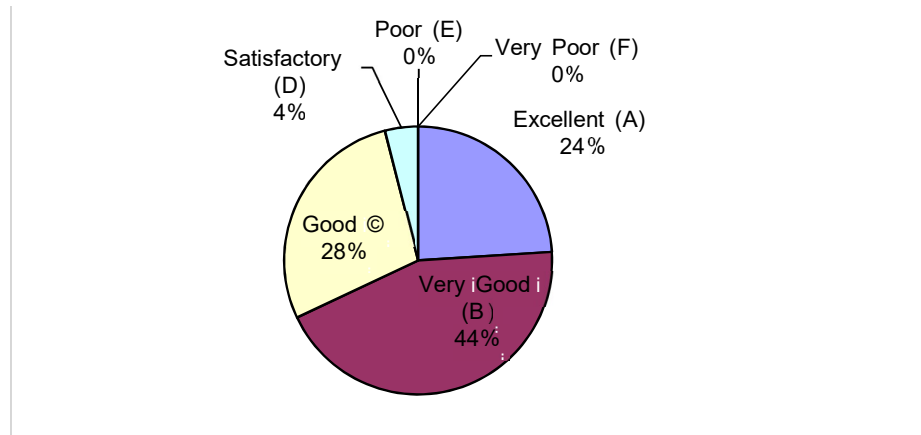
Excellent (A)	32%
Very Good (B)	44%
Good (C)	6%
Satisfactory (D)	10%
Poor (E)	4%
Very Poor (F)	0%

**RED TAPE
Quality**



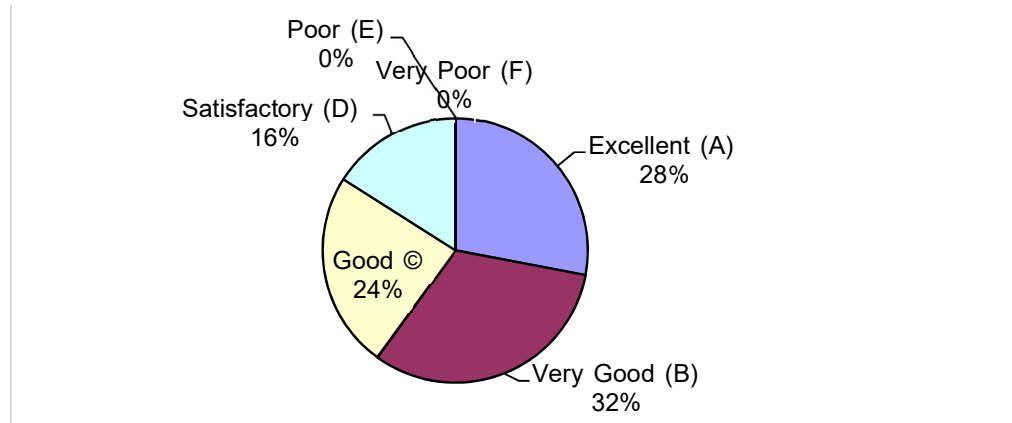
EXCELLENT (A)	48%
VERY GOOD (B)	36%
GOOD (C)	12%
SATISFACTORY (D)	4%
POOR (E)	0%

Comfort



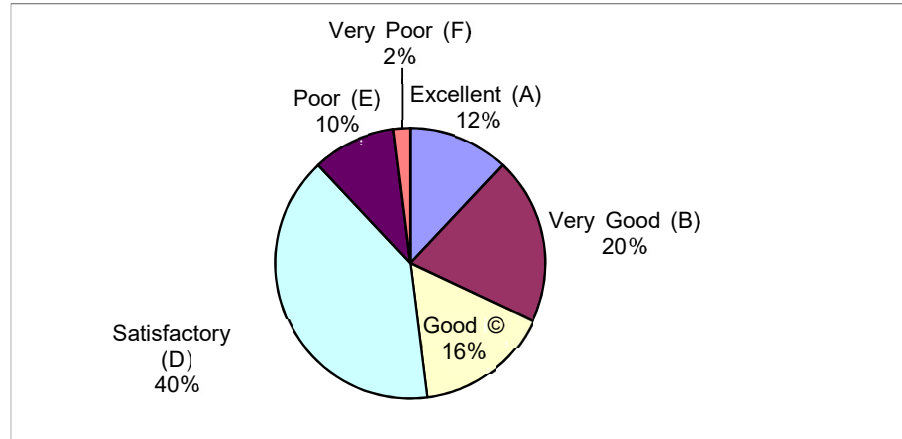
Excellent (A)	24%
Very Good (B)	44%
Good (C)	28%
Satisfactory (D)	4%
Poor (E)	0%
Very Poor (F)	0%

Services



Excellent (A)	32%
Very Good (B)	28%
Good (C)	24%
Satisfactory (D)	16%
Poor (E)	0%
Very Poor (F)	0%

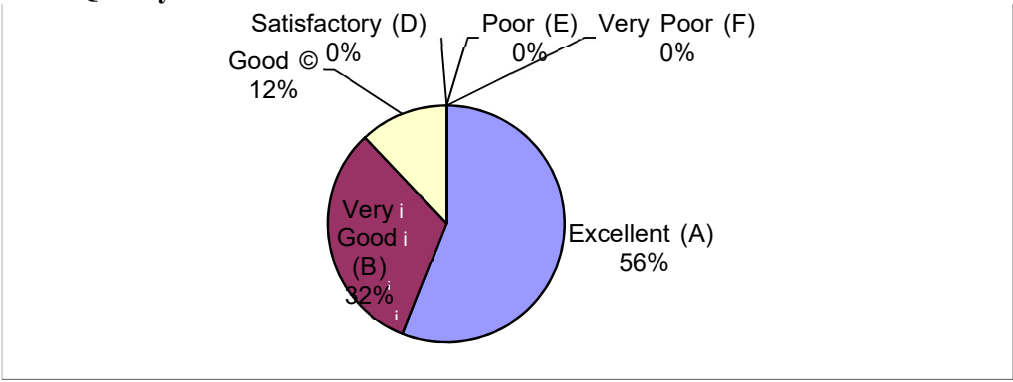
Advertisement



Excellent (A)	40%
Very Good (B)	20%
Good (C)	16%
Satisfactory (D)	10%
Poor (E)	0%
Very Poor (F)	0%

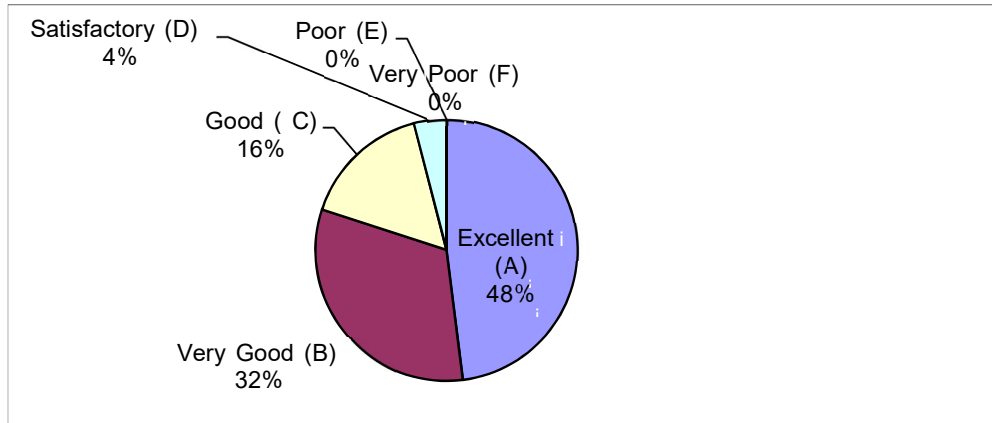
SARITA KNITTING

Quality



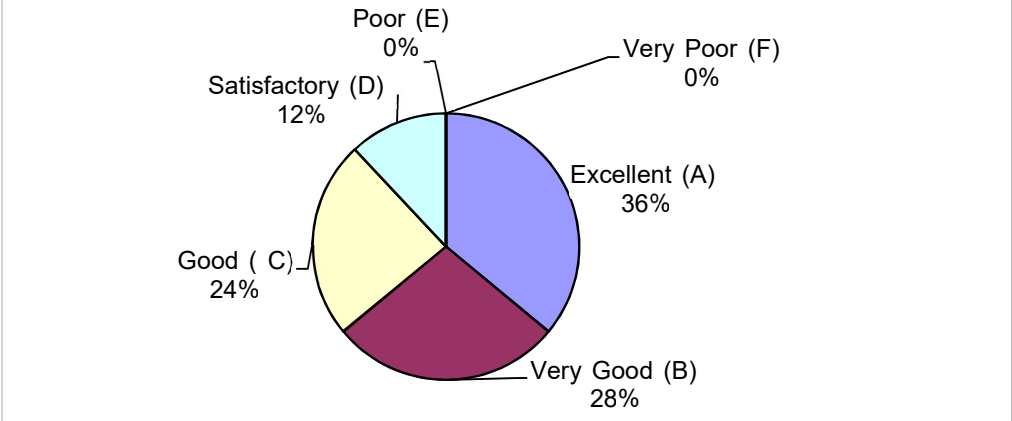
Excellent (A)	56%
Very Good (B)	32%
Good (C)	12%
Satisfactory (D)	0%
Poor (E)	0%
Very Poor (F)	0%

COMFORT



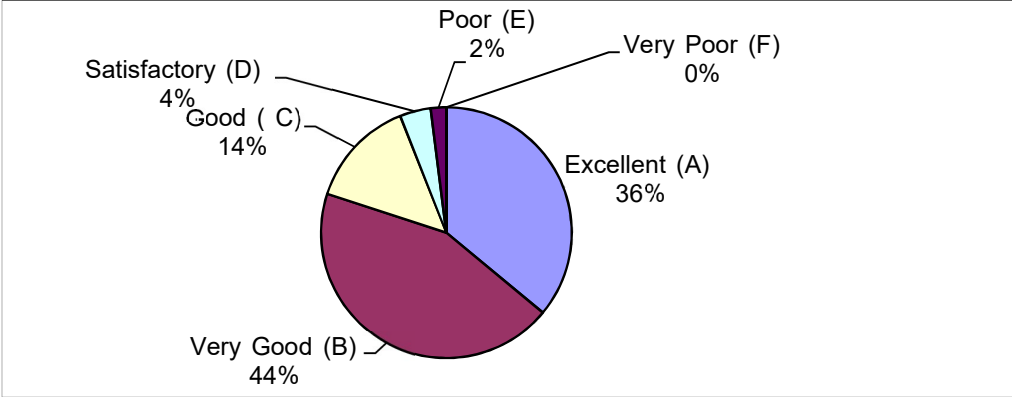
Excellent (A)	48%
Very Good (B)	32%
Good (C)	16%
Satisfactory (D)	10%
Poor (E)	0%
Very Poor (F)	0%

Price



Excellent (A)	36%
Very Good (B)	28%
Good (C)	24%
Satisfactory (D)	10%
Poor (E)	12%
Very Poor (F)	0%

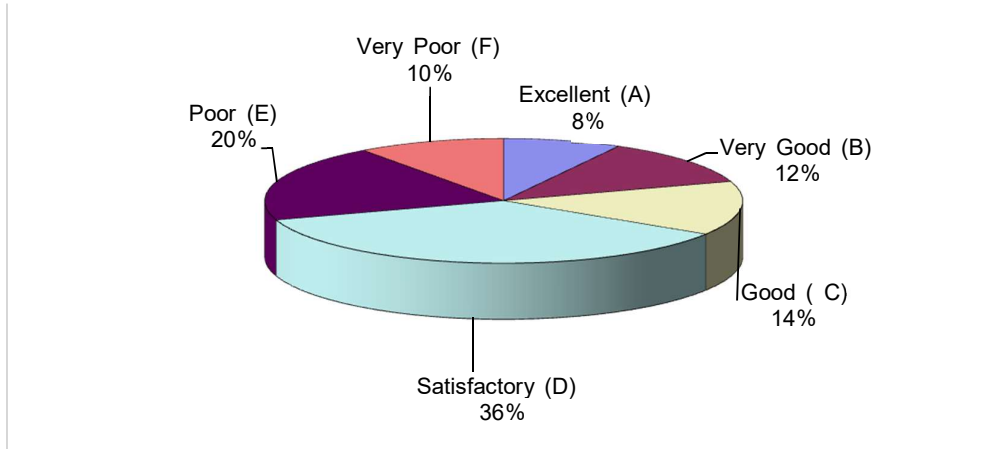
Service



Excellent (A)	36%
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Very Good (B)	44%
Good (C)	14%
Satisfactory (D)	4%
Poor (E)	0%
Very Poor (F)	0%

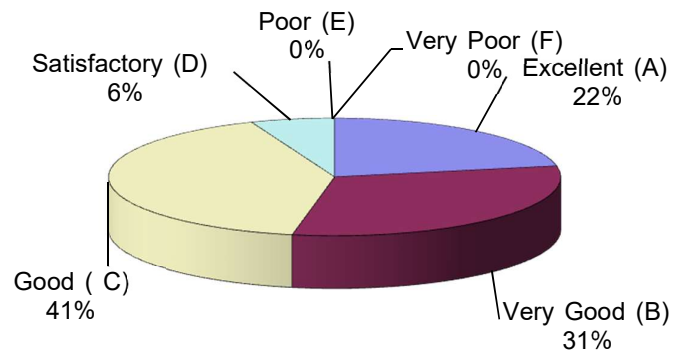
Advertisement



Excellent (A)	8%
Very Good (B)	12%
Good (C)	16%
Satisfactory (D)	10%
Poor (E)	20%
Very Poor (F)	10%

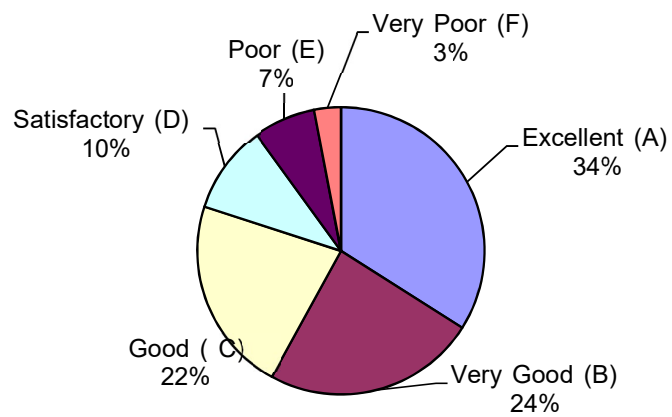
LEVI'S

Quality



Excellent (A)	22%
Very Good (B)	31%
Good (C)	41%
Satisfactory (D)	6%
Poor (E)	0%
Very Poor (F)	0%

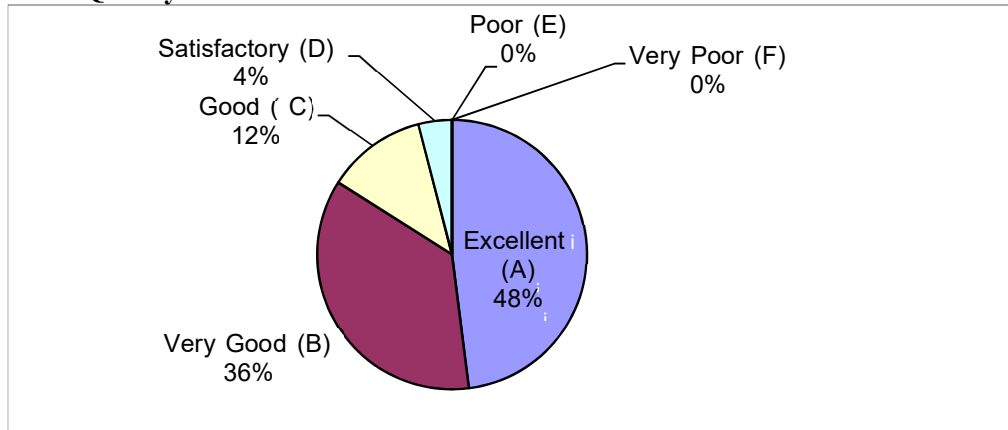
Comfort



Excellent (A)	34%
Very Good (B)	24%
Good (C)	22%
Satisfactory (D)	10%
Poor (E)	7%
Very Poor (F)	3%

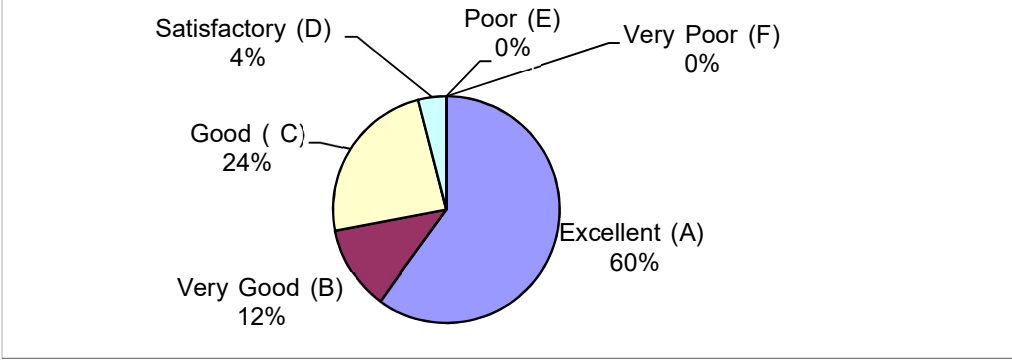
NIKE

Quality



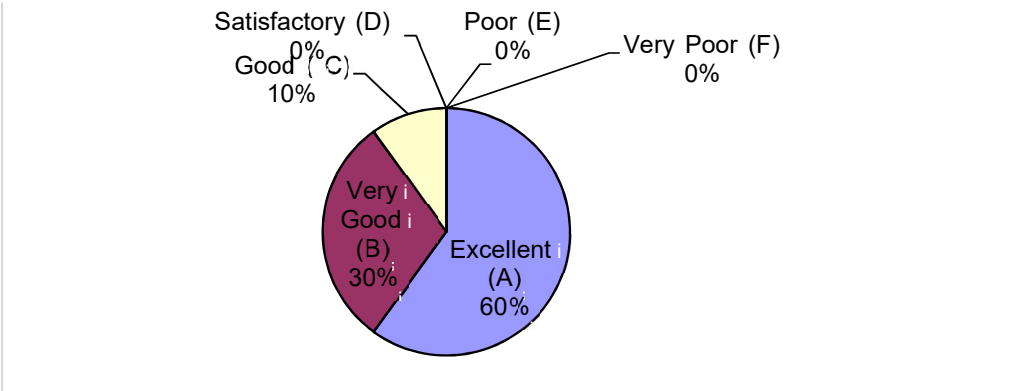
Excellent (A)	48%
Very Good (B)	36%
Good (C)	12%
Satisfactory (D)	4%
Poor (E)	0%
Very Poor (F)	0%

Comfort



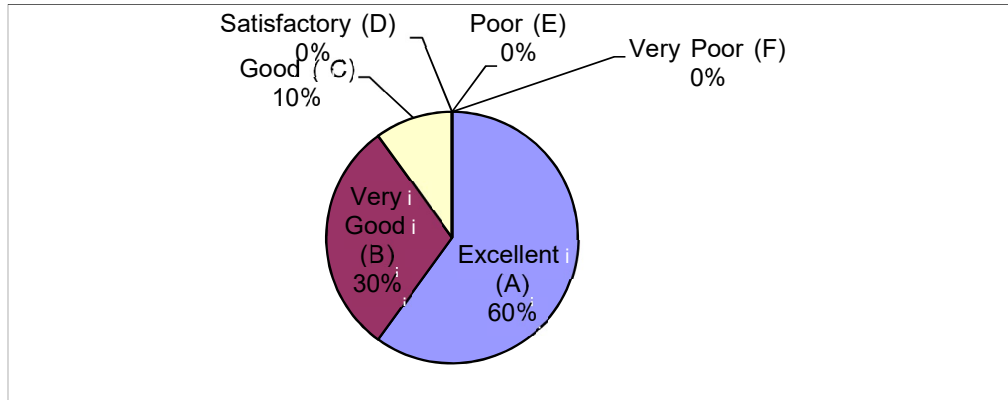
Excellent (A)	60%
Very Good (B)	12%
Good (C)	24%
Satisfactory (D)	4%
Poor (E)	0%
Very Poor (F)	0%

Price



Excellent (A)	60%
Very Good (B)	30%
Good (C)	10%
Satisfactory (D)	0%
Poor (E)	0%
Very Poor (F)	0%

Advertisement



Excellent (A)	60%
Very Good (B)	30%
Good (C)	10%
Satisfactory (D)	0%
Poor (E)	0%
Very Poor (F)	0%

RECOMMENDATIONS

- Both Company should strengthen its distribution network
- Opening of company owned showrooms is recommended as it should be a place to showcase the latest products
- I recommend the both companies should concentrate in rural areas which it has neglected a lot. I mean smaller cities as the growth potential lies there.

LIMITATIONS

- 1) It's tough to find data on company was not ready to share data with me.
- 2) Time was a constraint.
- 3) Adidas were apprehensive in divulging the details about company and its marketing strategies thus we tried to get the data from advertisement agency articles and net.
- 4) With the environment being prone to high vitality thus relevance of this project after six months is a questionable thing.
- 5) The focus of study is local in nature as mobility was a problem.

CONCLUSIONS & IMPLICATIONS

Both companies Adidas and Nike have always been driven by its Value-for-money strategy. The corporate must identify critical success factors and work assiduously towards achieving it.

As the world grows to become one, many problems will arise that cannot be solved. One in every of the primary challenges related to globalization is balancing conflicting and competing objectives. Within the case of Adidas, it has faced such problems already and the way proscribed them is with flexibility and calmness. Despite what may be higher costs, Adidas has chosen to stay with their right codes and Standards of Engagement instead of still be associated with subcontractors who treat works in inhumane ways. As Adidas has grown worldwide, it's had to cater to problems of heterogeneity vs. homogeneity. In other words, in an increasingly heterogeneous and global world, diversity within the workplace has looked as if it would emerge as an controversy. Companies, including Adidas aren't any longer homogenous within the sense that their companies have grown worldwide. And as a result, Adidas has had to form worldwide headquarters and produce information and products in several different languages. Having to spread its workforce, Adidas has come to depend on intangibles. The knowledge, worldwide experience and variety that an Adidas employee can bring to the table are valuable. Recently, how successful companies are in the global world is increasingly derived from intangibles, such as these, that organizations cannot own. Adidas is greatly tormented by these external influences since indeed it is a worldwide company. For a few it's not common knowledge that Adidas may be a German company. This can be a result of good global business. Adidas has created a product that is global and thereupon diversity and knowledge greatly affect the corporate. Adidas must be able to easily adapt to different cultures and must be culturally aware when conducting business. The long list of Adidas subsidiaries where it conducts business proves that Adidas is constantly adapting to cultural changes and must be extremely diverse. Because of this necessity, knowledge is greatly valued. Great changes occur in this industry and as a

result, new ideas, intuition and inspiration are an asset that is a necessity in this industry and to remain a global company. Who leads this knowledge and maintains diversity are the managers, yet they too are facing new changes.

The world-economy is now passing through the recession period. So it is very difficult either to predict future trend or to decide strategy to boost up export sales. This global recession has also affected the leather footwear industry. But considering it as a temporary phase we can derive some important conclusions like below:

India has a booming garment and shoe market. In various cities there, new shopping malls have sprung up one after another and sellers compete to exhibit latest products while consumers exhibit eager demand for brand products. Many brands expand their businesses through franchised operation, particularly garment and shoe brands. By 2012, franchised operation is expected to hit 6% in growth rate, amounting to USD 17 billion in total value. This means that this market will create substantial opportunities related to franchised operation.

According to insiders, almost all international garment and shoe brands are gloating over the Indian market or negotiating with large textile and garment companies there concerning franchising agreement. With the entry of many large international brands into Indian market, India is beginning to formulate specific laws and regulations concerning franchised operation.

Organized retail scale in India only occurs recently. Adidas is one of the first brands to implement franchised operation and currently, almost all sports shoe brands, including Reebok, Adidas and Nike, are operated in this mode. Indian high-end sports shoe and garment market is expected to achieve 20% growth rate this year.

The current market is shifting from low-price shoes to medium and high-end products, thus attracting a lot of foreign shoe brands to open stores in India. Recently, Clarks opened its exclusive shoe store in India and other brands such as Lotto, Marco Ricci, Valis and Tommy Hilfiger have achieved outstanding performance. Most international shoe brands enter Indian market through different retail channels, including exclusive stores and stores dealing in multiple brands. Indian high quality shoe market promises great potential. India has a population of one billion. If every Indian buys a pair of Rs. 1000 shoes, this makes a huge market.

Sports shoe market is also experiencing a booming growth. Many international brands such as Action, Adidas and Nike are planning to expand market in India. Holding 47% market share in Indian high-end sports shoe

market, Adidas already has about 30 stores there and is planning to open a new store every week to fully cover large and small cities in India. These new stores are mostly franchised stores. India is one of their largest and fastest-growing markets, and it is no problem soliciting franchised operators there. The only problem is that there are too many candidates for them to select.

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