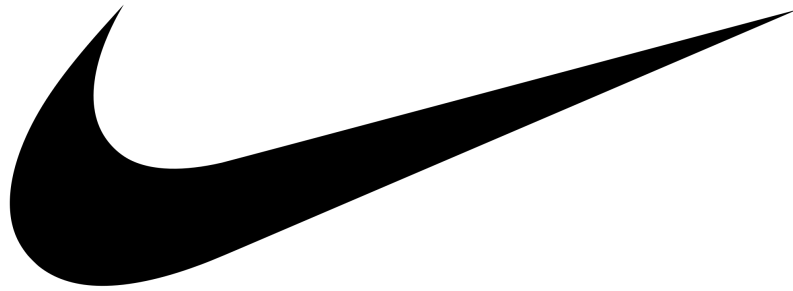




RETAIL REPORT: NIKE VS. ADIDAS

MITALI SHUKLA & DANIEL REIHANIAN



- Headquartered in Beaverton, Oregon
- World's largest supplier of athletic shoes & apparel
- Nike → Greek goddess of victory
- Founded by University of Oregon track athlete Phil Knight & his coach Bill Bowerman



- Headquartered in Herzogenaurach, Germany
- Largest sportswear manufacturer in Europe, 2nd in the world after Nike
- Founded by brothers Adolf and Rudolf Dassler
- Brothers had a falling apart and Adolf founded Adidas while Rudolf founded Puma, its rival



FINANCIAL SCOPE

Nike

- **Market Capitalization:** \$132.6 billion

- **Market Share:** Nike had 35.6% of the market share of athletic footwear (Statista 2017)
- 12-month sales of more than \$38.7 billion (February 2019)
- Average share price \$84 (March 2019)
- **Dividend:** 1%

Adidas

- **Market capitalization:** \$49.4 billion (April 2019)
- Average share price \$124 (April 2019)
- **Dividend:** 1.5%

MAJOR BRAND PLAYERS

- Puma
- Reebok (owned by Adidas)
- Under Armor
- Asics

TARGET MARKET CHARACTERISTICS &

SEGMENTATION CHOICES

- **Target Market:** Consumer Market
- **Market Segmentation Strategy:** Differentiated Strategy
- **Characteristics:** Middle class or above, prestige, trendy, all ages and races
- **Segmentation:** Psychographic, Behavioral, Demographic, Geographic



PRODUCT MIX

Nike

- **Product Mix:** Shoes, Apparel, Accessories, Equipment

- **Product Width:** Shoes: Lifestyle, Running, Sports, Sandals/Slides
- **Product Depth:** Air Force Ones, Jordans
- **Price Dimension:**Product Mix: Demand, Cost, and Competitive based pricing
- **Pricing Strategy:** Product-line Pricing

Adidas

- **Product Mix:** Shoes, Apparel, Accessories, Equipment
- **Product Width:** Shoes: Athletic, Lifestyle Running, Sandals/Slides
- **Product Depth:** UltraBoost, Superstars
- **Price Dimension:** Product Mix: Demand, Cost, and Competitive based pricing
- **Pricing Strategy:** Product-line Pricing

PR, ADVERTISING, & EXPERIENCE

Nike

- **Public relations in social issues:** social pressure against sweatshops & for green technology

- **Advertising:** Uses celebrities (Kaepernick, Williams) & traditional advertising (television, print, etc.)
- **Packaging:** Simplicity, sustainability, easy of use
- **In-store / In-person:** Running trial zone, selling experience rather than goods, flagship store on Fifth Avenue in NY

Adidas

- **Public Relations In Social Issues:** Adidas is a fairly ethical corporation. Have made marketing mistakes like 2017 Boston Marathon Email with the subject "Congrats! You survived the marathon!"
- **Advertising:** Use of famous athletes, traditional advertising
- **Packaging:** Environmentally friendly, simple, boxes are different based on shoes you get.
- **In-store / In-person:** Adidas also has a flagship store on Fifth Ave in New York. Redesigned what a store can look like where you can test the shoes you want to buy, design shoes on the spot, and even watch sports.

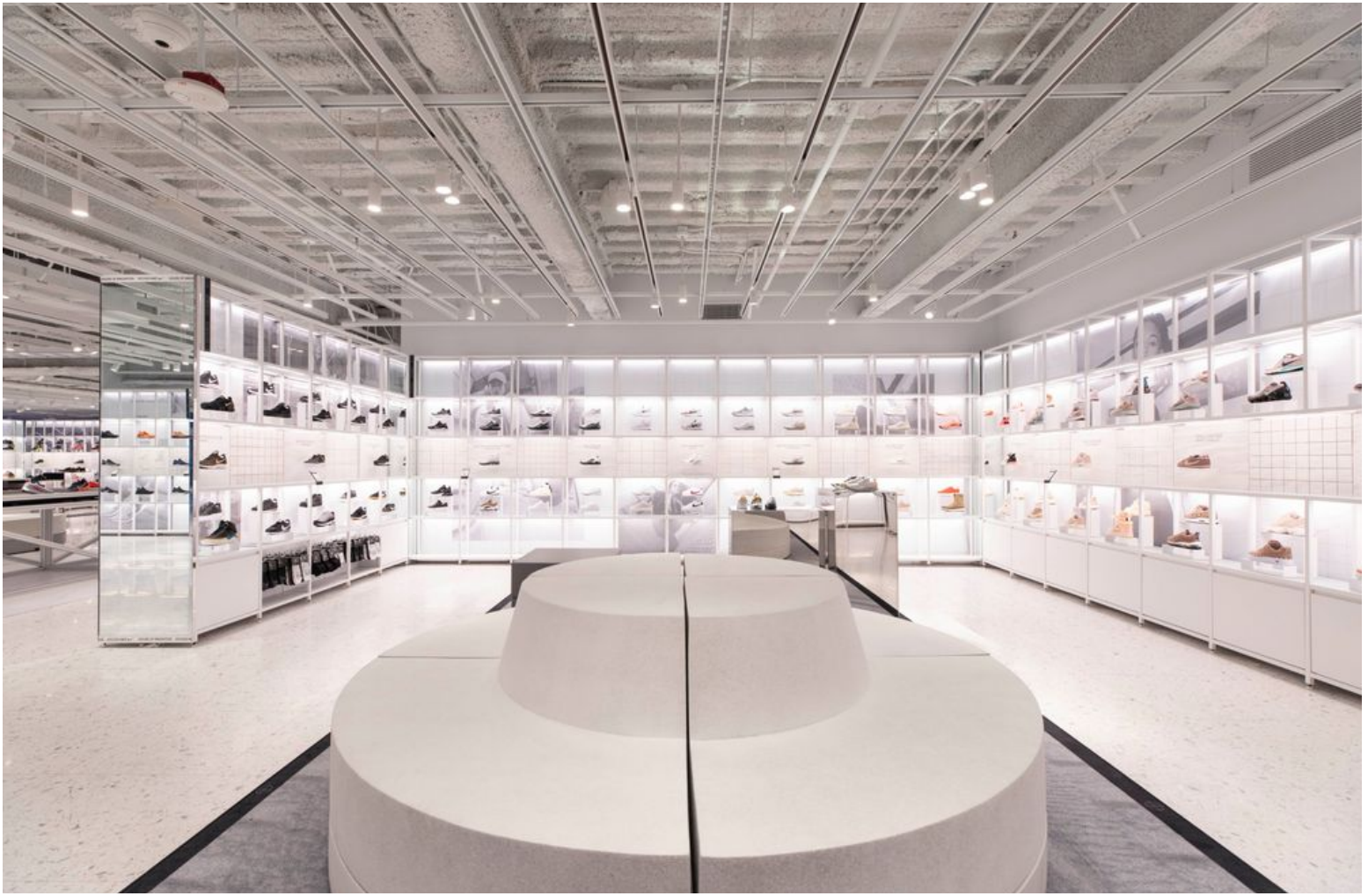
PLACE & DISTRIBUTION

Nike

- **Retail Stores:** stores are strategically placed & easily accessible to different markets globally
- **Nike Online Store**
- **Niketown retail outlets** (company-owned)
- External retailers (department stores, sporting goods stores, etc.)

Adidas

- **Retail Stores**
- **Adidas Online Store:** Added a digital in store experience.
- **Retail Outlets**
- **External Retailers**



ATMOSPHERICS

Nike

- Global flagship store on Fifth Avenue
- Grab-N-Go through Nike App
- Instant Checkout Stations
- 6 Stories, 4th floor: Sneaker Lab
- Exclusive products & customization



ATMOSPHERICS

Adidas

- Global flagship stores located in the biggest cities around the world.
- Store is strategically designed to make sneakers and other products look as valuable as possible.
- Indoor track, treadmills, and sporting equipment to test shoes.
- Design shoes on the spot.

- Bleachers for watching live sports if you are not shopping.

**IF YOU EVER DREAMED OF PLAYING
FOR MILLIONS AROUND THE WORLD,
NOW IS YOUR CHANCE.**

Play inside, play for the world.



PERSUASION

Nike: Effective Marketing through Social Media & App

- Nike reported surprisingly good numbers despite pandemic
- Owe it to their robust digital sales & marketing strategy

- Weekly active use of Nike's fitness apps rose 80% in China
- Nike's digital sales rose 30% in China during that period



PERSUASION

Adidas

- Adidas has used marketing to bring Reebok back from the ashes.
- Through strategic marketing towards women and using inspirational celebrities to help sell their brand.
- "Calling all Creators" campaign.



https://www.youtube.com/watch?time_continue=60&v=LShT-oi7uQ&feature=emb_title



PRICE COMPARISONS VS. ACTUAL QUALITY

Nike

- Nike Air Force 1s (\$90-\$150)
- Focus on marketing, endorsements, etc.

Adidas

- Adidas Superstars (\$80)
- Usually better quality