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Comparative Study of Nike And Adidas

¹S. Sanjay, ²S. Bhuvaneshwari

¹Student, Department of B.com.CA, Sri Krishna Adithya College of Arts and Science, Coimbatore-641026

E-Mail: sanjaysaravanan2222@gmail.com , Phone no: 7867037080

²Assistant Professor, Department of B.COM CA, Sri Krishna Adithya College, Coimbatore-641026

E-Mail: bhuvankalai@gmail.com , Phone no: 9087002500

ABSTRACT:

In this study on comparative towards Nike and Adidas. Most of the factors are covered that affects the competition of Nike and Adidas. It contains all the details of Nike as well as Adidas. And there also a survey conducted, considering various factors of Nike and Adidas. The purpose of this report is to learn about strategy and strategic management by comparing the strategies of two companies from the same industry. The strategies of Nike and Adidas have been compared from the footwear industry. Nike and Adidas both specialize in footwear, apparel and accessories and their competition is intense as Nike is the market leader and Adidas is the market challenger. The topics in this report cover critical incidents of both Nike and Adidas that occurred in the past and the comparison between both their strategies as well their future plans.

Key Words: Nike shoes, Adidas shoes, Shoes, Sports shoes, Casual shoes, Formal shoes, Strategies.

INTRODUCTION:

Nike and Adidas have almost Similar Strategies but different implementation methods. Both companies concentrate heavily on technology and strive to produce new and innovative products. Nike focuses on the American market whereas Adidas focuses on the European market. Nike does not have any manufacturing units as they only design, distribute and market their products and hence they outsource to various countries in Asia, mainly Taiwan and Korea, which outsource their production to China, Indonesia and Vietnam. Adidas on the other hand, carry out all their production in Germany and recently has adopted Nike's outsourcing policy by outsourcing to Asian countries. Their competition is always intense and according to Anderson (2010) during the world cup 2010 Nike launched the popular "Write the Future", three minutes advertisement featuring world cup stars which was a major hit on YouTube and Adidas replied with their two minutes video with celebrities like Snoop Dogg and Daft Punk into a famous scene from the movie Star Wars. Nike sponsored nine teams whereas Adidas sponsored 12 teams.

Even though Adidas was the official sponsor of the World Cup 2010, Nike attached an LED display to a 30-story skyscraper in Johannesburg where soccer fans could write short messages using popular social networking websites such as Twitter and Facebook and Nike put up 100 messages on the side of the walls every night.

ATHLETIC SHOES (INTRODUCTION) An athletic shoe is a generic name for footwear designed for sporting and physical activities. Athletic shoes, depending on the location and the actual type of footwear, may also be referred to as trainers (British English), sandshoes, gym boots or joggers (Australian English) running shoes, runners or gutties (Canadian English, Australian English, Hiberno English), sneakers, tennis shoes (North American English, Australian English), gym shoes, tennis, sports shoes, sneaks, or takkies (South African English) and rubber shoes (Philippine English) Canvers (Nigerian English).

STATEMENT OF PROBLEM:

Many respondents were not in favour of both brands. There was a Problem finding specific Adidas and Nike brand users. Based on a review of the literature and understanding of the research problem, it was hypothesized that consumer perception is influenced by explicit factors like brand quality, price, durability Sale Service etc. Adidas and Nike products are mostly expensive. The high cost has driven away many low-income customers and a very small percentage of the middle class can afford to buy some of the Adidas and Nike products so these products have by fewer number people it makes difficult to collect review from users about Adidas and Nike products.

OBJECTIVES OF THE STUDY

To know the preference of the consumers.

To know about the athletic items.

To study the competition between Nike and Adidas.

To know the problems faced by Nike and Adidas.

To know the effectiveness of promotional activities.

SCOPE OF THE STUDY

This study helps to know about Customer's mindsets and attitudes towards the Adidas and Nike companies and it detects whether the customer is satisfied or not with the products of Adidas and Nike. Nike strategies focus on design innovation and marketing, whereas Adidas strategies focus on reducing the production cost and time expand its market, enhance attractiveness in term of sports shoes and equipment. It is useful to find out the factors which influence customer purchasing decisions.

RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve the research solve the research problem. The Research Methodology, which Follows, is the Backbone of the study. The study is primarily based on the Primary Data collected through asking questions from the peoples.

AREA OF THE STUDY:

The area of the research was Coimbatore, India.

SAMPLE SIZE:

The Study Covered a Sample Size Of 100 Respondents Belonging to Coimbatore City.

COLLECTION OF DATA:

Both Primary and Secondary Data Were Collected for The Purpose of the Study. **PRIMARY DATA:**

The Primary Data Are Those, Which Are Collected Fresh and For the First Time, Thus It Happens to Be Original in Character. The Study Was Mainly Based on The Primary Data So, First Hand Information Was Collected and Used for The Study. The Question Sessions Has Been Targeted Adidas and Nike Product Users in Coimbatore City.

SECONDARY DATA:

Secondary Data Are the Data Which Is Already Available. They Refer to the Data Which Have Already Been Collected and Analysed by Someone Else. The Secondary Sources Such as Various Journals, Magazines and Books, the Internet, and Newspaper Have Been referred.

PERIOD OF THE STUDY:

The Study Of comparison between Nike and Adidas Has Been Recorded for The Period of Six Months.

STATISTICAL TOOLS USED IN THE STUDY:

Data collected through questionnaire was prepared in master table. In order to analysis and interpret the data.

- Percentage Analysis
- Chi square test

LIMITATIONS OF THE STUDY:

- The Sample size is 100 respondents.
- Time factor was a major challenge because a study was time bound so it become difficult for the researcher to collect the data from the larger population.
- This is not used for long period.
- The study is restricted to Coimbatore City.

REVIEW OF LITERATURE:

Singhvi and Srivastava (2020): Sport is one of the most popular activities these days, especially during the COVID-19 Pandemic. Other than maintaining our body fit and healthy, people also want to look trendy while exercising. Sportswear such as shoes and others are very popular and never empty of

demand. People, particularly the youth, have been interested in the sportswear sector and sports apparel since it allows them to feel more comfortable and relaxed while wearing athletic outfits. Thus, sportswear companies are competing to offer the best products. Some examples of well-known sportswear companies that have competed in the global market are Nike and Adidas.

Nurhayati (2020): In the Price variable, this research found that the statement “The price of Adidas products is affordable” has the lowest Pearson Correlation value. Adidas can give more attention to the price-fixing decision to adjust the market price. However, this research also found that the statement, “The price I pay for purchasing Adidas product is worth the benefit I get” has the highest Pearson Correlation value. It shows that in deciding more expensive product price, it should be followed with better product quality.

Michael Le(2022) Adidas Y-3 was a much-beloved arm of the Three Stripes, drawing in attention for the Qasa as well as their take on the Pure boost. And though things have changed drastically in the years since, the sub-label continues to put out a drove of unique offerings every year. And for the closing chapter of their Fall/Winter 2022 collection, entitled “Memories of Exotics,” they’re celebrating the lasting influence of exotic prints

ANALYSIS AND INTERPRETATION OF DATA

EXHIBIT HOW DID YOU KNOW ABOUT THESE BRAND WISE CLASSIFICATION OF THE RESPONDENTS

S.NO	HOW DID YOU KNOW ABOUT THESE BRAND WISE	NUMBER OF RESPONDENTS	PERCENTAGE
1	Journal	7	7
2	Internet	36	36
3	Advertisement	38	38
4	Friend	17	17
5	Family	2	2
	Total	100	100

SOURCE: Primary Data

INTERPRETATION:

The above exhibit indicates that 7% of Journal respondents, 36% of internet respondents, 38% of Advertisement respondents, 17% of Friend respondents, 2% of Family respondents

Majority of 38% of respondents aware about these through Advertisement.

EXHIBIT BEST FEATURE OF NIKE WISE CLASSIFICATION OF THE RESPONDENTS

S.NO	BEST FEATURE OF NIKE	NUMBER OF RESPONDENTS	PERCENTAGE
1	Outlook	29	29
2	Brand Name	41	41
3	Quality	28	28
4	Price	2	2
	Total	100	100

SOURCE: Primary Data

INTERPRETATION:

The above exhibit indicates that 29% of Outlook respondents, 41% of Brand Name respondents, 28% of Quality respondents, 2% of Price respondents. Majority of 41% of respondents feel that Brand name is the Best feature of Nike.

EXHIBIT SATISFACTION LEVEL TOWARDS ADIDAS WISE CLASSIFICATION OF THE RESPONDENTS

S.NO	SATISFACTION LEVEL TOWARDS ADIDAS	NUMBER OF RESPONDENTS	PERCENTAGE
1	Highly Satisfied	25	25
2	Satisfied	42	42
3	Average	27	27
4	Dissatisfied	6	6
	Total	100	100

SOURCE: Primary Data

INTERPRETATION:

The above exhibit indicates that 25% of Highly Satisfied respondents, 42% of Satisfied respondents, 27% of Average respondents, 6% of Dissatisfied respondents.

Majority of 42% of respondents Satisfied towards Adidas.

EXHIBIT AMONG THESE WHICH ONE OF THE PRODUCT YOU WILL CHOOSE WISE CLASSIFICATION OF THE RESPONDENTS

S.NO	AMONG THESE WHICH ONE OF THE PRODUCT YOU WILL CHOOSE	NUMBER OF RESPONDENTS	PERCENTAGE
1	Nike	70	70
2	Adidas	30	30
	Total	100	100

SOURCE: Primary Data

INTERPRETATION:

The above exhibit indicates that 70% of Nike respondents, 30% of Adidas respondents. Majority of 70% of respondents Choose Nike product compare to Adidas.

CHI-SQUARE TEST

Chi-square test is the non-parametric test of signification differences between the observed distribution of data among the observed distribution of data among categories and the expected distribution based on the null hypothesis. The test (pronounced as chi-square test) is one of the simplest and most widely used non-parametric test in statistical work. The symbol is the Greek letter Chi. The test was first used by Karl person in the 1900.

TABLE SHOWING THE COMPARATIVE RELATIONSHIP ON THE WHAT TYPE OF SHOES DO YOU LIKE AND ANNUAL INCOME RESPONDENTS:

Annual Income	What type of shoes do you like				Total
Less then 200000	15	12	12	4	43
200001-500000	7	15	11	0	33
500001-800000	1	8	4	1	14
More then 800000	0	5	5	0	10
Total	23	40	32	5	100

CHI SQUARE VALUE (X) = (Observed value – Expected value) ²/Expected value. 2)

Degree of freedom = (Row - 1)*(Column - 1)

= (5-1)*(5-1)

Degree of Freedom=16

Calculated Value of X^2 =152.2180136

Table value = 16.919

Hypothesis:

HO: There is no significance relationship between dependent variable and independent variable

level of significance at 5%.

INTERPRETATION:

In the above comparative analysis, the calculated value (152.2180136) is less than the table value 16.919 at 5% level of significance. Hence Null hypothesis is accepted. Thus, there is no significant relationship between the brand preference and factor preferences of respondents.

5. FINDINGS, SUGGESTION, CONCLUSION

5.1 FINDINGS

5.1.1 PERCENTAGE ANALYSIS

1. Majority of 50% respondents are from the age 22-30.
2. Majority of 51% of the respondents education Qualification is Under graduate.
3. Majority of 39% of the respondents occupation is Student.
4. Majority of 43% of respondents Family income is Less than 200000
5. Majority of 78% of respondents prefer to Purchasing Cash Basis.
6. Majority of 57% respondents spend 1501-2500 rupees to purchase pair of shoes.
7. Majority of 40% of respondents like sport shoes.
8. Majority of 46% of respondents prefer adidas Brand shoes.
9. Majority 59% of respondents influenced by comfort of Adidas.
10. Majority of 49% of respondents influenced by comfort of Nike.
11. Majority of 38% of respondents owned Adidas Shoes.
12. Majority of 40% of respondents like to Purchase Nike and Adidas Product in ordinary showroom.
13. Majority of 82% of respondents aware of these Brand shoes.
14. Majority of 89% of respondents recommend others to buy these shoes.
15. Majority of 38% of respondents aware about these through Advertisement
16. Majority of 41% of respondents feel that Brand name is the best feature of Nike
17. Majority of 42% of respondents Satisfied towards Adidas.
18. Majority of 39% of respondents feel that Brand name is the best feature of Adidas
19. Majority of 48 % of respondents Averagely Satisfied towards Nike.
20. Majority of 70% of respondents Choose Nike product compare to Adidas

5.2 SUGGESTION

- Both the Brand should need to produce the Product for all set of people.
- The results of the present study may be helpful to upcoming sports marketing professionals in order to enhance their sales.
- The results of the present study shall guide the sports manufacturers and franchise in making their product better.
- A similar study can be conducted on National and International level sportspersons. The study in future days may include vast area not just limited a particular region.
- The tool used in the study may be made systematic by using Likert Scale for assessing the perception of the consumers.
- Adidas should undertake more celebrity endorsements and should increase their quality.
- Nike should lower their prices to reasonable to meet larger markets of customers
- On the basis of this research, it is found that both the companies have cut throat competition; both the companies should promote their products which are in great demand.
- Adidas should change its strategies in order to reach up the level of Nike, and to promote well in most parts of the country.
- Nike should not only target high level customers, but also mid income group for specific periods to increase sales.

5.3 CONCLUSION:

On the basis of the results of this study it was concluded that customers of Coimbatore prefer wearing sports shoes on regular basis for various purposes other than gym. Not only is it used by athletes, but also teens and mid age group. Adidas and Nike brands were highly preferred at the cost of Indian made shoes like ASE, Action and others. Particular brands were preferred because of its perceived quality and durability by the consumers. Least importance was assigned to price, variety or safety provided by the sports shoes to the consumers in this study. The brand name and image attracted consumers and they felt that the preferred brand reflected their personality. The consumers were contended with the materials used and colour options provided by their preferred brands. There was complete agreement on the satisfaction with the quality of preferred brand sports shoes. They perceived that the style of the preferred brand was suitable to them and also believed that the style of their preferred brand has distinctive features. They agreed that the behaviour of salesperson of the store was friendly and courteous. There was agreement by a large number on the impact of celebrities on purchase of sport shoes. It was also believed that the increase of price hindered their ability to purchase. Sports persons agree that the preferred brand provided goods value for buyer's money. They also agreed on satisfaction with the price range and disagreed on purchase of another brand of same quality with lesser price. This exhibited their strong association with the brand and their loyalty. It is noteworthy that many of the respondents provide importance on the price of sports shoes of their preferred brand. Respondents were determined not to switch over their preferred brand sport shoes under normal circumstances and they expect some sort of discount to be offered.

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ANNEXTURE

QUESTIONNAIRE

- 1) Name
- 2) Age
 - a) 22-30
 - b) 31-38
 - c) 39-47
 - d) above 47

-
- 3) Educational qualification?
 - a) School
 - b) Undergraduate
 - c) Postgraduate
 - d) Others
 - 4) Occupation
 - a) Student
 - b) private Sector
 - c) Business Man
 - d) Other
 - 5) Family Income
 - a) Less than 2 Lakhs
 - b) 2 Lakhs – 5 Lakhs
 - c) 5 Lakhs – 8 Lakhs
 - d) More Than 8 Lakhs
 - 6) Mode of Purchase of product?
 - a) Cash Basis
 - b) Credit Basis
 - 7) How much would you spend on a pair of sports shoes?
 - a) Rs 500 -1500
 - b) Rs 1500 – 2500
 - c) Rs 2500 -3500
 - 8) What type of shoes do you like to use?
 - a) Formal
 - b) Sports
 - c) Casual
 - d) Others
 - 9) Which brand do you prefer in sports shoes?
 - a) Nike
 - b) Adidas
 - c) Other
 - d) both
 - 10) Which factor influence you to buy Adidas product?
 - a) Price
 - b) Comfort
 - c) Style
 - d) Allure
 - 11) Which factor influence you to buy Nike product?
 - a) Price

- b) Comfort
- c) Style
- d) Allure

12) Which of the following sports shoes do you currently owns

- a) Nike
- b) Adidas
- c) Other
- d) Both

13) From where do you like to purchase your Nike and Adidas product?

- a) Department store
- b) Ordinary show rooms
- c) Online shopping
- d) Exclusive show room

14) Did you aware of brand shoes?

- a) Yes
- b) No

15) Did you recommend others to buy this shoes

- a) Yes
- b) No

16) How did you know about these brands

- a) Journal
- b) Internet
- c) Advertisement
- d) Friend
- e) Family

17) Best feature of Adidas ?

- a) Outlook
- b) Brand name
- c) Quality
- d) Price

18) Best feature of Nike?

- a) Outlook
- b) Brand name
- c) Quality
- d) Price

19) Satisfaction Level towards Adidas

- a) Highly Satisfied
- b) Satisfied
- c) Average

d) Dissatisfied

20) Satisfaction Level towards Nike

a) Highly Satisfied

b) Satisfied

c) Average

d) Dissatisfied

21) comparing the Nike and Adidas product which one is worthy?

a) Nike

b) Adidas

22) Any Suggestion?