Title page

Analytical essay

The comparison of Nike and Adidas are drawn in the table below.

|  |  |  |
| --- | --- | --- |
| Sections | Nike | Adidas |
| Executive summary | Significant increase has been observed in the revenues of Nike that increased form $27.8 billion in 2014 to $39.2 billion in 2019. The company is focused on further increasing its annual growth until 2023. Nike is the leading sports brand recognized for its high-quality products and aggressive marketing. | Adidas experienced increases of sales by 8% in the year 2018. The gross margin increased by 51.8% that depicts significant growth.  Adidas is significantly improving by adopting innovative technology. |
| Retail marketing strategy   * Target market | Nike has strategy of targeting the customers who have ages between 15-40 years. It is creating sportswear and other athletic products for both male and female. Nike has a strategy of reaching young adults who are interested in athlete and sports. Different women lines are also opened for offering diversity and reaching wider female customers. The company is generating 20% of its sales from selling products to females.  Another prominent strategy is not to target people according to religion, race or ethnicity.  Nike is also targeting soccer and basketball players. | Adidas is targeting customers having ages between 20 to 29 years. The company is focused on selling its products to the athletes or people having passion for sports.  The updated marketing strategy is emphasizing on selling to the next generation with ages between 14-19 years.  Both male and female customers are served by the company. |
| Retail mix | Nike has built strong retailers network and is selling products in almost 200 countries. Only in US company has 18000 outlets.  Concept stores are situated in central square that organize special events for the customers. The company invite various celebrities and athletes.  Shop-in-shop are selling all products of Nike to the customers.  Nike factory outlet is selling products at low prices through stock clearance.  Customization is used for catering the needs of individual customers. Products are designed according to the need and demand of customers.  Nike online stores are providing fast service by allowing customers to make online payments.  Merchandise mix include apparel, footwear and club gear, team gear and equipment. The company has created persuasive environment for capturing customers. | Adidas is relying on 4P marketing mix. Pricing is an important factor because the company is selling products below Nike’s prices. Promotions, skimming and competitive prices are used for attracting customers.  Several Adidas outlets are selling the products, multi brand showroom are also created. The company is also involved in promotions and use celebrity for capturing wider clients. Online selling is also used for meeting client needs. |
| Sustainable competitive advantage | Nike is creating products that cannot be imitated by rivals. Nike is creating versatile products that offer quality. Being largest brand the company is deriving cost benefits an marketing is used for distributing across the globe. | Technology, marketing and supply chain are prominent segments that are helping Adidas to earn huge profits.  Global presence has added to the credibility and made the company more reliable.  Expansion of e-commerce has also allowed company to generate more revenues. Low prices compared to top brands like Nike is giving competitive edge to Adidas. |
| Conclusion | Investing in new and innovative technology will make company more strong in terms of dealing with rival brands. Nike can also create products with different prices range for reaching customers from all strata. | Adidas in giving more attention to technology that can provide future opportunities of generating more revenue and attaining competitive edge. |

References

Adidas. (2018). *Annual Report Adidas.*

Garcia, A. (2018). *Clash of the Titans: Adidas and Nike continue to battle it out* . Retrieved 12 08, 2019, from https://money.cnn.com/2018/04/16/news/companies/adidas-nike-sportswear/index.html

Nike. (2019). *Annual report.*