

# INTRODUCTION

## **Industry overview**

The sportswear market has evolved from a niche segment, which was exclusively aimed at sportspersons, to a burgeoning consumer sector. The industry has witnessed rapid growth over the past few years. The ever-increasing popularity of cricket, combined with the growing interest in sports such as football, hockey and tennis, has contributed to the growth of the functional sportswear market. In addition to this, the trend of using sportswear as casual wear has expanded the definition of target consumers for leading brands. Some brands also offer collections to cater to this demand for casual wear.

The sportswear retail market in India is estimated at INR365.8 billion and is expected to grow at a robust CAGR of 33% during 2010–2014. The market includes sports apparel, footwear and accessories, with footwear being the largest segment, accounting for around 60% of the total market.

The country's sportswear segment is largely unorganized with organized players constituting only around 30% of the market. Franchised exclusive brand outlets (EBOs) and multi-brand outlets form the core retail channels for sportswear in India.

## **The international sportswear market**

The international athletic apparel market is worth nearly 41.5 billion US dollars at the wholesale level. The US sporting goods market is the world's largest, accounting for 41% of total sales, followed by the European Union, which accounts for some 38% of total sporting apparel turnover.

Nike, Adidas, and Reebok comprise some 14% of this market. They dominate the market almost everywhere. Although the international athletic apparel industry is less concentrated than athletic footwear, for instance, the top-20 brands still manage to account for some 36% of the global wholesale market.

---

## Brands overview

### Nike, Inc.



#### Type

Public

**Founded**

1972

#### Founder(s)

William J. "Bill" Bowerman

Philip H. Knight

**Headquarters**

Beaverton, Oregon, United States

**Area served**

Worldwide

**Key people**

Philip H. Knight

(Chairman)

Mark Parker

(CEO) & (President)

#### Industry

Sportswear

Sports equipment

Athletic shoes

#### Products

Apparel

Sports equipment

Accessories

#### Revenue

▲ US\$ 18.627 billion

#### Operating income

▲ US\$ 2.199 billion

#### Net income

▲ US\$ 1.883 billion

#### Total assets

▲ US\$ 12.443 billion

<a href="#"><u>Total equity</u></a>	▲ US\$ 7.825 billion
<a href="#"><u>Employees</u></a>	30,200
<a href="#"><u>Website</u></a>	<a href="#"><u>Nike.com</u></a>

**Nike, Inc** is a major [publicly traded](#) sportswear and equipment supplier based in the United States. The company is headquartered in [Beaverton](#), near the [Portland metropolitan area](#) of [Oregon](#). It is the world's leading supplier of [athletic shoes](#) and [apparel](#) and a major manufacturer of [sports equipment](#) with revenue in excess of \$18.6 billion USD. It employed more than 30,000 people worldwide. Nike and [Precision Castparts](#) are the only [Fortune 500](#) companies headquartered in the state of Oregon, according to [The Oregonian](#).

The company was founded on January 25, 1964 as Blue Ribbon Sports by [Bill Bowerman](#) and [Philip Knight](#), and officially became Nike, Inc. in 1978. The company takes its name from [Nike](#) (Greek *Νίκη* pronounced [\[niːkɛː\]](#)), the Greek goddess of victory. Nike markets its products under its own brand as well as Nike Golf, Nike Pro, [Nike+](#), [Air Jordan](#), [Nike Skateboarding](#) and subsidiaries including [Cole Haan](#), [Hurley International](#), [Umbro](#) and [Converse](#). Nike also owned Bauer Hockey (later renamed [Nike Bauer](#)) between 1995 and 2008. In addition to manufacturing sportswear and equipment, the company operates retail stores under the Nike town name. Nike sponsors many high profile athletes and sports teams around the world, with the highly recognized trademarks of "Just do it" and the [Swoosh](#) logo.

### **Origin and history**

Nike, originally known as Blue Ribbon Sports, was founded by [University of Oregon](#) track athlete [Philip Knight](#) and his coach [Bill Bowerman](#) in January 1964. The company initially operated as a distributor for Japanese shoe maker [Onitsuka Tiger](#), making most sales at track meets out of Knight's automobile.

The company's profits grew quickly, and in 1966, BRS opened its first retail store, located on Pico Boulevard in [Santa Monica, California](#). By 1971, the relationship between BRS and Onitsuka Tiger was nearing an end. BRS prepared to launch its own line of footwear, which would bear the newly designed [Swoosh](#).

The first shoe to carry this design that was sold to the public was a [football](#) shoe named "Nike", which was released in the summer of 1971. In February 1972, BRS introduced its first line of Nike shoes, with the name Nike derived from the [Greek goddess of victory](#). In 1978, BRS, Inc. officially renamed itself to Nike, Inc. Beginning with [Ilie Nastase](#), the first professional athlete to sign with BRS/Nike, the sponsorship of athletes became a key marketing tool for the rapidly growing company.

The company's first self-designed product was based on Bowerman's "waffle" design. After the University of Oregon resurfaced the track at [Hayward Field](#), Bowerman began experimenting with different potential outsoles that would grip the new urethane track more effectively. His efforts were rewarded one Sunday morning when he poured liquid urethane into his wife's waffle iron. Bowerman developed and refined the so-called 'waffle' sole which would evolve into the now-iconic Waffle Trainer in 1974.

By 1980, Nike had reached a 50% market share in the United States athletic shoe market, and the company went public in December of that year. Its growth was due

largely to 'word-of-foot' advertising (to quote a Nike print ad from the late 1970s), rather than television ads. Nike's first national television commercials ran in October 1982 during the broadcast of the [New York Marathon](#). The ads were created by Portland-based advertising agency [Wieden+Kennedy](#), which had formed several months earlier in April 1982.

Together, Nike and Wieden+Kennedy have created many indelible print and television ads and the agency continues to be Nike's primary today. It was agency co-founder [Dan Wieden](#) who coined the now-famous slogan "Just Do It" for a 1988 Nike ad

campaign, which was chosen by *Advertising Age* as one of the top five ad slogans of the 20th century, and the campaign has been enshrined in the Smithsonian Institution. [San Franciscan Walt Stack](#) was featured in Nike's first "Just Do It" advertisement that debuted on July 1, 1988.

Throughout the 1980s, Nike expanded its product line to include many other sports and regions throughout the world.

### Acquisitions

- Nike, Inc. owns four key subsidiaries: [Cole Haan](#), [Hurley International](#), [Converse Inc.](#) and [Umbro](#).
- Nike's first acquisition was the upscale footwear company [Cole Haan](#) in 1988.
- In February 2002, Nike bought surf apparel company [Hurley International](#) from founder [Bob Hurley](#).
- In July 2003, Nike paid \$305 million to acquire [Converse Inc.](#), makers of the iconic Chuck Taylor All Stars.
- On March 3, 2008, Nike acquired sports [apparel](#) supplier [Umbro](#), known as the manufacturers of the [England national football team's kits](#), in a deal said to be worth [£285 million](#) (about [\\$600m](#)).
- Other subsidiaries previously owned and subsequently sold by Nike include Bauer Hockey and Starter.

### Products

Nike produces a wide range of sports equipment. Their first products were track running shoes. They currently also make shoes, jerseys, shorts, [baselayers](#) etc. for a wide range of sports including [track & field](#), [baseball](#), [ice hockey](#), [tennis](#), [Association football](#), [lacrosse](#), [basketball](#) and [cricket](#).

The most recent additions to their line are the Nike 6.0, Nike NYX, and [Nike SB](#) shoes, designed for [skateboarding](#). Nike has recently introduced cricket shoes, called Air Zoom `Yorker, designed to be 30% lighter than their competitors'. Nike introduced the Air Jordan XX3, a high performance basketball shoe designed with the environment in mind.

Nike sells an assortment of products, including shoes and [apparel](#) for sports activities like [association football](#), [basketball](#), [running](#), [combat sports](#), [tennis](#), [American football](#), [athletics](#), [golf](#) and [cross training](#) for men, women, and children. Nike also sells shoes for outdoor activities such as tennis, golf, [skateboarding](#), [association football](#), [baseball](#), [American football](#), [cycling](#), [volleyball](#), [wrestling](#), [cheerleading](#), aquatic activities, auto racing and other athletic and recreational uses. Nike is well known and popular in [youth culture](#), [chav](#) culture and [hip hop culture](#) as they supply [urban fashion](#) clothing. Nike recently teamed up with [Apple Inc.](#) to produce the [Nike+](#) product which monitors a runner's performance *via* a radio device in the shoe which links to the [iPod nano](#). While the product generates useful statistics, it has been criticized by researchers who were able to identify users' [RFID](#) devices from 60 feet (18 m) away using small, concealable intelligence [notes](#) in a [wireless sensor network](#).

In 2004, they launched the [SPARQ Training Program](#)/Division. It is currently the premier training program in the U.S. Some of Nike's newest shoes contain [Flywire](#) and Lunarlite Foam. These are materials used to reduce the weight of many types of shoes. In the [video game Gran Turismo 4](#) there is a car by Nike called the NikeOne 2022, designed by Phil Frank.

## **Manufacturing**

Nike has contracted with 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 is hesitant to disclose information about the contract companies it works with. However, due to harsh criticism from some organizations

like CorpWatch, Nike has disclosed information about its contract factories in its Corporate Governance Report.

### **Marketing strategy**

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 lures customers with a marketing strategy centering around a brand image which is attained by distinctive logo and the advertising slogan: "Just do it". Nike promotes its products by sponsorship agreements with celebrity athletes, professional teams and college athletic teams. However, Nike's [marketing mix](#) contains many elements besides promotion. These are summarized below.

### **Advertising**

From 1972 to 1982, Nike relied almost exclusively on print advertising in highly vertical publications including *Track and Field News*. Most of the early advertising was focused on a new shoe release, essentially outlining the benefits of the running, basketball or tennis shoe. In 1976, the company hired its first outside ad agency, John Brown and Partners, who created what many consider Nike's first 'brand advertising' in 1977. A print ad with the tagline "There is no finish line" featured a lone runner on a rural road and became an instant classic. The success of this simple ad inspired Nike to create a poster version that launched the company's poster business.

In 1982, Nike aired its first national television ads, created by newly formed ad agency [Wieden+Kennedy](#), during the New York Marathon. This would mark the beginning of a remarkably successful partnership between Nike and W+K that remains intact today. The Cannes Advertising Festival has named Nike its 'advertiser of the year' on two separate occasions, the first and only company to receive that honor twice (1994, 2003).

Nike also has earned the [Emmy Award](#) for best commercial twice since the award was first created in the 1990s. The first was for "The Morning After," a satirical look at what a runner might face on the morning of January 1, 2000 if every dire prediction

about Y2K came to fruition.<sup>[37]</sup> The second Emmy for advertising earned by Nike was for a 2002 spot called "Move," which featured a series of famous and everyday athletes in a stream of athletic pursuits.

## **Place**

Nike sells its product to more than 25,000 retailers in the U.S. (including Nike's own outlets and "Niketown" stores) and in approximately 160 countries in the world. The company also has a program called NIKEiD at [nikeid.com](http://nikeid.com), which allows customers to customize designs of some styles of Nike shoes and deliver them directly from manufacturer to the consumer. Nike sells its products in international markets through independent distributors, licensees, and subsidiaries.

## **Sponsorship**

Nike has signed top athletes in many different professional sports to endorsement deals in order to further promote their products.

Nike's first professional athlete endorser was Romanian tennis player [Ilie Năstase](#), and the company's first track endorser was distance running legend [Steve Prefontaine](#). Prefontaine was the prized pupil of the company's co-founder [Bill Bowerman](#) while he coached at the [University of Oregon](#). Today, the Steve Prefontaine Building is named in his honor at Nike's corporate headquarters.

Besides Prefontaine, Nike has sponsored many other successful [track & field athletes](#) over the years such as [Carl Lewis](#), [Jackie Joyner-Kersey](#) and [Sebastian Coe](#). However, it was the signing of basketball player [Michael Jordan](#) in 1984, with his subsequent promotion of Nike over the course of his storied career with [Spike Lee](#) as [Mars Blackmon](#), that proved to be one of the biggest boosts to Nike's publicity and sales.

During the past 20 years especially, Nike has been one of the major clothing/footwear sponsors for leading tennis players. Some of the more successful tennis players currently or formerly sponsored by Nike include: [James Blake](#), [Jim Courier](#), [Roger Federer](#), [Lleyton Hewitt](#), [Juan Martín del Potro](#), Andre Agassi, [Rafael Nadal](#), [Pete](#)



[Sampras](#), [Marion Bartoli](#), [Lindsay Davenport](#), [Daniela Hantuchová](#), [Mary Pierce](#), [Maria Sharapova](#), [Serena Williams](#).

**Nike is also the official kit sponsor for the [Indian cricket team](#) for 8 years, from 2006 to 2014. Nike was awarded the contract for US\$43 Million.**

Nike also sponsors some of the leading clubs in world [football](#), such as [Arsenal](#), [Manchester United](#), [FC Barcelona](#), [Inter Milan](#), [Juventus](#), [Porto](#), [Steaua](#), [Borussia Dortmund](#), [Red Star](#), [Aston Villa](#), [Celtic](#) and [PSV Eindhoven](#). Nike will also sponsor [Dundee United](#) from summer 2009.

Nike sponsors several of the world's top [golf](#) players, including [Tiger Woods](#), [Trevor Immelman](#) and [Paul Casey](#).

Nike also sponsors various minor events including Hoop It Up (high school basketball) and The Golden West Invitational (high school track and field). Nike uses web sites as a promotional tool to cover these events. Nike also has several websites for individual sports, including [nikebasketball.com](#), [nikefootball.com](#), and [nikerunning.com](#)



<b><a href="#">Type</a></b>	<a href="#">Public (AG, FWB: ADS)</a>
<b>Founded</b>	1924 (registered in 1949)
<b><a href="#">Founder(s)</a></b>	<a href="#">Adolf Dassler</a>

<b>Headquarters</b>	<a href="#">Herzogenaurach, Germany</a>
<b>Key people</b>	<a href="#">Herbert Hainer</a> (CEO), Erich Stamminger (CEO, Adidas Brand), Hans Friderichs (Chairman of the <a href="#">supervisory board</a> )
<b>Industry</b>	<a href="#">Clothing</a> and <a href="#">consumer goods manufacturing</a>
<b>Products</b>	<a href="#">Footwear</a> , <a href="#">accessories</a> , <a href="#">sportswear</a> , <a href="#">sports equipment</a>
<b>Revenue</b>	€10.799 <a href="#">billion</a>
<b>Operating income</b>	▲ €1.070 billion
<b>Profit</b>	▲ €642 million
<b>Employees</b>	38,980
<b>Website</b>	<a href="http://www.adidas-group.com">www.adidas-group.com</a>

**Adidas AG** (pronounced [\[AH-dee-'dahs\]](#); often [/ə'di:dəs/](#) in English, **FWB:** [ADS](#)) is a [German](#) sports apparel manufacturer and part of the Adidas Group, which consists of [Reebok](#) sportswear company, [TaylorMade-adidas golf](#) company, and [Rockport](#). Besides sports footwear, the company also produces other products such as bags, shirts, and other sports and clothing related goods. The company is the largest sportswear manufacturer in Europe and the second largest sportswear manufacturer in the world.

The company's clothing and shoe designs typically feature three parallel bars, and the same motif is incorporated into Adidas's current official [logo](#). The company [revenue](#) for was listed at [€10.799 billion](#).

## History

[Adolf \("Adi"\) Dassler](#) started to produce his own sports shoes in his mother's wash kitchen in [Herzogenaurach](#), [Bavaria](#), after his return from [World War I](#). In 1924, his brother [Rudolf \(Rudi\) Dassler](#) joined the business which became *Gebrüder Dassler Schuhfabrik* (Dassler Brothers Shoe Factory) and prospered.

At the [1928 Olympics](#), Dassler equipped several athletes, laying the foundation for the international expansion of the company. During the [1936 Summer Olympics](#) on [Berlin](#), Dassler equipped quadruple gold medal winner [Jesse Owens](#) of the [U.S.](#) with his shoes.

Late in World War II, the shoe factory shifted to production of the [Panzerschreck](#) anti-tank weapon. The brothers split up in 1948, with Rudi forming [Puma](#), and Adi forming adidas.

The company formally registered as **adidas AG** (with [lower case](#) lettering) on 18 August 1949. The phrase *All Day I Dream About Soccer*, although sometimes considered the origin of the adidas name, was applied retroactively. The name is actually a [portmanteau](#) from "Adi" (a nickname for Adolf) and "Das" (from "Dassler").

## **Products**

**Running:** Adidas currently manufactures several running shoes, including the adiStar Control 5, the adiStar Ride (the replacement for the adiStar Cushion 6), the Supernova Sequence (the replacement for the Supernova Control 10), and the Supernova Cushion 7 (which will soon be replaced by the Supernova Glide), among others. In addition, their performance apparel is widely used by runners. Adidas also uses kangaroo leather to make their more expensive shoes.

## **Football**

One of the main focuses of Adidas is football kit and associated equipment. Adidas also provides apparel and equipment for all teams in [Major League Soccer](#). Adidas remain a major company in the supply of team kits for international football teams.

Current examples include [France](#), [Germany](#), [Greece](#), [Romania](#), [Argentina](#), [Spain](#), [Mexico](#), [Japan](#), [Nigeria](#) and [Israel](#). The company has been an innovator in the area of footwear for the sport with notable examples including development of the Copa Mondial moulded boot used for matches on firm dry pitches for almost forty years. The studded equivalent was named World Cup follow in celebration of the 1978 tournament won by Argentina, one of the nations it supplied at the time. Adidas became renowned for advancing the "Predator" boot design developed by ex-Liverpool and Australian international player Craig Johnston. This design featured a ribbed rubber structure for the upper leather of the shoe, used to accent the movement of the ball when struck; highly skilled players claimed they were able to curve the flight of the ball more easily when wearing this new contoured design. The Predator also features the Craig Johnston invented "Traxion" sole. As the development and popularity of Football continued Adidas played a leading role in shaping the style of the play itself. [FIFA](#), the sports governing body, commissioned specially designed footballs for use in its own [World Cup](#) tournaments to favor more attacking play. The balls supplied for the [2006 Germany World Cup](#) were particular noteworthy for their ability to travel further than previous types when struck, leading to longer range goal strikes that were intended to increase the number of goals scores and increase spectator enjoyment. Goalkeepers were believed to be less comfortable with the design claiming it would move significantly and unpredictably in flight.

## **Tennis**

Adidas has sponsored tennis players and 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. Adidas sponsors the following professional players: doubles team [Bob and Mike Bryan](#), [Marat Safin](#), [Dinara Safina](#), [Ana Ivanovic](#), former [Australian Open](#) Champion [Novak Djokovic](#), and [Marcos Baghdatis](#). Adidas tennis apparel contains the ClimaCool technology found in other athletic jerseys and shoes.

## **Golf**

In 1997, Adidas purchased [TaylorMade](#), and made it a subsidiary. The image and focus of TaylorMade was redirected shortly after the acquisition to take over the driver market. The company succeeded in achieving this goal in late 2005 when it officially became the No. 1 driver in golf. On 14 October 2008, Adidas, through its subsidiary TaylorMade, acquired [Ashworth \(clothing\)](#) for \$72.8 million, assuming \$46.3 million in debt.

## **Cricket**

In 2008, Adidas made their first big move into the cricket market, sponsoring English batting star [Kevin Pietersen](#) & [Ian Bell](#). Their products are now available, notably the Pellara and Libro ranges.

## **Lacrosse**

In 2007, Adidas announced the future production of [lacrosse](#) equipment, and will sponsor the Adidas National Lacrosse Classic in July 2008 for the top 600 high school underclassmen lacrosse players in the United States.

## **Mi Adidas**

**Mi Adidas** is a [mass customization](#) program offering the option to customize a shoe model with the choice of different types of outsoles, cushioning, and other parameters.

## **Sponsorship**

Adidas are the main sponsor and kit supplier of the highly successful New Zealand national [rugby](#) team, the [All Blacks](#). Adidas also are the kit supplier to the Argentina national rugby team [Los Pumas](#), to [Stade Francais](#) and [Munster](#).

Adidas are the main sponsors and kit sponsors of the successful [Australian Cricket Team](#) and the [England Cricket Team](#). They are also the main sponsors of the Indian Star [Cricketers Sachin Tendulkar](#) and [Virender Sehwag](#). Adidas are the main sponsors of Australian Domestic Cricket Competitions - [Pura Cup](#), [KFC Twenty20 Big Bash](#),

[Ford Ranger One Day Cup](#). They are sponsors of the [Indian Premier League](#) Teams [Delhi Daredevils](#) and [Mumbai Indians](#).

Adidas also sponsors the [Gold Coast Titans](#) and [St George Illawarra Dragons rugby league](#) clubs in the Australian [National Rugby League](#) (NRL) competition. Adidas is the longstanding [kit](#) provider to the [Germany national football team](#), a sponsorship that began in 1954 and is contracted to continue until at least 2018.

Adidas are very active at sponsoring top football clubs such as [IFK Göteborg](#), [A.C. Milan](#), [Olympique de Marseille](#), [Derby County] [Ajax Amsterdam](#), [Bayern Munich](#), [FC Schalke 04](#), [Benfica](#), [Chelsea F.C.](#), [Liverpool F.C.](#), [Newcastle United F.C.](#), [Fenerbahçe SK](#), [UANL Tigres](#), [Real Madrid](#), [Club Atletico River Plate](#), [SE Palmeiras](#), [Club de Fútbol Universidad de Chile](#), and the Colombian football teams [Club Deportivo Los Millonarios](#), [Deportivo Cali](#) and [Atletico Nacional](#).

Adidas and [Major League Soccer](#) announced a 10-year sponsorship agreement in November 2004 to make Adidas the official athletic sponsor and licensed product supplier for the league, and to work together to create a developmental league for MLS.

Adidas also sponsors events such as The [London Marathon](#). For the [2008 Summer Olympics](#) in [Beijing, China](#), Adidas spent €70 million sponsoring the event amid criticisms.

## **Corporate information**

### **Current executive board**

- CEO Adidas-group: [Herbert Hainer](#)
- Finance Adidas-group: Robin J. Stalker
- CEO Adidas brand: Erich Stamminger
- Global Operations Adidas-group: Glenn S. Bennett

## **Criticism**

As with the majority of prolific brand-based transnational's, Adidas' business practices/ethics and commitment to worker welfare have been scrutinized and often criticized.

## **Slogan**

"Impossible is Nothing" is the current mainstream marketing [slogan](#) for Adidas. This campaign was developed by 180/TBWA based in Amsterdam but also with significant work being done by TBWA/Chiat/Day in San Francisco - particularly for its basketball campaign "Believe In Five".

## **Adidas Originals**

Refers to the line of casual clothes and new campaign launched by adidas around the beginning of 1996, when adidas separated the brand into 3 main groups, each with its own focus. Four videos have been released to date, including "Original Games", which shows a group of guys and girls playing modified Olympic type games in the streets; "Handbags For Feet", which journeys through the streets of Berlin with a girl named Amelie taking interesting photos; "The Story of Adi Dassler", which tells the story of the man who started adidas and "Sounds of The City", which shows how DJ Theo Parish collects sounds for his music.

## **Separation**

During the mid to late 1990s Adidas divided the brand into three main groups with each a separate focus. Adidas performance was designed to maintain their devotion to the athlete; Adidas originals with its focus on fashion and life style; and Style essentials with the main group within this one being Y-3

The Reebok logo is displayed in a bold, blue, sans-serif font.

Reebok International Limited	
<b>Type</b>	Subsidiary of <a href="#">Adidas AG</a>
<b>Founded</b>	1895, <a href="#">Bolton</a> , <a href="#">England</a>
<b>Headquarters</b>	<a href="#">Canton, Massachusetts</a> , <a href="#">USA</a>
<b>Industry</b>	<a href="#">Sportswear</a> and <a href="#">Sports Goods</a>
<b>Products</b>	<a href="#">Footwear</a>
	<a href="#">Accessories</a>
	<a href="#">Sportswear</a>
<b>Website</b>	<a href="http://www.reebok.com">http://www.reebok.com</a>

**Reebok International Limited** is a producer of [athletic footwear](#), apparel, and accessories and is currently a subsidiary of [Adidas](#). The name comes from the Afrikaans spelling of [rhebok](#), a type of African [antelope](#) or gazelle. The company, founded in [Bolton](#), United Kingdom, in 1895, was originally called **J.W. FOSTER & SONS** but was renamed **Reebok** in 1958. The company's founders, Joe and Jeff Foster, found the name in a [dictionary](#) won in a race by Joe Foster as a boy; the dictionary was a South African edition, hence the spelling.

### Freestyle and Ex-O-Fit success

Reebok surged in popularity in 1982 after the introduction of the [Freestyle athletic shoe](#), which was specifically designed for women and came out when the [aerobics](#) fitness craze started. Not only was the Reebok Freestyle popular as athletic wear, but also on the streets as casual wear because of its comfort and styling. As a result the Freestyle became an icon of the 1980s [fashion](#) scene with hi-top versions (including two [velcro](#) straps at the top) and colors including white, black, red, yellow, and blue. Reebok continues to produce the Freestyle to this day as it is popular with [cheerleading](#), [aerobic](#) dancing, the [gym](#), and other consumers.



Following the height of the Freestyle success, Reebok also introduced a popular athletic shoe for men, called the [Ex-O-Fit](#). Similar to the Freestyle, it came in low-top and hi-top versions; however, unlike the Freestyle hi-top with two Velcro closure straps, the Ex-O-Fit only had one strap. One of the designers of this early footwear was the founder's son, David Foster.

## **Basquiat**

In 2006, Reebok licensed [Jean-Michel Basquiat](#); there have been three collaborations to date:

1. European street wear designer Maharishi designed 3 colors 3,000 pair
2. West coast art/skate brand RVCA designed 2 colors 2,000 pair
3. Artist Designer Rolland Berry designed 1 color 500 pair

## **Human rights and production details**

In the past, Reebok had an association with [outsourcing](#) through [sweatshops](#), but today it claims it is firmly committed to [human rights](#). In April 2004, Reebok's footwear division became the first company to be accredited by the Fair Labor Association. In 2004, Reebok also became a founding member of the Fair Factories Clearinghouse, a non-profit organization dedicated to improving worker conditions across the apparel industry.

## **Supplier information, according to the Reebok website**

"**Footwear** Reebok uses footwear factories in 14 countries. Most factories making Reebok footwear are based in Asia—primarily China (accounting for 51% of total footwear production), Indonesia (21%), Vietnam (17%) and Thailand (7%). Production is consolidated, with 88% of Reebok footwear manufactured in 11 factories, employing over 75,000 workers."

**"Apparel** Reebok has factories in 45 countries. The process of purchasing products from suppliers is organized by region. Most (52%) of Reebok's apparel sold in the US is produced in Asia, with the rest coming from countries in the Caribbean, North America, Africa and the Middle East. Apparel sold in Europe is typically sourced from Asia and Europe. Apparel sold in the Asia Pacific region is typically produced by Asian-based manufacturers.

## **Endorsements**

The company holds exclusive rights to manufacture and market both authentic and replica uniform jerseys and sideline apparel of the teams of the [National Football League](#) (Gridiron) since 2002, the [Canadian Football League](#) since 2004, and is the official shoe supplier to the [NFL](#) Gridiron and [Major League Baseball](#). In addition Reebok acquired official [National Hockey League](#) sponsor [CCM](#) in 2004, and is now manufacturing [ice hockey](#) equipment under the CCM and Reebok brands, and has signed popular young stars [Sidney Crosby](#) and [Alexander Ovechkin](#) to endorsement deals (Crosby for Reebok, Ovechkin for CCM). Reebok has phased out the CCM name on NHL authentic and replica jerseys in recent years, using the Reebok logo since 2005. Reebok is also endorsed by [Allen Iverson](#), [Yao Ming](#), [Carolina Klüft](#), [Amélie Mauresmo](#), [Nicole Vaidišová](#), [Shahar Pe'er](#), [Ivy](#), [Thierry Henry](#), [Vince Young](#), [Iker Casillas](#), [Ryan Giggs](#), [Andriy Shevchenko](#) and [Amir Khan](#)

It maintains its relationship with its origins in England through a long-term sponsorship deal with [Bolton Wanderers](#), a [Premiership football](#) club. When the team moved to a brand new ground in the late-1990s, their new home was named the [Reebok Stadium](#). Several other English clubs had Reebok sponsorship deals up until the purchase by Adidas, but most have since switched to either the parent brand (which has a long history in football) or another company altogether.

In 2005, Reebok also signed an exclusive agreement to design and supply all 8 team home and away strips for the new Australian [A-League](#) competition. Although not an expensive deal, this partnership is paying huge dividends for Reebok, due to the growing popularity of football and the league in the area. An estimated 125,000

jerseys have been sold in Australia, a record for a single league's sales in a year for a sports manufacturer.

Reebok sponsors four teams in the [Australian Football League](#), those being the [Fremantle Football Club](#), the [Melbourne Football Club](#), the [Port Adelaide Football Club](#) and the [Richmond Football Club](#), the latter two beginning their association from the 2007 season. Reebok has supplied [rugby league](#) teams the [Melbourne Storm](#), [Manly Sea Eagles](#) and the [Gold Coast Titans](#) with club's kits and other merchandise.

In [rugby union](#), Reebok sponsored the [Wales national team](#) until late 2008, the last team to date to win a [Grand Slam](#) in the [Six Nations Championship](#), and the [Tasman Makos](#) in [New Zealand](#)'s domestic competition, the [Air New Zealand Cup](#).

In 2006, current [Barcelona](#) and [France](#) striker [Thierry Henry](#) (then playing for [Arsenal FC](#)) signed a deal to join the "I Am What I Am" campaign on August 1, 2006. [Ryan Giggs](#) has also done "I Am What I Am" commercials. Also, on August 1, 2006, [Andriy Shevchenko](#) started his endorsement deal with the company.

The company also holds sponsorships with Mexican club [CD Guadalajara](#), Brazilian clubs [Cruzeiro](#), [Internacional](#) and [São Paulo](#), and German club [1. FC Köln](#) for the 2008/09 season.

Several international [cricketers](#), such as Pakistani batsmen [Shoaib Malik](#) and [Abdur Razaq](#), Sri Lankan player [Mahela Jayawardene](#), Indian captain [Mahendra Singh Dhoni](#), Bangladeshi captain [Mohammad Ashraful](#), Indian batsmen [VVS Laxman](#) and [Rahul Dravid](#), Bangladeshi cricketers [Mohammad Rafique](#) and [Habibul Bashar](#), and [Chris Gayle](#) of the [West Indies](#) endorsed Reebok. They are supplied with Reebok [cricket](#) shoes, as well as with [cricket bats](#) marked with the Reebok brand in the cases of Malik, Dhoni, Laxman, and Gayle. In fact, these bats are actually made by Reebok. Also in August 2006 Reebok re-signed a Track & Field athlete to a 2 year deal, the contract supposedly insisted of [Curtis James](#) to test upcoming shoes, and other innovative designs. He also endorses Reebok running apparel, where he is supplied with Clothing, Shoes, Hats, and other Reebok running equipment. Curtis re-signed

once again in 2008. In September, 2007 it appeared that Reebok had also signed Sanath Jayasuriya of Sri Lanka. Either that, or Sanath simply decided to start using Reebok products. Reebok also made the uniforms used in the [Indian Premier League](#), such as the [Rajasthan Royals](#) and [Chennai Super Kings](#)' kits.

Rapper [Jay-Z](#) became the first non-athlete to get a signature shoe from Reebok. The "S. Carter Collection by Rbk" was launched in November 21, 2003 and the "S. Carter" sneaker became the fastest selling shoe in the company history.<sup>[4]</sup> Later Reebok made a deal with rapper [50 Cent](#) to release a line of [G-Unit](#) sneakers and artists like [Nelly](#) and [Miri Ben-Ari](#) have become spokespersons for the company. Also the DJ [Tiesto](#) released an own line of sneakers. Reebok also signed [Scarlett Johansson](#) and introduced her very own line of apparel and footwear called [Scarlett Hearts](#) an [RBK](#) Lifestyle Collection.

### **Cricket teams with kits manufactured by Reebok**

#### **Asia**

- [Chennai Super Kings](#)
- [Rajasthan Royals](#)
- [Bangalore Royal Challengers](#)
- [Kolkata Knight Riders](#)

### **Football (soccer) clubs/leagues with kits manufactured by Reebok**

#### **Europe**

- [Bolton Wanderers](#)
- [Aris FC](#)
- [KF Drenica](#)

- [1. FC Köln](#)
- [PFC CSKA Moscow](#)

## **Africa**

- [Bloemfontein Celtic](#)
- [AmaZulu F.C.](#)

## **Asia**

- [Adelaide United](#)
- [Central Coast Mariners](#)
- [Melbourne Victory](#)
- [Newcastle Jets](#)
- [Perth Glory](#)
- [Queensland Roar](#)
- [Sydney FC](#)
- [Wellington Pheonix](#)
- [Kingfisher East Bengal FC](#)
- [Mohun Bagan](#)
- [Persela Lamongan](#)

## **North America**

- [Deportivo Guadalajara](#)

### Central America

- [Deportivo Saprissa](#)

### South America

- [Internacional](#)
- [São Paulo](#)
- [Cruzeiro](#)

### Rugby Union

- [Tasman Makos](#)



<a href="#">Type</a>	<a href="#">Limited</a>
<b>Founded</b>	1924 (Registered in 1948)
<b>Headquarters</b>	<a href="#">Herzogenaurach, Germany</a>

	<a href="#">Rudolf Dassler</a> (Founder)
	<a href="#">Jochen Zeitz</a> (CEO)
<b>Key people</b>	<a href="#">Melody Harris-Jensbach</a> (Deputy CEO)
	Dieter Bock (Chief Financial Officer)
	Stefano Caroti (Chief Commercial Officer)
<b>Industry</b>	<a href="#">Sportswear</a> <a href="#">Footwear</a> and <a href="#">Sports Goods</a>
	<a href="#">Footwear</a>
<b>Products</b>	<a href="#">Accessories</a>
	<a href="#">Sportswear</a>
<b>Revenue</b>	▲€2,373.5 million
<b>Employees</b>	9,204
<b>Website</b>	<a href="http://www.puma.com">www.puma.com</a>

**Puma AG Rudolf Dassler Sport (Puma)** (FWB: [PUMG](#)) is a large German [multinational company](#) that produces high-end [athletic shoes](#), lifestyle footwear and other [sportswear](#).

The company is known for its [association football](#) shoes and has sponsored footballers, including [Pelé](#), [Eusébio](#), [Johan Crujff](#), [Enzo Francescoli](#), [Diego Maradona](#), [Lothar Matthäus](#), [Kenny Dalglish](#), [Didier Deschamps](#) and [Gianluigi Buffon](#). Puma is also the sponsor of the Jamaica track athlete [Usain Bolt](#) who won three gold medals by breaking the men's 100m, 200m and 4x100m world records in the 2008 Beijing Olympics. In the United States, the company is probably best-known for the [suede basketball](#) shoe it introduced in 1968, which eventually bore the name of

[New York Knicks](#) basketball star [Walt "Clyde" Frazier](#), and for its endorsement partnership with [Joe Namath](#).

The company also offers lines shoes and sports clothing, designed by Lamine Kouyate, Amy Garbers, and others. Since 1996 Puma has intensified its activities in the United States. Puma owns 25 percent of American brand sports clothing maker [Logo Athletic](#), which is licensed by American professional basketball and Association football leagues. Since 2007 Puma AG is part of the [PPR](#) French luxury group.

## History

### Gebrüder Dassler Schuhfabrik

Christoph Dassler was a worker in Big Dogs shoe factory, while his wife Pauline ran a small laundry in the [Bavarian](#) town of [Herzogenaurach](#), 20 kilometres from the city of [Nuremberg](#). Their son [Rudolf Dassler](#) after leaving school joined his father at the shoe factory, and was then called up to fight in World War I. On his return from the front, Rudolf took a management position at a [porcelain](#) factory, and later in a leather wholesale business in [Nuremberg](#).

### A single Puma Speed Cat.

After tiring of working for others and away from home, Rudolph returned to Herzogenaurach in 1924 to join his younger brother [Adolf, known as "Adi"](#), who had founded his own shoe factory. They called the new business ***Gebrüder Dassler Schuhfabrik*** (*Dassler Brothers Shoe Factory*). The pair started their venture in their mother's [laundry](#), but at the time, electricity supplies in the town were unreliable, and the brothers sometimes had to use pedal power from a stationary bicycle to run their equipment.<sup>[2]</sup> By the [1936 Summer Olympics](#), Adi Dassler drove from Bavaria on one of the world's first motorways to the Olympic village with a suitcase full of spikes and persuaded United States sprinter [Jesse Owens](#) to use them, the first sponsorship for an African-American. After Owens won four gold medals, his success cemented the good reputation of Dassler shoes among the world's most famous sportsmen. Letters from around the world landed on the brothers' desks, and the trainers of other national



teams were all interested in their shoes. Business boomed and the Dasslers were selling 200,000 pairs of shoes each year before World War II.<sup>[3]</sup>

### **Company split**

Both brothers joined the [Nazi Party](#), but Rudolf was slightly closer to the party. During the war, a growing rift between the pair reached a breaking point after an Allied bomb attack in 1943 when Adi and his wife climbed into a bomb shelter that Rudolf and his family were already in: "The dirty bastards are back again", Adi said, apparently referring to the Allied war planes, but Rudolf was convinced his brother meant him and his family. After Rudolf was later picked up by American soldiers and accused of being a member of the [Waffen SS](#), he was convinced that his brother had turned him in.

In 1948, the brothers split their business, when Rudi left the high hill for the other side of the [Aurach](#) river: Adolf called his firm [Adidas](#) after his nick name Adi and the first three letters of his last name **Adi Dassler**; Rudolf called his new firm **Ruda** - from **Rudolf Dassler**.

### **Puma**

Rudolf's company changed its name to ***Puma Schuhfabrik Rudolf Dassler*** in 1948, and became a [public company](#) in 1986, listed on the [Börse München](#) and [Frankfurt Stock Exchange](#).

The sponsorship of sports stars continued, including:

- 1948 - In the first football match after World War II, several members of the West German national football team wear Puma boots, including the scorer of West Germany's first post-war goal, [Herbert Burdinski](#)
- [1952 Summer Olympics](#) - [Josy Barthel](#) of [Luxembourg](#) won Puma's first Olympic Gold (1500m) in [Helsinki, Finland](#)

- [1960 Summer Olympics](#) - Puma paid German sprinter [Armin Hary](#) money to wear Pumas in the 100 metres final. Hary had worn Adidas before and asked Adi for payment, but Adidas rejected this. Hary won gold in Pumas, but then laced up Adidas for the medals ceremony - to the shock of both Adi and Rudolf. Hary hoped to cash in from both with the trick, but Adi was so outraged he banned the Olympic champion.<sup>[3]</sup>
- [1970 FIFA World Cup](#) - [Pelé](#) stopped the referee with a last-second request to tie his shoelaces at the opening whistle of a 1970 World Cup finals match and then knelt down to give millions of television viewers a close-up of his Pumas. Pelé was complying with a request by Puma's representative Hans Henningsen to raise the German sports shoe company's profile after they gave him \$120,000 to wear their boots.<sup>[3]</sup>
- [1972 Summer Olympics](#) - Puma provided running shoes for the 400m hurdles champion, John Ake Bua, from Uganda. After Ake Bua was forced out of Uganda by its military government, Puma employed Ake Bua in Germany, and tried to help integrate him and his family in German society, but eventually Ake Bua returned to Uganda.

However, the brothers earlier split led to a divided town. From 1948, the town was really split in two like a sort of mini Berlin. Brand loyalty became paramount for many residents, and there were stores, bakers and bars which were unofficially known as either loyal to Rudolf's Puma, or to Adolf's Adidas. The town's two football clubs were also divided: ASV Herzogenaurach club wore the three stripes, while 1 FC Herzogenaurach had the jumping cat on its footwear. Intermarriage was frowned upon. When handymen came to work at Rudolf's home, they would wear Adidas shoes on purpose so that when Rudolf would see their footwear, he'd tell them to go to the basement and pick out a pair of Puma shoes, which they could have for free. The two brothers never reconciled, and although both are buried in the same [cemetery](#), they are spaced apart as far as possible.

In May 1989, Rudolf's sons Armin and Gerd Dassler agreed to sell their 72 percent stake in Puma, to [Swiss](#) business [Cosa Liebermann SA](#).

## Timeline

- 1920: Rudolf Dassler and his brother [Adolf](#) start making sports shoes.
- 1924: Foundation of Gebrüder Dassler Schuhfabrik, Herzogenaurach, Germany.
- 1948: Foundation of Puma Schuhfabrik Rudolf Dassler (October 1.), Introduction of the ATOM, Puma's first football shoe.
- 1949: Rudolf Dassler has the idea of football shoes with removable studs. He begins working on their development and production. Many football experts, like [Sepp Herberger](#), are involved.
- 1952: Introduction of the SUPER ATOM.
- 1953: Development of ATOM's successor: the BRASIL.
- 1958: Introduction of PUMA's signature formstrip at the FIFA World Cup in Sweden.
- 1959: The company is transformed into a [limited partnership](#) named PUMA-Sportschuhfabriken Rudolf Dassler KG.
- 1960: Introduction of the technologically advanced vulcanization production technique.
- 1966: Launch of the WEMBLEY, the predecessor model to the KING.
- 1968: Launch of the legendary KING. PUMA is the first manufacturer to offer sports shoes with Velcro® fasteners.

- 1974: Rudolf Dassler dies. His sons Armin and Gerd take over the company's management.
- 1976: Introduction of the revolutionary S.P.A.-Technology.
- 1982: Armin Dassler invents the DUOFLEX sole.
- 1986: Transformation into a [stock corporation](#).
- 1989: Launch of the TRINOMIC sport shoe system.
- 1990: Introduction of INSPECTOR, a growth control system for children's shoes.
- 1991: Launch of the DISC SYSTEM sports shoe.
- 1992: Capital increase by DM 20 million, share capital reaches DM 70 million.
- 1993: [Jochen Zeitz](#) is appointed Chairman and CEO, Proventus/Aritmos B.V. becomes majority shareholder.
- 1994: The first profit since the company's IPO in 1986 is reregistered.
- 1996: Puma is listed in the German [M-DAX index](#); introduction of the CELL technology, the first foam-free midsole.
- 1997: Launch of the CELLERATOR.
- 1998: Puma merges sports and fashion. The company starts a cooperation with designer [Jil Sander](#).
- 1999: Puma becomes an official on-field supplier of the [U.S. National Football League](#) (NFL).

- 2000: Production of fireproof footwear in partnership with [Porsche](#) and [Sparco](#).
- 2001: Acquisition of the Scandinavian Tretorn Group.
- 2002: Launch of the SHUDOH.
- 2003: Majority shareholder Monarchy/Regency sells its shareholdings to a broad base of institutional investors.
- 2004: Collaborative partnership with world-renowned designer [Philippe Starck](#).
- 2005: Mayfair Vermögensverwaltungsgesellschaft mbh acquires a total of 16.91% shareholding.
- 2006: The company is listed in the Dow Jones Sustainability Index; Introduction of the S.A.F.E. concept, a specific tool developed to continuously improve social and environmental standards. Shoe collection in cooperation with [Alexander McQueen](#).
- 2007: Voluntary public take-over by [Pinault-Printemps Redoute](#); Prolongation of the contract with Jochen Zeitz by five years.
- 2008: [Melody Harris-Jensbach](#) is appointed Deputy CEO; Designer and artist [Hussein Chalayan](#) becomes Creative Director, Puma also acquires a majority stake in Chalayan's business and *Hussein Chalayan*.

### **Present day**

Puma AG has approximately 9,204 employees and distributes its products in more than 80 countries. For the fiscal year 2012, the company had revenue of €1.274 billion. Puma were the commercial sponsors for the 2002 [anime](#) series, [Hungry Heart: Wild Striker](#), with the jerseys and clothing sporting the Puma brand.

The company has been conducted by CEO and Chairman [Jochen Zeitz](#) since 1993. His contract has been extended ahead of schedule for four more years until 2012 in October 2007.

Japanese fashion guru Mihara Yasuhiro teamed up with Puma to create a high-end and high-concept line of sneakers<sup>[7]</sup>

Puma is the main producer of enthusiast driving shoes and race suits. They are the prime producer in both Formula One and NASCAR especially.

They had successfully won the rights of sponsoring the [2006 FIFA World Cup](#) champions, the [Italian national football team](#), with them making and sponsoring the clothing worn by the team. Their partnership with Ferrari and BMW to make Puma-Ferrari and Puma-BMW shoes has also contributed to this effect. On 15 March 2007, Puma launched its first new 2007/2008 line of uniforms for a club, and [Brazilian](#) football club [Grêmio](#) will be the first to use the laser sewn technology, similar to the one worn by Italy at the 2006 World Cup. Grêmio and other Brazilian clubs will be the first to use the technology because their season starts six months earlier than European clubs. Puma also makes baseball cleats, and [Johnny Damon](#), the all-star center fielder for the [New York Yankees](#), is their spokesperson. He wore Puma's during the [Boston Red Sox 2004 World Series](#) victory. He has his own cleat called the "DFR Metals".

### **The legendary KING**

In 2008, Puma celebrated the 40th anniversary of the *KING* with a special anniversary edition, the *KING XL* (XL is 40 in [Roman Numerals](#)), a tribute to [Portuguese](#) footballer [Eusébio](#), who shot 42 goals with the legendary KING in 1968, winning the [Golden Boot Award](#) as Europe's leading scorer. The KING also was the favourite shoe of players like [Pelé](#), [Mario Kempes](#), [Rudi Völler](#), [Lothar Matthäus](#) and [Massimo Oddo](#).



<a href="#">Type</a>	<a href="#">Private</a>
<b>Founded</b>	1973
<b>Headquarters</b>	<a href="#">Treviso</a> , Italy
<a href="#">Industry</a>	<a href="#">Sportswear</a>
<a href="#">Products</a>	<a href="#">Footwear</a> <a href="#">Sportswear</a>
<a href="#">Website</a>	<a href="http://www.lottosport.com">www.lottosport.com</a>

**Lotto Sport Italia** is an Italian sports [apparel](#) manufacturer. It began in June 1973 and has since become a world-renowned apparel company. Lotto was founded by the Caberlotto family, who used to own Italian soccer team [Treviso](#). It originally made [tennis](#) shoes; [basketball](#), [volleyball](#), [athletics](#) and [football](#) apparel all followed. Its products are now distributed in more than 60 countries. Lotto's new top-of-the-range football boots are the Zero Gravity shoes which sport a unique and revolutionary lace less design and provide more comfort when kicking a ball.

## **Literature review**

### **In the study done by (Bettman, 1979)**

On consumer behavior has evolved since the Information Processing Model assumed that the individual is logical in his/her buying process. This model was criticized because it failed to treat different consumption phenomena motivated by symbolic meanings. Individuals are not always looking for efficiency and economy, but also for distraction, aesthetic, expression.

### **Another study done by the (Holbrook, 1986) reveals that:**

Calling for a broadening of theoretical frameworks of consumer behavior, many authors pleaded in favor of the study of all consumption forms being inspired by European semiology and American semiotics. These are the study of signs, meanings and production of symbols. Fantasy, emotion and pleasant aspects of consumption were then tackled from an experiential point of view.

### **Another study done by (Holbrook and Hirschman, 1982; Olshavsky and Granbois, 1979) shows:**

The **Experiential View** mentioned by is a phenomenological perspective that perceives consumption as a primary state of consciousness having a variety of symbolic meanings, responses and hedonist criteria. The basis of the traditional Information Processing Model is the optimization of the utility of a product under the basis of a utilitarian evaluation of its tangible characteristics. Nevertheless, it neglects emotional aspects. On the other hand, the Experiential View leaves out different factors such as economic conditions, expectations, some elements of the marketing mix (price, distribution), perceived risk and conflicts, but mostly the social influence of the consumers' reference groups which is the aim of the **Symbolic Interactionism Perspective**.

### **According to Belk (1978) the study shows:**



Acquisition, possession and consumption are activities taking place in a process of impressions creation or identity management which is, an interactive process concerning both the image of goods consumed and that of the individuals consuming them. The Symbolic Interactionism Perspective deals with the relationship between consumers and the products they consume, and suggests that a significant proportion of consumption behaviors consist of social behaviors, and vice versa. This leads us to consider the importance of **socialization processes** (family, reference groups) through which individuals learn the meanings of symbols and those of consumption.

**In the study done by the (Leigh and Gabel, 1992) shows that:**

Since individuals are often motivated to acquire products according to what they mean to them and to members of their social reference groups their behavior is subject to the pressures of cultural norms and the expectations of socialization institutions rules such as those coming from family and other reference groups. Thus, Symbolic Interactionism Perspective considers the human spirit as fundamentally social, and dependent on shared symbols. The symbols being generated at a global level the Symbolic Interactionism Perspective accepts as precept the fact that society and its culture precede every individual action, and that a cultural consensus results from interactions, communication, and negotiation between social actors.

**According to Erickson, Johansson and Chao (1984):**

If, at a conceptual level, the consumption good becomes an instrument of communication, at an operational level, **image variables** may be regarded as the intangible attributes of the product that carry cultural and social meanings. An image variable is defined as “some aspect of the product that is distinct from its physical characteristics but that is nevertheless identified with the product”. The image variables emerge from four cognitive representations individuals have of their environment:

- the symbolism of advertising,
- the celebrity endorsement,
- the brand, and

- the country of origin of the product.

Itamar Simonson, Marketing Professor, Stanford GSB and Ran Kivetz, Assistant Professor at Columbia University says that customers may not know what they want and second-guessing them can be expensive. In his words, "The benefits and costs of fitting individual customer preference are more complex and less deterministic than has been assumed." That's because, Simonson says, "customer preferences are often ill-defined and susceptible to various influences, and in many cases, customers have poor insight into their preferences."

In another recent paper, Simonson tackles the issue of one-to-one marketing and mass customization. Supporters of these marketing approaches have suggested that learning what customers want and giving them exactly what they want will create customer loyalty and an insurmountable barrier to competition. "The fact that **consumer preferences** are often fuzzy, unstable, and manipulatable is unlikely to change. So, the effectiveness of methods to give customers exactly what they (say they) want has been grossly exaggerated." His take on the long-held assumption that individual marketing will supplant targeted marketing is "not so fast." That's because consumers are very difficult to figure out, science fiction and technology notwithstanding. "Furthermore, even when customers have well-defined preferences and receive offers that fit those preferences, it is far from certain that the response to such offers will consistently be more favorable than those directed at larger market segments."

It's all psychology. Consumers with well-defined preferences may be skeptical that a marketer could match expectations. Those who don't know what they want may not ever see the fit with what the seller wants them to buy. So, individualized offers depend on customers' preferences; how the offer was extended & on trust. "Effective individual marketing requires not only an understanding of individual preferences and matching offers to those preferences, but also a thorough familiarity with the various factors that impact customers' responses".

**Crow (1989) in her study posed two questions for respondents:**

- a) How difficult is it to customize a product?, and

b) How likely is the person to purchase the product?

All participants in the study chose to customize products. In terms of customers' likelihood to purchase, a greater number of customers made purchase decisions when there are more options to choose. However, it was slightly more difficult when more features were offered.

She created a website where people could customize products to their individual preferences and needs. Crow selected three generic products: pizza, shoes, and a Personal Digital Assistant (PDA). Thirty-one college students took part in the study. "Students could customize the three products, and I provided a drop-down box on the site with attributes to choose from,"(Crow). Consumers could click on a drop-down box to customize a product they would want to purchase, she said. She found that more people relied on the default choices rather than selecting other choices that were offered. She said, some research suggests that many people do not want to put a lot of effort into purchase decisions. "A lot of times, people may not have preferences already in mind". When consumers have the chance to create preferences, the question is whether they rely on previous preferences or if they develop new ones. She hopes her research will help consumers in making purchase decisions and help businesses determine products to offer and how to offer them.

## **Research Methodology**

### **Introduction**

Research comprise defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organizing and evaluating data; making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis. In short, the search for knowledge

through objective and systematic method of finding solutions to a problem is Research.

### **Research Objectives**

- To analyze the reasons for the preferences towards international sports wear brands over domestic sportswear brands.
- To find out the tastes, preferences, and buying behavior of consumers in the case of sportswear brands.
- To find out the most preferable International sports wear brands.
- To identify which age group preferring international brands more.

### **Nature of the Study**

The nature of the study is exploratory as well as descriptive

### **Sampling Procedure and Design**

In developing a sampling design I am considering the following points.

### **Universe and survey population**

From the vast field of study, the universe of the research is Kurukshetra

### **Sample unit**

The sample unit for my study is the customers of sportswear brands in Kurukshetra of different age group, gender and profession.

### **Sample size**

I am taking 100 consumers of different sportswear brands as my sample size

### **Data Collection**

Collection of data is from two sources: - **Primary and Secondary**.

**Primary data** collected through **questionnaire** distributed to consumers of sportswear brands, domestic as well as international brands.

The sources of **secondary data** are:

- Journals
- Books
- Websites
- Magazines

### **Analysis & Interpretation of Data**

Data collected is analyzed with the help of Bar Graphs and Pie Charts.

### **Sampling Method**

The method used for sampling is Random sampling.

### **Significance of the study**

In today's competitive and globalized market, consumers are becoming more quality conscious. They want value for their money spent on a particular product. In such a situation they prefer to buy branded items rather than non-branded. Moreover if they are wearing a international brands like Adidas, Nike, Reebok and Puma etc., gives them a different kind of satisfaction in terms of quality, sometimes prestige also.

**For researcher:-** It will be beneficial for a researcher to know, why people are preferring international brands and what is the quality difference among domestic and international brands.

**For companies:-** It will be beneficial for companies to make their products according to need of consumers for better customer satisfaction.

### **Limitations of the study**

- The geographical area is very much limited to the area of kurukshetra covering various schools and colleges and markets. So the results may not be particularly reflection of the current behavior.

- Due to limited time period and constrained working hours for most of the respondents, they might not be ready to spend much time on questionnaire seriously.
- Huge money is required for conducting a survey and research. Being a student I have this constraint too.

## **ANALYSIS AND INTERPRETATION**

### **Introduction**

In this chapter the researcher analyzed the data collected through the distribution of the questionnaire. This chapter comprises the analysis of the respondents' taste and preference towards international as well as domestic sportswear brand. It includes the demographics, attitudes towards international sportswear brands, consumers' preferences etc... Both dichotomous questions and rating over 5 point likert type scale were used for measuring importance, reasons of purchase factor affecting the decision of buying the international brand.

For the better analysis the present study was divided into 4 parts;

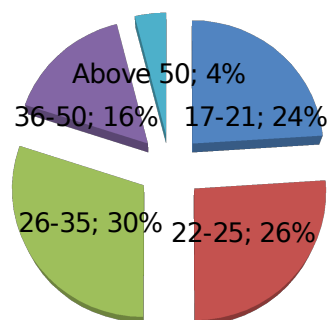
- Demographical profile
- Brand
- Customer preferences
- Buying behavior

### Demographical Profile

In this study the researcher had divided the demographical profile of the respondents on the basis of age, gender and profession. The reason behind this is that one of the objectives of the present study is to find out the age group preferences towards international brands.

### Age

## Age Group of Respondent

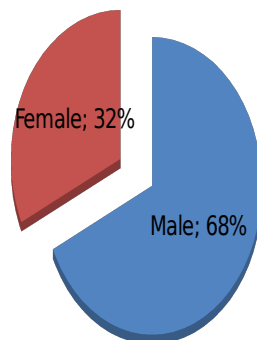


**Interpretation:-** The above chart reveals that the age group is divided into five categories. 17-21; 22-25; 26-35; 36-50 and above 50. Maximum respondents are of 26-35 yrs. age group. But when we analyze carefully we could find out that 17 – 25 yrs. which comprises two age groups according to my category are the majority

respondent. Why the researcher was combining this was that the age group of 17-25 were the students. The least age group of respondent (4%) is above 50yrs.

## Gender

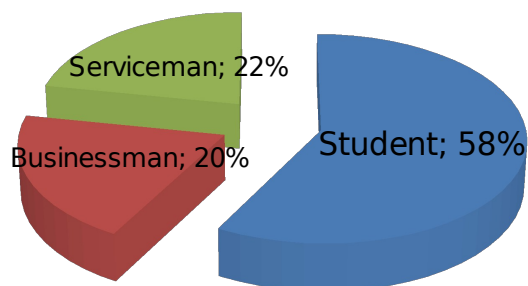
### Gender distribution of Respondent



**Interpretation:** The above data reveals that, out of 100 respondent 68 (68%) are male respondent and 32 (32%) are female respondent. Since it is random sampling and majority of the international brand user are male my present study is mainly taking male mainly.

## Profession

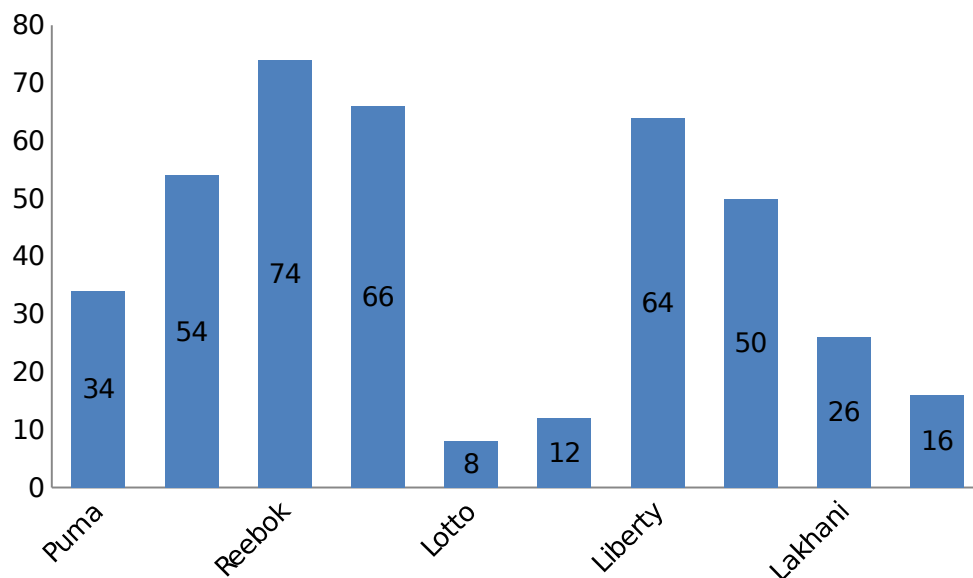
### Profession of Respondents





**Interpretation:** The above data reveals that, for the present study the researcher had divided the profession into three categories; Students, businessmen and servicemen. The student's category includes the students above the age of 17 and below 25. The servicemen category includes, teaching and non-teaching staffs of colleges. Out of the 100 respondent 58 are students (58%); servicemen are 22 (22%) and 20 are businessmen (20%).

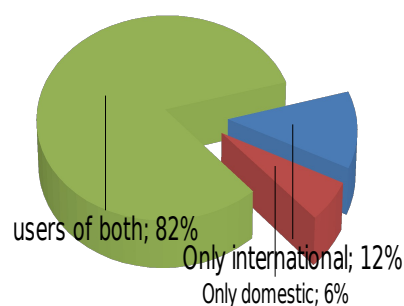
#### Brand



**Interpretation:** The above data reveals that, the brand is categorized into International brand and domestic Brand. Here in this present study we are discussing about the brand of Sports wears alone. The major international sports wear brands are Nike, Adidas, Reebok, Puma, Lotto, and Lacoste. The domestic brands include Liberty, Action, Lakhani, and Shiv- Naresh. Here the researcher was analyzing how many of the respondent had tried these brands. Majority of the respondent have tried Reebok Brand (74%). Almost 65 percent of the respondents are of the opinion that they have tried Adidas and Liberty In domestic brand majority of the respondent had tried Liberty brand and in international brand majority of them had tried Reebok. Lotto, Lacoste and Shiv Naresh are the brand which the respondent use or tried very less.

### International Vs. Domestic

### Domestic vs international sports wear brands

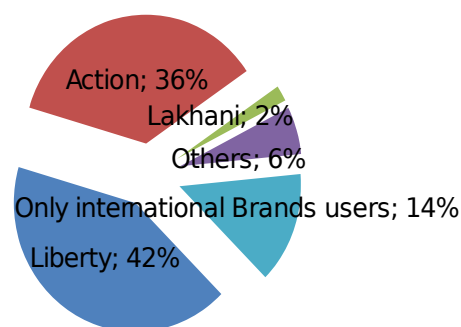


**Interpretation:** The above data reveals that, in the present study the international brand means the brand companies which have its head office outside Indian Territory

and the brands which have its head office in India are domestic Brands. As we had categorized above there are 6 international brand and 4 domestic brands which are the market leaders in the Indian sportswear brand market. From the percent study it is clear that the respondents had tried both the brands (82%) Only less than 10 percent had tried either international or domestic brand alone.

## Domestic Brands

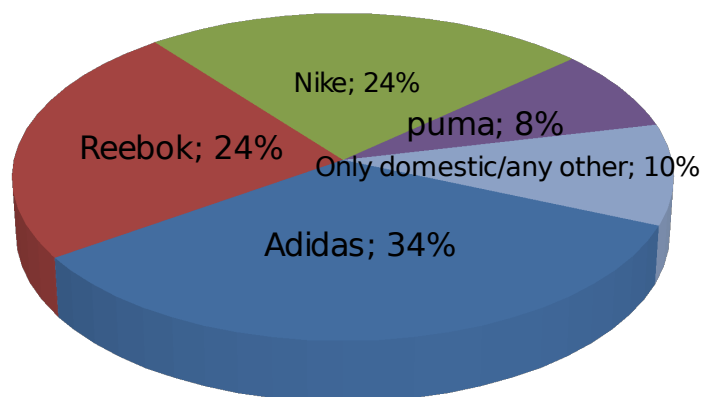
### Domestic sports wear brands performance



**Interpretation:** The above data reveals that, as we have discussed earlier there are 4 domestic brands. Out of the four domestic brands majority of the respondents (42%) are using Liberty's sportswear brands. The least preferred domestic brand is Lakhani.

## International Brands

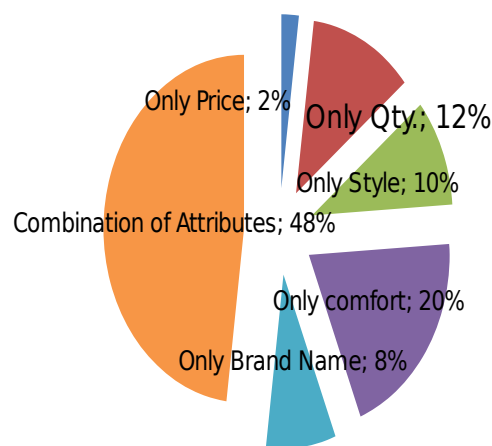
### International Brand respondents



**Interpretation:** The above data reveals that, there are mainly 6 international brands. In the below graph we could find out that 34% of the respondent are using the international brand Adidas. On the other hand both Nike and Reebok are having 24% where as in the case of Lotto and Lacoste there was no respondent who are in favor of these international brands.

### Reason for preferring International Brands

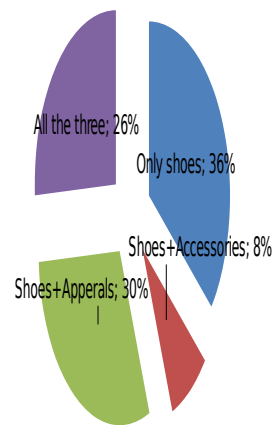
#### What Attracts a Customer to Buy international brand



**Interpretation:** The above data reveals that, the respondents had given choice to select certain options. The options were price, quality, style, comfort, Brand name or combination of attributes. Majority of the respondent are of the opinion that it is not because of one reason rather it is a combination of more than one reasons (48%). Only 20% of the respondents are saying that they are only looking for comfort. This shows that majority of the people are of the opinion that comfort is the major reason why they are selecting the international brands.

### Items purchased by the respondents

**Figure showing percentage of items preferred by consumers of international sports wear brands**

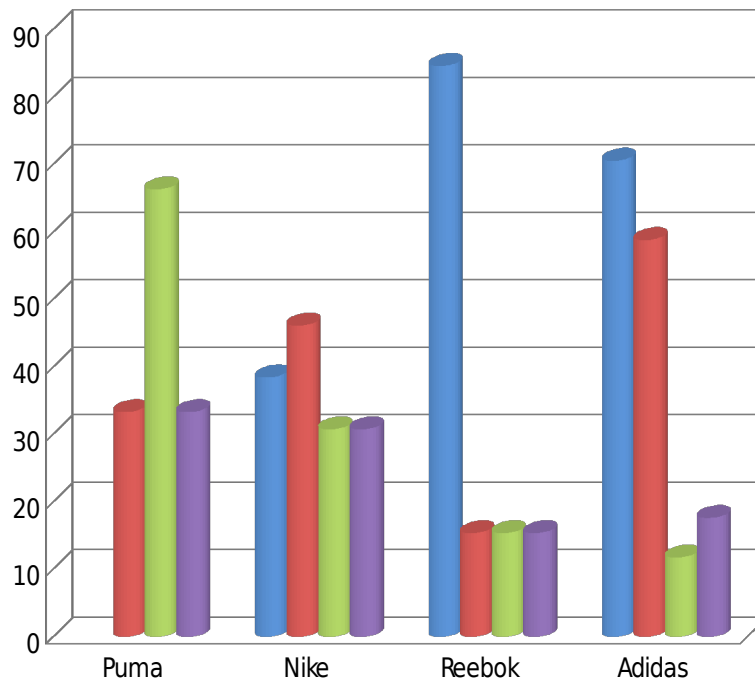


**Interpretation:** The above data reveals that, in this part the researcher discussed about the different items as well the usage of the customer's preference of these items as well. In the apparel includes all the jackets, tracksuits, pullovers, t-shirts etc. In the accessory section it includes cap, elbow band, wrist band, shocks etc.

The entire respondents were using shoes. From the above mentioned figure it is clear that the entire respondents are using shoes. It might be either two or more than two items in certain situation. 36% of the respondents are of the opinion that they used shoes alone of the brand. Whereas 30 percent of the respondents are of the opinion that they uses both shoes as well as apparels. 26 percent of the respondents are of the view that they use all the items that is three items of the international brands are used by them. There are only least people who are purchasing accessories.

### **Customer Preferences**

## Reason for preferring International Brand



**Interpretation:** The above data reveals that, this part discusses about the preference of the customer for a particular brand; why he is buying this particular brand; what expectation he has when he buys an international brand; etc. are discussed here.

### Most preferring Brand

Out of the 6 international brands majority of the respondents are using Adidas (34%). Nike and Reebok international brands are used by 24% of the respondents. Though many have tried Lotto and Lacoste are not the preferable international brands. So we can conclude that the major international brands prevailing in India are Adidas, Nike, Reebok and Puma.

### Why they prefer international brands?

The reason why the people prefer these four brands are comfort, style, design and value for money. When we analyze carefully we could find out that these attribute varies according to the brands. For example the people who prefer Adidas prefer it because of its comfort (70.6%) and style (58.8%). On the other hand the people who

prefer for Reebok because of the reason of its Comfort (84.6%); for Nike it is style (46.2%) and Puma for its design (66.33%). This shows that very international brand differs in there quality and attributes and the people are selecting these brand only because they are satisfying their expectations.

### **Expectation of Buyer**

The expectations of the buyer of international brand are titled in nice looking, style, cost effective and quality of the product. Here we could see that people who are will to buy international brand are not expecting cost effect as their major attribute. Majority of the people go for international brand because of their quality (48%) and style (44%).

### **Buying behavior**

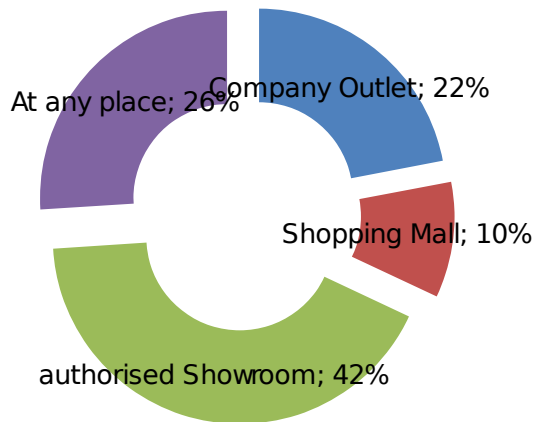
The buying behavior is a concept taken from the consumer behavior. This shows that the customers are of different types. Some are innovators, some are laggards and some are early or late adaptors. Based on this the researcher had categorized in different part.

### **When do the customer buy international brand?**

Majority of the respondent are of the opinion (38%) that they prefer to buy a product when there is discount or promotional activities for a product. Only 12 percent people are innovators regarding the international sportswear brand in India. 36 percent of the people prefer to buy the sportswear when they need it. That means they prefer to buy either when there is a cost reduction or there is a grave need.

### **Where do they buy from?**

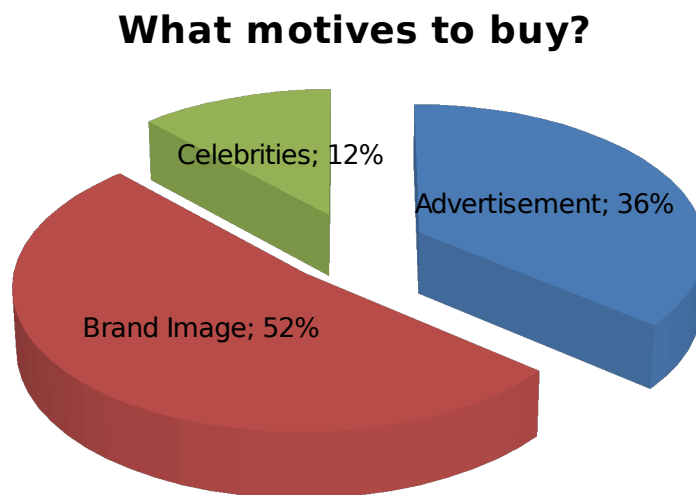
## Where do they Buy?



**Interpretation:** This means that the place where the customer usually prefer to buy the sportswear items. It could be the company outlet or shopping malls, company authorized showroom or at any place to are available. From the present study it is clear that most of the respondents are buying their product from company authorized showroom (42%) Very less respondent are buying from shopping malls. The reason behind this would be because Kurukshetra is not very famous for shopping Malls. Only few small shopping mall are there compared to Chandigarh or Delhi.



**What motivates you?**



**Interpretation:** The above data reveals that the primary motivating factor for buying a product could be advertisement in the media, Celebrities or brand image. According to the present study majority (52%) of the people buy the product of international brand because of its Brand Image and 36 percent of the respondents are buying the product because of the influence of advertisement. Only 12 percent of the respondents are influenced by the celebrity motivation.

## **Findings and Conclusion**

1. Maximum (82%) people are using both international as well as domestic sportswear brands. Only few are stick to domestic and 12 percent are sticking to international sportswear brands only.
2. Maximum consumers tried Reebok and Adidas. Liberty is at third place even more than Nike for the sportswear brands that people have tried.
3. Among international sportswear brands Adidas is the most preferable brand. In succession of that Reebok and Nike are at second place of preference and Puma is at fourth place.
4. Under domestic sportswear brands the major share of preference is occupied by Liberty i.e. 42%. Second place is occupied by Action. But main thing is that major share is occupied by only these two companies.
5. Consumers' looks for more than one attributes during purchase but 20% consumers are there who only comfort look during their purchase and 12% people gives weightage to quality only.
6. Under 'Puma' consumers looks mainly for design and people prefer Nike for its style the most. Reebok is the most comfortable sportswear brand and Adidas, consumers prefer for comfort as well as style both.
7. Maximum people go to company authorized showrooms for purchasing. After that people likes to go to company outlet.
8. Fifty two percent people are agree with the statement that wearing an international brand is now a days associated with status symbol and thirty six percent people are strongly agree with this.
9. Thirty eight percent people purchase these brands at the time of discounted seasons and thirty six percent consumers buy it only at the time of need only.
10. Maximum number of people buys only shoes of these brands. Apparels also prefer to buy but accessories very less.
11. Fifty percent consumers are agreed and fourteen percent are strongly agree in favor of the statement that promotional activities affect their purchase decision.

12. Maximum no. of consumers of international sportswear brands comes under the age group of 22-35. Very less no. of people is using these brands above the age of fifty.
13. About sixty eight percent male people are using these brands and female users of these brands are less.
14. Students are the maximum users of these sportswear brands.

### **Suggestions & Recommendations**

In today's competitive and globalized market, consumers are becoming more quality conscious. They want value for their money spent on a particular product. In such a situation they prefer to buy branded items rather than non-branded. Moreover if they are wearing an international brands like Adidas, Nike, Reebok and Puma etc., gives them a different kind of satisfaction in terms of quality, sometimes prestige also.

1. Comfort attribute of puma is very bad. Hence company should focus on this attribute.
2. Companies should focus on female segment of market. Because sale in this segment is very less.
3. Consumer are buying during the discounted seasons more. Hence companies should go for more discount strategy for boosting the sale.
4. Adidas is lacking in designs, hence company should come in to market with new designs.
5. Youth generation is buying these products more; hence company should launch their products which can meet the requirements of their target customer.

## **Bibliography**

- Kotler Philip, Marketing Management, Pearson Education Indian Branch, New Delhi, 2003.
- Assael Henry, Consumer Behavior, Thomsan Asia Pte Ltd., Indian Branch, New Delhi, 2001.
- Beri GC, Marketing Research, Tata Mc Graw Hill Publishing Co. Ltd., New Delhi, Edition, 2003.
- Loudon David L & Della Bitta Alber J, Consumer Behavior, Tata Mc Graw Hill, New Delhi, 2004.
- Soloman M.R., Surprenant, Czepiel, j.a. and Gutman, E.G.(1983), "A role theory perspective on dyadic interactions" journal of marketing, vol. 49, winter, pp.99-111

## **MAGAZINES & NEWSPAPER**

- Business World, March 2011, P.no. 24
- Business Today, April 2011, P.no. 45
- Economic Times, 11<sup>th</sup> march 2011, P.no. 6
- Times of India, 14<sup>th</sup> Oct. 2010, P.no. 12
- Financial Express, 21<sup>st</sup> March 2011, P.no. 2

## **WEB LINKS**

- [http://www.nike.com/nikeos/p/nike/en\\_IN/](http://www.nike.com/nikeos/p/nike/en_IN/)
- <http://www.adidas.com/in//homepage.asp>
- <http://www.puma.com/noflash.jsp>
- <http://www.reebok.com/IN/style/all>
- <http://www.actionshoes.com/>
- <http://www.google.co.in/>

## Sample Questionnaire

I, Paramjodh , MBA student of, Chitkara Business School, am doing a research project on **“The Study on Customer Age Group (18-25) & their preferences towards international sports wear brands on the basis of price, quality and brand”** I would request your good self to spare a few minutes of your precious time for filling this questionnaire. I assure you that the information gathered will be used only for Research purpose.

Q.1 Have you ever tried a sportswear brand?

1. Yes ☐ 2. No ☐

Q.2 whether it was domestic or an international brand?

1. International ☐ 2. Domestic ☐

Q.3 Which of the following sportswear brands you have tried?

1. Puma ☐ 2. Nike ☐ 3. Reebok ☐ 4. Adidas ☐

5. Lotto ☐ 6. Lacoste ☐ 7. Liberty ☐ 8. Action ☐

9. Lakhani ☐ 10. Any other ☐

Q.4 which **international** sports brand you prefer the most?

\_\_\_\_\_

Q.5 Amongst **domestic** sportswear brand which one you prefer the most?

\_\_\_\_\_

Q.6 which attributes of international brands, attracts you to buy it?

1.Price  2. Quality  3. Style

4.Comfort  5. Brand name  6. Any other

Q.7 Among different international sportswear brands, what attribute of your preferable, distinguishes it from others?

1. Comfort  2.Style  3.Design

4. Value for money  5.Any other

Q.8 what attributes you usually try to find in your preferred brand during shopping?

1. Nice looking  2. Style

3. Cost effectiveness  4.Quality

Q.9 From which place you usually prefer to buy?

1. Company outlet  2.Shopping mall

3. Authorized showrooms  4.Any other place

Q.10 Do you feel that wearing an international brand now a days is associated with status symbol?

- 1. Strongly agree ☐
- 2. Agree ☐
- 3. Neither agree nor disagree ☐
- 4. Disagree ☐
- 5. Strongly disagree ☐

Q.11 what do you feel that which promotional mean affects your buying decision?

- 1. Brand image ☐
- 2. Advertisement ☐
- 3. Brand ambassador ☐

Q.12 When do you usually prefer to buy these brands?

- 1. New arrivals ☐
- 2. Discounted season ☐
- 3. Special occasion ☐
- 4. Only at the time of need ☐

Q.13 what items do you prefer of these brands?

- 1. Shoes ☐
- 2. Accessories ☐
- 3. Apparels ☐
- 4. All the three ☐



Q.14 Do promotional activities influence your purchase behavior?

1. Strongly agree ☐

2. Agree ☐

3. Neither agree nor disagree ☐

4. Disagree ☐

5. Strongly disagree ☐

Q.15 Particulars:-

(A) Name \_\_\_\_\_

(B) Age \_\_\_\_\_

(C) Profession \_\_\_\_\_

(D) Gender \_\_\_\_\_