

# Adidas – college essay



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The case describes the athletic sportswear industry scenario in China with the Germany based sportswear manufacturing giant Adidas in focus. China, the world's most populated country was fast emerging as the next economic superpower and sporting industry in China was flourishing. Adidas had entered the Chinese market in early 1990's through agents and by 1993 China had become the manufacturing hub for its products. Adidas did not have their own retail stores in China and their products were sold through franchisees.

It faced stiff competition from Nike, the world's no 1 sportswear manufacturer and Li-Ning, the Chinese company. Sensing the huge possibilities of growth, and opportunities thrown open by the upcoming Olympic Games in Beijing in 2007, the major industry players, both international and domestic had geared up to reap maximum benefits. The case provides a background to analyze the sportswear industry in China on the basis of Michael Porter's five force model and the company Adidas by its competitive strategies. The demographic profile and segmentation of the Chinese consumers has been described in the case.

The decision of Adidas to acquire Reebok will catapult its market share but will still fall short of the market share held by Nike. The challenges lying ahead of Adidas will be to first achieve synergies resulting by the acquisition and then set its best foot forward to directly confront the market leader and maintain the lead over the domestic favorite. Pedagogical Objectives: \* To analyse the sportswear industry in China on the basis of Michael Porter's five force model