

Nike-high end shoe market survey in bangladesh.doc

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INTRODUCTION

Consumer Behavior

The term consumer behavior is defined as the behavior that consumers display in searching for purchasing, using, evaluating & disposing of products & services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items.

That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and impact of such evaluation on future purchases & disposal. Nike shoes are sold worldwide at high price. People tend to associate high price positively with good quality & maximum performance. Because of the high price, before buying Nike shoes, people undergo extensive information processing, i. e. - ask friends or search the internet to find information about the product. 1. Origin of Report The report has been prepared for Mr. Junaid Khan, faculty at School of Business in North South University as a requirement of MKT344 course. This report is compulsory for students majoring in marketing. 1. 3 Limitations We had faced many obstacles whilst carrying out the survey.

Some of the limitations faced were as

- The survey sample was 50 persons, which was a negligible amount to obtain accurate answer.
- People were not eager to disclose their true income.

- The survey was carried out in a posh area of Dhaka city i. . – in Banani, thus leaving a huge number of respondents outside the survey.

Some people didn't read the questionnaire carefully and they gave results which may not reflect their true opinion. 02.

RESEARCH STRUCTURE

Methodology

In preparing this report we have used both qualitative & quantitative method.

Primary Data We collected primary data by carrying out a survey on 50 people. In the survey there were 16 questions, all of them close ended. We carried out the survey in three days.

Secondary Data

We collected secondary data from the retail outlets. We collected a price list of Nike, Reebok & Adidas shoes from these outlets.

Questionnaire Design

The target sample was set up first before preparing the survey questionnaire. We choose the middle class & upper class educated people as our respondents. That's why we distributed our questionnaires among the students, faculties & people in North South University. The survey questionnaire was divided in three major parts i. e. – demography, perception about Nike & perceptual mapping of Nike.

In the demographic part we asked questions to determine the social class, age group & profession. In the perception section we developed questions in a way to identify consumer perception about Nike itself, usage of Nike & Nike users. In the last part, perceptual mapping we requested the respondents to rank (i. e. – 1, 2, 3 etc) Nike in terms of price, quality & performance compared with other leading brands. Also we asked the respondents to rank features (in order of importance i. e. – 1, 2, 3, 4 etc) that they would consider in buying Nike.

WHAT IS PERCEPTION?

Perception

Perception is defined as the process by which an individual select, organizes & interprets stimuli into a meaningful & coherent picture of the world. It can be described as ‘ how see the world around us’. Indeed the study of perception is largely the study of what we subconsciously add to or subtract from raw sensory input to produce our own private picture of the world.

Suppose two people being exposed to the same Nike product may perceive differently. One might perceive Nike shoes to be high in performance if he/she is satisfied using it, while the other person may perceive the same Nike shoe having low performance.

This proves that perception varies from person to person.

Product Positioning

The essence of successful marketing is the image that a product or service has in the minds of consumers – that is, its positioning. Positioning is more important to the ultimate success of a product than are its actual

characteristics. The core of effective positioning is a unique position that the product occupies in the minds of the consumer.

Positioning of Nike itself (1 = Very High, 2 = High, 3 = Average, 4 = Low, 5 = Poor)

Price 46% 42% 4% 2% 6%

Brand
Image 54% 42% 4% 0% 0%

Quality 36% 42% 22% 0% 0%

Satisfaction
n 26% 40% 30% 4% 0%

Smartness 30% 42% 18% 2% 8%

Rich
People 50% 42% 8% 0% 0%

Positioning of Nike in terms of users (1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree)

Athletes 44% 40% 16% 0% 0%

Satisfied Past Users 28% 38% 24% 10% 0%

Brand Loyal 30% 38% 20% 4% 8%

Customers

PERCEPTUAL MAPPING

Perceptual Mapping

The technique of perceptual mapping helps marketers determine just how their products or service appears to consumers in relation to competitive brands on one or more relevant characteristics. It enables them to see gaps in the positioning of all brands in the product or service class and to identify areas in which consumer needs are not being adequately met.

Price vs. Quality

How consumers perceive the quality of a product is important factor in determining the purchase intention. If the product is not one of high quality the consumer may not be interested in patronizing the product. Besides the quality of a product is a factor that sets the price that consumers are willing to pay.

	Fila	Reebo k	Pum a	Nike	Adida s	Other s
Price	5	2	4	1	3	6
Qualit y	5	3	4	1	2	6

Figure (price vs. quality) From the diagram it is inferred that people perceive Nike as a high priced shoe with high quality. 4. 3 Price vs. Performance How

a product is perceived by consumers in terms of performance (output) is a factor that affects the brand equity of the product and influence repeat purchase intention of consumers.

The advertising emphasis of the use of Nike shoes by prominent sportsmen tends to make consumers feel that wearing Nike shoes is a form of smartness. The brand image is high because people who wear Nike shoes in general, are convinced that Nike keeps up to its standard and also after using Nike shoes, they are satisfied with the quality of the shoes and the purpose for which they bought the shoes. People think that price of Nike is high, because in comparison to other brands like Adidas, Reebok, Puma and Fila, the price is a bit on the high side. The price data collected from the outlets proved people's perception to be true. Rich people because of their attempt to enhance their status symbol usually buy goods of reputed brands, so more rich people tend to buy Nike shoes.

Athletes tend to buy Nike shoes because of the comfort and Nike has always promoted itself as being a sports oriented shoe company. In its advertisement, Nike has used mostly sportsmen like Andre Agassi and Michel Jordan to convey this message. Nike shoes ensure high performance for various sports activities and are smooth when it comes to running or playing sports and are durable, so people tend to think that Nike is suitable mostly for sports activities. Brand loyal customers are used to the comfort in using Nike brand, but when using other brands they don't feel the same level of comfort or satisfaction that they get from Nike. As a reason they stick to using Nike shoes and for them it is a status symbol.

Majority of our respondents were reluctant to buy Nike shoe, although they perceived Nike having a high brand image, maybe of the high pricing of Nike shoes. Since they do not have much disposable income, they cannot afford to buy Nike shoe (yet they wish to buy) and resort to buying cheaper brands like Fila and Puma, although they know that the quality of Nike is much better. In Bangladesh because of the cable television, people are exposed to enormous amount of foreign medium. People are exposed to Nike shoes advertisement on foreign channels, so majority said they came to know about Nike shoes first on television. Also in Bangladesh a lot of foreign magazines including sports magazines are available. From these magazines, in high Nike ads are depicted, people came to know a great deal about Nike shoes. In the Bangladeshi newspapers, there are hardly any ads of Nike shoes, so only a tiny portion of our respondents came to know about Nike shoes from newspaper. The people in Bangladesh who intend to buy Nike first see whether the Nike shoe is original. Consumers want original shoes because of their status and self-esteem and it helps them fulfill their ego need. Price comes last for these customers, because most consumers can afford the price. 07.

CONCLUSION

Nike manufacturers have tried to create a distinct positioning of the Nike shoe in terms of quality and satisfaction in comparison to its other competitors i. e. - Adidas, Reebok etc.

People in Bangladesh have found Nike to be of high quality and to be of great satisfaction to them, but due to their income limitations, most of

people are uncertain as to whether they will buy a Nike shoe now or in the near future. Manufacturers have tried to create a distinct image of Nike in consumers mind, which proved to be successful according to our survey result. From the survey we found that Nike is perceived as a high priced & high brand image shoe in the consumers mind. Thus it can be said that Nike is a mega brand in Bangladesh, like it is in other parts of the world. 08.

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