

Example of sporting and athletic goods industry case study

[Business](#), [Company](#)



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Competitive Forces

Competitive forces that are in the Sporting and Athletic Goods Industry are;

Rivalry among the competing firms, there is a lot of scrambles for the customers. Calloway Golf, Nike, Puma, Adidas-Reebok and Fila, are rival companies. Firms are looking to lower their prices, improve on the quality, and improving on how they respond to market changes. Firms are responding to market changes by developing new styles and models and availing the products directly to the retailers. There is a prospect of evolution of substitute products and services in the business. This situation occurs when companies from other industry try to enter in the business. Crocs especially in slip-on shoes; they recently entered the market to supply the footwear to professional teams. Tommy Hilfiger, a clothing line company, has created the sneakers which have attracted a huge potential buyer owing to their reputable trademark.

When a business is dependent on one supplier and has no alternatives, there are chances of the supplier having a high bargaining power. This would be unlike the case of where the business has several suppliers to the services. The customer bargaining power equally has had some effects. The customer may have bargaining power whereby they can be able to demand better products and at lower prices. However, in some cases, customer loses bargaining power if there is loyalty to a certain brand. For example, Calloway Golf has established a customer clientele in golf products as they have been in the market for a long time beside their unique products.

Changes in the Industry

Being globally competitive is one of the key driving forces to the sport business. Being able to do commerce worldwide has created a paradigm shift in the sport sectors. The ability to distribute products globally is the vehicle of business growth. Innovation done through Research and development has improved the market level hence forming a key driving force. Electronic commerce has caused waves in the way conducting business. The extensive use of the internet has caused a paradigm shift whereby the customers can be accessed by a click of a button. The e-commerce has increased the level of business activity by opening up new markets. Firms are now engaging in extensive production, to meet the demand of the new markets. The overall effect of the key driving force is that the competition will get stiffer as the variety of products customer can choose from increases.

Market Positions

There are a lot of companies in the footwear industry among them are Nike, Adidas and Puma. Nike stands a better chance for success compared to other companies. The company has a large customer base. They have been in the business for long and managed to establish a reputable clientele. A large customer base has sustained the company. The company has also been aggressive in the marketing by being innovative. They have established the needs of the customers to ensure they fill the gap with customer expectations. Their business distribution has also offered them a platform to rise over their rival companies.

Strategic Moves

Firms must use tactics to remain relevant in the business. The price of the products is usually used as a tool, to gain the upper hand over the rival companies. The sale tactics whereby the distributors will make the products reach the consumers at a higher speed. The innovation the company makes will bring new products will make them gain an upper hand over their rival companies. The focus, the business pays towards is pre-determined goals influences the chances of survival in a competitive market. Other tactics, the company is employing are increasing the market shares so as to have control over prices and products. The larger the market share, the more the sales the market is expected to make.

Future Competitive Success

The key to future success lies in how the company will do a good business strategy. A distinctive business approach will help the firm achieve an upper

hand over its rival. The extensive manufacturing would also aid in creating a bigger market share for the business. The company should also be involved in doing extensive market research to establish what the business requires. The distributions strategy should be put in place too. Innovation in the business serves a great purpose to come up with new products so as to beat the rival business. The personnel should be highly trained so as to offer professional services. A skilled workforce ensures the resources are used wisely and efficiently. Having effective management team is critical to future success. Having a team that creates a well-balanced budget, keep the cost down can foster a successful future to the organization. Building on effective distribution network is another key to future success. The company should be able to analyze and predict demographic factors, consumer preferences and macro-economic trends. Lastly, improving on customer relations would create a brand loyalty and good reputation.

Industry Outlook

The market outlook is promising to consider that the market for the products is expected even to go higher. Golf is increasingly gaining fame and many individuals have resulted to learning how to play. This provides prospects for companies like Calloway Golf, which are bound to become more profitable than earlier. The paradigm shift in the use of e-commerce has opened up the market for the products which consequently promising good returns.

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