

# History of athletic footwear



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In this assignment of Marketing and Innovation a product is required to be selected and shown how it has evolved over/ during its life cycle till date. The product chose to be discussed in this assignment is footwear where there is particular focus on the athletic footwear. The evolution of the sneakers has been remarkable ever since its first design back in the 1800's. This creation has been innovative in many ways.

The sneaker has changed in many ways adapting to lifestyles, trend and needs. The athletic shoes have evolved to accommodate the different needs of society. They have change in trends and materials. They have even become lighter, and more refined and neat.

The sneaker has been rapidly evolving over the last 20 years with the use of technology that makes each sneaker different from

The reason why I have chosen this product for my assignment is because sneakers play a vital in my healthy lifestyle. They are used to protect my feet and give additional support when I exercise . Without sneakers I may have a lot of injuries.

An analysis will be done on different brands and on their strategy in becoming a leader in the industry along with an identification of a specific brand of choice and why this is the preferred brand for me and how they perform in the industry.

## **History of the Footwear**

Footwear has been in existence to mankind for more than 20, 000 years which has been illustrated by Spanish carvings. Footwear over the centuries

has evolved in many forms and fashions for different functional and purposes. The evolution of foot coverings, from the sandal to present-day athletic shoes that are marvels of engineering, continues even today as we find new materials with which to cover our feet. If one can deduce that basic shoe shapes have evolved only so much, it is necessary to discover why this has happened. Looking at shoes from different parts of the world, one can see undeniable similarities. While the Venetians were wearing the chopine, the Japanese balanced on high-soled wooden shoes called geta. Though the shape is slightly different, the idea remains the same. The Venetians had no contact with the Japanese, so it is not a case of imitation.

Shoes have always held a special status for humans. Whether as symbols of wealth and status or as simple protection from jagged rocks, freezing snow, or other rugged terrain, the history of modern human development goes hand in hand.

In this assignment special focus will be placed on a specific aspect of the footwear category known as the athletic shoes. The sneaker is a relatively modern invention with its roots in the Industrial Revolution. The word sneaker is traditionally defined as a shoe consisting of a solid rubber sole attached to an upper made, usually, of canvas. While rubber-soled shoes called plimsolls had been in use for some time for aristocratic lawn sports, and King Henry VIII was reported to have worn a sneaker-like shoe for playing tennis, the true life of the sneaker did not begin until American inventor Charles Goodyear patented the process for vulcanization of rubber. Until that time, the sneaker as we know it now, was simply not possible. By

the early 1900's, sneakers were being produced by small rubber companies who specialized in the production of bicycle tires.

## **Evolution of the athletic shoe**

The sneaker as it's commonly referred to as has evolved in many forms such as shape, design, features, functionality.

### Shape

In the early 1900's the typical shape of the shoes would be like a L. These sneakers were designed for specific use and the shape was not important. It was the use of the shoe that was important. The height of the shoe would be just above the ankle which is also known as a high top. . Also the shape of the shoes it was difficult to tell the left or right side making it difficult to put on and making them relatively uncomfortable. This was a major defect of the sneakers moving thru from era to era. However in 1920 the shape of sneakers started to improved because they were now be designed for other functionalities and sorts and comfort was important for excel . These shapes were designed to embrace the foot, that you can identify the left and right side of the shoe, comfort and style.

### Table 1- Life cycle of the sneakers

1890

Goodyear, then a rubber shoe company and division of the U. S. Rubber Company- Naugatuck, Connecticut begins to manufacture rubber and canvas shoes under different names, finally settling on Keds as the best name.

1908

Marquis M. Converse establishes Converse sneaker company, revolutionizing the game of basketball for more than half a century and becoming an American icon

1917

Keds are the first mass marketed athletic shoes. These shoes are later called Sneakers by Henry Nelson McKinney, an advertising agent for N. W. Ayer & Son, because the soles are quiet and make no noise on any surface

1920

Adi Dassler, founder of Adidas, begins producing handmade training shoes in his mother's washroom without electricity

1948

Puma Schuhfabrik Rudolf Dassler is founded and the world is introduced to the PUMA Atom, PUMA's first football shoe worn by members of the West German football team

1950's

Sneakers are the preferred footwear of teenagers and the symbol of rebellion. These cheap and easily obtained shoes are worn by students around the world. In the U. S., cheerleaders wear sweaters, short skirts, and ankle socks with canvas topped shoes (or keds). The fashion is officially

sanctioned when James Dean is photographed wearing his Levis jeans and white sneakers.

1962

Phil Knight, a business major at the University of Oregon, and his coach, Bill Bowerman, partner to provide a low cost, high tech athletic shoe under the name Blue Ribbon Sports (BRS

1968

BRS begins marketing new designs and technology and changes their name to Nike. Nike is named after the Greek Goddess of Victory

1972

Bill Bowerman pours rubber into his wife's waffle iron, creating the basis for the popular Nike Waffle Racer; a shoe with the optimal traction of waffle soles, wedged heel, the cushioned mid-sole, and nylon uppers. Nike marketed its waffle soled shoe by saying that four of the top seven runners at the 1972 Olympic Trials wore Nike shoes

1979

Nike creates the first Nike Air sole units, resulting in the revolutionary Nike Air cushioning. Nike also releases their first running shoe with the patented Nike Air technology, the Nike Tailwind

1982

Nike releases the first of a long line of shoes, the Air Force One. This durable shoe has been released in a low, mid, and high-top versions. The Air Force 1 has survived over two decades with little change to its basic design and continues to remain a legacy and a fashion statement with its numerous colorways, however, the all white AF1 remains the favorite.

1985

Chicago Bulls basketball rookie, Michael Jordan, endorses a line of Nike shoes and apparel. Nike releases the first Air Jordan.

Design

The design element of the sneakers has evolved over the centuries. The original designs were basic black and white shoes with big laces with the rubber sole. Over the years the sneaker industry has become very competitive and design is one of the elements that companies use to gain competitive advantage. Now sneakers are made with leather, cloth, canvas, mesh all these materials are used to add additional comfort to the shoes for the users. They have also design shoes with no laces, precious gems. The designing process has gone so far ahead that shoes are designed to provide so much comfort to create the illusion that you are on air, and a lot of emphasis is played on comfort.

Features

When sneakers were first created the main feature was to cover your foot and provide a new level for comfort. Within time the features has increased tremendously where one has to wonder what else you can get from a

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sneaker. Some of the features introduced over the years are a pump to tightens the shoe on you foot, reversible laces, additional support for your heel and instep, timers for running and the now have the ability to sync with digital portable music players . These features has been used to keep current and forward thinking to keep ahead in the competitive market .

### Functionality

There were basic features for these sneakers back in the ancient time. The original purpose was to for all purpose uses such as cleaning, gardening, going out. Within the 1950 the sneakers started to be used for basketball, then they was being used other sporting activities. Now in the current environment sneakers are being manufactured for specific and multiple purposes. Companies have developed a tactic to sell more shoes by manufacturing shoes based on the needs of the user. Based on the use of the shoe each user will have different needs and there is a shoe designed for that such as fashion, running shoes, and basketball shoes football shoes etc.

### **Competitive environment of different brands**

The athletic footwear industry has evolved over the years where there have been a lot of entrants into the market. It has become highly competitive where the relevant companies have implored stringent strategies into their organization to become industry leaders and generate profits. The companies that will be analyze in this industry are Nike, Reebok, Adidas, Fila and Puma.



The improved customer spending in this industry has supported impressive growth of top footwear companies like Nike Inc., Adidas-Solomon AG, and Reebok International Ltd.

This new strategic trend in the athletic footwear industry places more importance on market research and consumer wants. It also demands greater supply chain management (SCM) technology, creating a competitive advantage for those companies who have successfully met this demand. This new strategic trend also adds to the barrier of entry for the athletic apparel and footwear industry.

Branding remains the largest source of competitive advantage in the footwear industry. Over 75% of the industry is controlled by branded items. In the footwear sub-industry specifically, 80% of sales are brand names. The competitive advantage gained from high brand recognition heavily permeates four of the five forces in Porter's Five Forces Model . This competitive advantage is realized through increased brand loyalty, increased switching costs, rivalry advantage, and increased barrier to entry.

## **Marketing and Advertising Strategy**

Adidas, Reebok, Puma and Nike have all engaged in a variety of marketing. Although the shoe industry has performed slower than others, both Internet marketing and e-commerce has recently helped the industry flourish. For example, Nike, Adidas, and Reebok have constructed websites which allow customers to purchase products directly from the respective company. Such websites add to a strong marketing mix.

Nike's strategic marketing strategy includes advertisements on television, the web, print billboard, athletic champions which they use to endorse the brand. Athletes such as Michael Jordan and Lance Armstrong have contributed to the success of this brand. Nike also utilizes digital marketing. As well, Nike has developed a partnership with UPS to support their online sales and delivery system. While Adidas marketing strategy comprises of them promoting its website with a variety of contests involving its endorsed athletes such as Dwight Howard NBA superstar and David Beckham world renowned football player. They also utilize TV and billboard advertising.

Puma marketing strategy has been one that consists of unconventional and creative concepts to ensure the seamless interplay of elements from sports, lifestyle and fashion that gives the brand its unique image. Whereas, Reebok plays it safe and employ their marketing strategies to a specific market segment, utilizing traditional media such as TV and print advertising.

In today's society, the individuals of the world have become extremely responsive to brand names, but Nike holds the most market share from successfully targeting a larger audience..

### **Competitive and Market Strategy**

Nike has a global market share in athletic-footwear of 33. 2%, a market share greater than the 25% held by Adidas-Solomon and Reebok combined. Nike's most favorable attribute and the source of its strongest sustainable competitive advantage is its brand name. Puma has a global market share of 6. 8%, the third largest when compared to Nike Inc. and Adidas-Reebok.

Puma's focused strategy and self image have been one of its most successful forms of competitive advantage.

## Chart 1

This is the point where the particular companies must decide whether they will individually follow a niche market or a full-line strategy. In order to make this decision, the firms must weigh the cost of offering an additional product and the revenue generated by doing so.[i]In order to understand this more fully we will examine Porter's generic strategies framework.

In this competitive environment each brand needs to adopt a strategy which they believe will best suit them to gain competitive advantage in some way over the many competitors in this industry. These strategies assist in the organization in planning and executing their operations and marketing communication and distribution. By utilizing Porter's generic strategies framework Nike , Adidas and Puma have all identified to be innovative and forward thinking and these actions classify them as adopting the differentiation strategy where they focus is to be cutting edge to get a clear lead of the competition. Reebok has adopted a cost leadership strategy as they are concerned with offering affordable shoes to a very broad market. The focus strategy has been fully endorsed and adopted by Fila as they specifically target women in their marketing activated aside from targeting a high end clientele based on their distribution outlets.

Another tactic that the companies use to gain competitive advantage is by developing an idea and patent[1]. One of the exclusive licenses that distinguish Nike from the rest of its competitors is the patented " Air"

technology that the company uses to sell footwear. “ The process utilizes pressurized gas encapsulated in polyurethane.” Reebok also developed a patent know as the Reebok Pump which used to make the shoe tighter on your foot when the pump on the tongue of the shoe was squeezed several times. Adidas also did it with a shoe called the Predator which has rubber patches attached with teeth-like dimples to the outside of the kicking area of the boot in order to allow the wearer to apply extra spin to the ball when passing and shooting.

Although some Nike Air patents have expired, Nike still holds a number of subsequent Nike Air patents, and patents that cover specific features in various athletic and leisure shoes that will not expire for several years.

### **Benefits to the Nike shoe**

Core product- Nike guarantees that you get a durable long lasting sneaker. They use materials that are appropriated based on the type of sneaker and the use of it. Nike places so much emphasis on the core product that they take sneakers off the production line if 1 inch of a thread is out of line.

Functional benefits- These benefits that you get out a wearing a Nike sneaker is sometimes unbelievable. The shoes are comfortable, fit to you foot, provides the support and more for your feet so you can perform your best at whatever you are doing. The development of the shox and the zoom air technology provides additional support for your heels and soles for maximum comfort and performance.

Added value – the additional value that you get from Nike sneakers is a sense of comfort and that you can do anything you want once you are wearing Nike sneakers. Nike presents their products like no other brand

## **Uniqueness of design**

Shape & colour -The shape of the sneakers are sleek and form fitting. They are precise and fit the feet like glove. They have managed to develop the technique to develop shoes to match the different shapes of feet and still make it look attractive. Nike use a variety of colours when comes to shoes design. They use specific colour combinations for different target audience and some of these colors are bright. Their colour combination sometimes can look unmatched but somehow it works and the sneakers are very attractive.

Product design-the product design has been relatively the same with modifications, they have introduced shoes like the Presto no laces just to slip-on and its comfortable. They have been able to keep the product design very simple but consistent with the Nike swoosh present at least at four locations within the sneaker. .

## **Brand Appeal**

Nike enjoys the popularity of its brand name, which is recognized all around the world. Its name carries a trademark, and thus makes it illegal for other companies to infringe upon the Nike name. Besides the brand name, the company also has a trademark for the ‘ Swoosh Design’ logo that identifies Nike Inc. In fact, Nike considers its name and the ‘ Swoosh’ symbol to be the most valuable assets; therefore, the company registered these trademarks in over 100 countries

Nike is the world leading sports footwear and is renowned for its marketing campaigns and sports celebrity tie-ups. With the rising d's pinnacle position in the branded goods market, strong marketing and celebrity tie-ups would enable the company to gain higher market share

## **Proprietary Knowledge**

Nike has invested and achieved the most amongst any other sports company in developing cushioning Systems that reduce shock, distribute pressure, and provide comfort for athlete's feet. Nike is credited with being the first to design footwear that encapsulates air to cushion foot-strike. The company's Scientists have also engineered a new model called " Zoom Air" for NIKE's running shoe-line. Zoom Air Shoes are very light and they are designed to bring the athlete's foot closer to the ground to allow greater maneuverability.

## **Nike's Innovation**

Innovation can be defined as a process by which an idea or invention is translated into a good or service for which people willing to pay for. This innovation must be replicable at an economical cost and must satisfy a specific need. Nike has prized itself on innovation especially with its award winning web development, NIKEiD. com, the Shox technology and also with the joint venture with Apple to develop the iPod Sport Kit or Sensor.

Nikeid. com gave consumers the freedom to customize their own footwear and gear, the site redefines the e-commerce business in the apparel and footwear industry. Nike gains substantial competitive advantage with NIKEiD.

com which contributed to increase customer loyalty, and provide Nike with valuable data on consumer patterns.

The Shox technology was developed to provide additional support and comfort for the heel of athletes as Nike was focused on insuring that athletes are comfortable to perform at all times.

The development of the iPod sport kit allowed Nike to penetrate new markets as they were able to fuse fitness with a digital player. No other competitor had thought about that idea. To introduce this new innovation, Nike redesigned some of their shoes to accommodate the sport kit sensor, which syncs with the iPod. The sensor measures the activity and records the data on the iPod. Nike has done exceptionally well thru their effective marketing strategies. However it can be concluded that Nike has created “ Value Innovation”. Value innovation is about making the competition irrelevant by creating uncontested market space[2]. By utilizing these three new and innovative theories it can be clearly determined that Nike has anticipates the needs of the end user long before they even recognize it.

## **Nike Success story**

The key attributes that are responsible for Nike’s success in this footwear industry are the ability to adapt and create changes in the industry, offering retailers new products and strong support. Nike places a significant emphasis on marketing the company and its products. One of the primary reasons why Nike is so successful in popularizing its footwear is because it utilizes sports celebrities as their spokespeople such as the legendary basketball player Michael Jordan, Serena Williams and Lance Armstrong.

The strategy that they developed was called “ word-of-foot” advertising. Nike wanted to have their products be worn by the best athletes in the world and this strategy paid off enormously. Customers started purchasing Nike footwear due to the product-quality image the athletes were portraying, and this strategy took the company’s sales to new highs.

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## **Conclusion**

Nike performance in the industry can be determined as way above average and their use of technology and identifying customers needs show that they are forwarding thinking. It is important that the keep at this innovative process because it has been the main contributor for their increase or maintaining their competitive advantage in the industry.

However Nike still needs to assess their environment on a constant basis as the completion is learning to adapt and adapt quickly. Companies like Adidas and Puma are becoming innovative and are reaching out the needs to the customers with forward thinking concepts and fashion.

Once Nike continues to be innovative they will be the market leader consistently all they have to be adhere and live by their slogan and Just do it.