

# [The industry has is getting its stock](https://assignbuster.com/the-industry-has-is-getting-its-stock/)

The Shoe IndustryThe shoe industry is one of the biggest moneymakers in the market, but it’sfacing many changes, rushes, and difficulties.

The big power in the industry isNike inc. which all the other companies are trying to be like. Some changes arethe industry as a whole is moving there factories to the far east such as China.

The reason for this is they are trying to save costs for producing there shoesby paying there workers less because they are in the far east. Nike and Reebokhave already been in the east. The shoe industry not including Nike inc. istrying to make rushes to be number one, two, and three. Another rush theindustry is making, is the rush for the deadline of sports shoes. In otherwords coming up with shoes for the sports that are in season. The difficultiesthe shoe industry has are making shoes that all people wear such as setting astyle for both inner city people and suburb people.

Another difficulty theshoe industry has is getting its stock value to rise again because all but Nikeand Fila’s stock has dropped. This is what the shoe industry is all about andthe difficulties, problems, and advances it has. There are four major companies in the shoe industry. The dominant industryis Nike inc.. Then going down the line is Reebok, Fila, and Adidas. Nike beingthe superpower has been in front of all the other industries for many years.

Right now Reebok is the closest company to Nike and is $2, 459 behind in valuein MIL. Nike’s earnings in the last quarter leaped 24% which has pleased WallStreet investors. With such earnings Nike announced a 2-to-1 stock split, itssecond in many years. Nike and Reebok are far ahead than the other companiesbecause there factories are already in the far east, and other companies arejust starting to build them.

With Nike’s earnings so high it’ll be very hardfor any of the companies to take over the number one spot. Also, it’ll be hardto get the people’s support in there products because most people have faith inNike. Reebok number two in the industry is facing many problems. First, thereis friction between the management spots for Reebok. Second, Reebok is havingdifficulty finding sports stars to endorse there products. Finally, Reebok’sstock has dropped and is still dropping. The reason for this is the people donot prefer the shoes in how they look and how comfortable they are.

If Reebok’sstock continues to drop don’t be surprised if Fila takes the number two spot. Fila has been spectacular in the market in the last four years Fila hasincreased its profits and taken the number three spot from Adidas. There are afew causes for this smart management, popular endorsers, and shoes. The shoes Iam talking about are the Grant Hill’s. These shoes made everything happen forFila including getting the support of people behind there product. Fila plansto launch another offensive so it can surpass Reebok in the market, thisoffensive will include new Grant Hill shoes and many others.

Finally, there isAdidas who is in the hunt for its number three spot back. After losing itsthree spot Adidas launched there own offensive rising there stock from 2% to5%. In there offensive Adidas signed such stars as John Starks and Jalen Roseto endorse there products. Even with this offensive Adidas will not be able tocompete with Nike and Fila.

There are two things that will have an effect onthese companies in the future, changing tastes and new competitors. I feel if you are going to buy stock in any of these companies you shouldbuy stock in Nike and Fila. My reasons for you to buy in Nike are many. First, its stock keeps on rising suffering very small losses at few times a year.

Second, Nike has always done well in meeting the consumers wants and needs. Finally, Nike has the number one endorsers who bring in profits. Such endorsersare Michael Jordan, Deion Sanders, and Penny Hardaway. The reasons for you tobuy stock in Fila are very persuading. First, Fila has jumped up in the marketpassing such big names as Adidas, and Converse not hesitating to look back. Second, Fila has rising stars to endorse there products such as Allen Iverson, Jamal Mashburn, Mike Powell, and Grant Hill.

Finally, Fila’s next offensivesounds