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Introduction

Market Review

Nike and Adidas have a well-established brand name regarding sports equipment companies. They have become so popular that they are literally now linked to every household. Both of them have a similar target market. They are aiming at people who are sport lovers. Nike is quite commonly known due to their numerous celebrity sponsorships. Adidas is attracting customers who are tennis and football fans. As they are mainly manufacturing athletic shoes, they want to provide the best possible quality and most comfortable shoes that may fit for playing all kinds of sports. This is done after prior extensive research about it (Campbell & Yeung, 1991). They want to claim that their shoes are the best ones and they will surely meet the requirements of the sport players. This will enable the players to have maximum power and ability to play.

Although both are competing side by side when it comes to sales and brand recognition, still there are some differences among both brand names. Nike is targeting their promotions related to runners and basketball fans, whereas Adidas focuses on tennis and soccer players. Nike is always ahead when it comes to sponsoring of athletes but Adidas is unfortunately lagging behind in this. Nike's markets are prevailing domestically and also expanded globally, whereas Adidas is quite popular all over the world, but it is mainly focusing on Europe. Nike is outsourcing their products from Korea and Taiwan, whereas Adidas is outsourcing their items in Asia.

Adidas

Adidas is considered to be among the top few market leaders in the sports apparel industry. Although many strategies of Adidas may differ from Nike, but still it is regarded as a well-reputed brand among athletes. Many types of promotional strategies are being implemented by Adidas. They are advertising through the internet, billboards, magazines and televisions (Adidas Group, 2012)

Television

Adidas is using various media vehicles that can air their commercial advertisement on television. They are using few sports channels such as ESPN and Star Sports. Most of the ads are played by NBA games, cricket and football. They launched many advertisements in 2010 for the football world cup. Recently, Adidas has started featuring celebrities in their ads such as David Beckham and Agyness Den. The purpose of the ad was to launch a new collection of star wars which included cool, trendy clothes and shoes. A cool music was added in the advertisement to gain their customers' attention. Their target market is between age of 12 and 25 who like to wear cool apparels (Rossiter & Percy, 1987)

Internet

Adidas is using internet in various ways to reach its target market. They have created their website as adidos.com. Anyone can easily access all information about the company background, their annual sales, new launches and products currently being offered. Recently Adidas used the windows messenger game platform for promoting their Predator and F50

boots to males of 15 to 24 years age. This was a very effective advertisement strategy and it helped the company to boost up brand ratings by 14%. Besides this, many pop up ads can be seen on ESPN, Star Sports and Yahoo home pages. The purpose behind extensively using internet marketing is to attract the young generation who is spending a lot of time online rather than watching television.

Outdoor Advertisement

Adidas uses many groundbreaking techniques for outdoor ads like billboards, huge wall scrapers and topiary style billboards. In Japan, they came up with a unique concept where two footballers are hung wearing harness and they play football for 10 minutes. Their purpose was to grab people's attention. They were quite successful in doing so because the traffic over there was congested and blocked for almost 70 minutes (Rossiter & Percy, 1987)

Sponsorship and Events

Adidas had sponsored the football festival in 2010. They had a four year contract for sponsorship with them. The purpose behind this was to promote their products in football after successfully promoting it. Adidas has also agreed to sponsor the next major football league for consecutive eight years. This will help to increase that league's growth and invest in the development of youth (Rossiter & Percy, 1987)

Nike

Nike has comparatively different promotional strategies than Adidas. They promote their products by using celebrity endorsements, creating a

prominent media existence, establishing retail stores and use of magazines and billboards. Nike has an extremely advantageous position of world renowned sponsors. They include Michael Jordan, Roger Federer, Tiger Woods and Kobe Bryant to name a few. Nike also sponsors the outfits of high profile sports teams such as National Football League and the United States National basketball and football teams. Nike is currently advertising and reaching out to its customers by promoting their products through television, internet, magazines and billboards (Fill, 2002)

Television

For advertising on television, Nike is using sports channel for promoting its products by celebrity endorsement from Ronaldo and Roberto Carlos. They show the ads during football games. One of the recent Nike ads was ' Nike: My better is better'. This ad shows all athletic games such as baseball, football, running and basketball. They are trying to give a message that Nike products are best for every type of game. The ad was quite effective as it showed their own products as a superior one than other competitor's products.

Internet

Nike is using various online portals for promoting their products. They have also established their own website where they can get all the required information about the company and their products. It is also using Google and Yahoo to promote their apparel products. Online advertising has a comparatively broader market reach than other modes of promotion (Fill, 2002)

Magazines and Billboards

Nike is using billboard advertisements to promote their products. Recently, Nike launched a twenty three story interactive billboard at Times Square, New York. People can then dial the number which can be seen on the billboard. They will be able to customize the shoe on display and then they will send a message with link for downloading image or for buying it (Fill, 2002)

Pricing Strategies

Nike

Nike has a different price for different group of customers. The prices of their shoes will vary according to the type, features, edition and its design. They may be priced at a reasonable price which almost all of their customers can afford. Whereas some special featured shoes are customized specially according to specified design. They are created solely for the premium users who are willing to pay an extra amount at higher price. Due to this, Nike is dealing with different levels and groups of customers (Dua, 2005)

Adidas

Adidas is offering its products at a premium pricing only. They are following the skimming pricing strategy to cater to the needs of exclusive elite customers only. Their products are for those customers who can afford to pay a high price. Adidas wants to generate high amounts of revenues and profits by setting high prices for their customers (Adidas Group, 2012)

Recommendations

I would recommend that Nike should work on improving their promotional strategies. They should focus more on the apparel segment which can prove to be quite a promising market for them. They have successfully managed to acquire a large customer base so they can start planning to increase their products prices as this would bring higher revenues. Then, those revenues can further be used for advertising and promotional expenses (Bridges, Keller & Sood, 2000)

Adidas should also work for improving their market share to become parallel competitor of Nike. They should try to engage more celebrities for endorsing their products. They should also expand their product lines by bringing some variations in their existing products. This will help them to improve their sales and market positioning.

Conclusion

It can be easily analyzed and understood that nowadays footwear is not considered as a product that will offer protection to the feet. It was previously a 'want' for people, but now this perception has changed to 'need'. Today, the footwear industry is quite prevalent and dynamic. They are doing their business operations internationally.

The sportswear apparel is growing tremendously. Each brand is trying their best to retain their own market share. They are stressing upon branding their products with the help of celebrity endorsements, licensing, promotions and advertisements. Some of the distinguished features of this industry are that they have expensive and continuous advertisements, brand awareness

tactics, celebrity endorsements and sales promotions. Nike, Puma, Reebok, Adidas and a few other brands are the market leaders of the industry. They are focusing on their market communication and promotional mix strategies.

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