

Chapter 1

INTRODUCTION

This project takes a look in various kinds of Merchandising activities, Market Share of different sports Shoes and various Sales Promotion schemes, which are followed in the Sports Shoes industry. The three major global players i.e. Reebok, Nike, and Adidas dominate the sports Shoes industry in India. India is one of few battlegrounds in the world where there is neck-to-neck competition between the three. The companies claim to be in number one sport coating the data produced by two different marketing research companies.

In the 1980s, Adidas sneakers became popular amongst teenagers and young men. The Adidas sneaker was popularized by the Run DMC song "My Adidas" and became a huge fashion trend. The Tapie affair the history of the company as presented by its official web site is incomplete, perhaps because it is indirectly linked to financial scandals. After a period of serious trouble. The death of Adolf Dassler's son Horst Dassler in 1987, the company was bought in 1990 by Bernard Tapie, for 1.6 billion French francs (\$320 million), which Tapie borrowed. Tapie was at the time a famous specialist of rescuing bankrupt companies, a business on which he built his fortune.

Nike is the world's #1 manufacturer and marketer of athletic footwear and apparel. Almost out of the blue, the company established itself as one of the world's most familiar brands during the 1980s and 1990s.

As familiar as a Coke bottle or Big Mac, the Nike "swoosh" logo came to symbolize not just sports culture, but street culture, as the appeal of the star players who endorsed the brand was carried onto city streets. The approach of the new century set Nike new problems.

Trainers went (briefly) out of fashion, economic slowdown and labor problems hit Asian performance. But the group has bounced back, retaining its iron grip on the sporting apparel sector and still undisputed leader in sports-oriented street wear.

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Reebok announced in July it will merge with German sporting apparel company Adidas-Salomon in a deal valued at \$3.8 billion. The merger is expected to be completed by the first half of 2008 and will create the second-largest sporting goods company behind Nike with \$11 billion in revenues.

Adidas will maintain its corporate headquarters in Germany and its North American headquarters in Portland, OR. Paul Fireman will remain as Chief Executive Officer of Reebok International Ltd. and will continue to lead the Reebok team. Reebok will continue to operate under its name and will retain its headquarters in Canton, MA.

In fiscal 2008, Reebok had net income of \$192.4 million and sales of \$3.7 billion.

1.1 RESEARCH OBJECTIVE

The research study tends to follow and achieve specific objectives.

The objectives of this particular study are:-

1. To study which branded sport Shoes is mostly preferred by people.
2. To find out factor influencing the people at the time of purchasing sport Shoes

- I. QUALITY**
- II. COMFORT**
- III. PRICE**
- IV. PROMOTIONAL TOOL**

1.2 COMPANY PROFILE

1.2.1 Adidas

Introduction

Adidas is a German sports apparel manufacturer, part of the Adidas-Salomon Corporation. Adidas was named after its founder, Adolph (**Adi**) **Dassler**, who started producing Shoes in the 1920s in Herzogenaurach near Nuremberg with the help of his fellow friend Cody. It registered as **Adidas AG** on 18 August 1949. The company's clothing and Shoes designs typically include three parallel stripes of the same color, and the same motive is incorporated into Adidas' official logos.

Competitors

Rudolf Dassler, Adie's brother, founded a rival company, PUMA the chief competitors of Adidas are Puma and Nike. In August 2005, the company announced that it had made a deal to acquire rival Reebok for \$3.8 billion. The acquisition would increase its market share in North America and allow it to further compete with Nike. This will propel Adidas to the number two spot in the foot apparel market behind Nike. Adidas' trademark saying is 'impossible is nothing'.

Enhancement

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Tapie decided to move production offshore to Asia. He also hired Madonna for promotion.

In 1992, Tapie was unable to pay the interest from his loan. He mandated the Credit Lyonnais bank to sell Adidas, and the bank subsequently converted the outstanding debt owed into equity of the enterprise, which was unusual for then-current French banking practice. Apparently, the state-owned bank had tried to get Tapie out of dire financial straits as a personal favor to Tapie, reportedly because Tapie was a minister of Urban Affairs (ministre de la Ville) in the French government at the time.

In February 1993, Credit Lyonnais sold Adidas to Robert Louis-Dreyfus, a friend of Bernard Tapie (and cousin of Julia Louis-Dreyfus from the *Seinfeld* TV series), for a much higher amount of money than what Tapie owed, 4.485 billion francs rather than 2.85 billion. Forgetting why the bank actually bought Adidas, Tapie later sued the bank, because he felt *spoiled* by the indirect sale.

Robert Louis-Dreyfus became the new CEO of the company. He is also the president of the Olympique de Marseille football team, to which Tapie is closely linked.

Tapie went bankrupt himself in 1994. He was the object of several lawsuits, notably related to match fixing at the football club. He spent 6 months in La Santé prison in Paris in 1997 after being sentenced to 18.

In 2005, French courts awarded Tapie a 135 million euro compensation (about 886 million francs).

Post-Tapie era

In 1997, Adidas AG acquired the Salomon Group, and its corporate name was changed to Adidas-Salomon AG.

A Hawk Eye View

In 1998, Adidas sued the NCAA over their rules limiting the size and number of commercial logos on team uniforms and apparel. Adidas withdrew the suit, and the two groups established guidelines as to what three-stripe designs would be considered uses of the Adidas AG

ADIDAS

Type Public

Founded 1949

Location Herzogenaurach, Germany

Key people Adolph Dassler, founder
Herbert Hainer, CEO
Robin Stalker, CFO
Andreas Gellner, Managing Director,
India

Industry Textile

Products Footwear
Accessories

Revenue \$ 7.866 billion USD (2003)

Website www.Adidas-group.com

In 2003, Adidas filed a lawsuit in British court challenging Fitness World Tracing's use of a two-stripe motif similar to Adidas's three stripes. The court ruled that despite the simplicity of the mark, Fitness World's use was infringing because the public could establish a link between that use and Adidas's mark.

In 2005, Adidas introduced the Adidas 1, the first ever production Shoes to utilize a microprocessor. Dubbed by the company "The World's First Intelligent Shoes" it features a microprocessor capable of performing 5 million calculations per second that automatically adjusts the Shoe's level of cushioning to suit its environment. The Shoes requires a small, user replaceable battery that lasts for approximately 100 hours of running. It currently retails for \$250 (USD). The latest edition Adidas 1.1 has been selling since Nov 2005. This is considered an upgrade of the version 1, claiming to be better, faster and stronger.

Also in 2005, on May 2, Adidas told the public that they sold their partner company Salomon Group for 485 MN Euros to Amer Sports of Finland.

In August 2005, Adidas declared its intention to buy Anglo-American rival Reebok for US\$ 3.8 billion. This takeover was completed in August 2005 and meant that the company will now have closer business sales as those of Nike in Northern America. The acquisition of Reebok will also allow Adidas to compete with Nike worldwide. World Cup 1954 When West Germany miraculously won the soccer 1954 World Cup, their footwear was supplied by Adidas. These Shoes introduced a technological breakthrough: studs with screws. When the weather was good and the pitch was hard, the Shoes were equipped with short studs; when it rained; longer studs were screwed on the bottom of the Shoes. As the final game against the highly-favored team from Hungary was played in heavy rain, this gave the German players a firmer hold on the slippery pitch.

This anecdote was a plot device used in the successful German film, **Das Wunder von Bern**, which was a movie version of the 1954 World Cup.

Official World Cup supplier since the 1970 FIFA World Cup with the football Telstar, Adidas has been the FIFA official match ball supplier for every FIFA World Cup and designs the official match ball for every edition of the event.



Adidas factory outlet in Herzogenaurach, Germany Teams sponsored by Adidas

Adidas sponsors major teams in a number of sports, especially football, rugby and tennis. American college sports teams are also sponsored. (1993-2001): Robert Louis-Dreyfus. He has been highly successful with managing the company until 2001. His self-admitted secret was simply copying what Nike and Reebok did.

"Adidas" is simply a combination of the founder's nickname (Adi) and the first three letters of his last name (Dassler). This dispels the rumor that the letters are an acronym for "all day I dream about sports," "all day I dream about soccer," or more crudely "all day I dream about sex."

companies of Germany
Adidas-Salomon Allianz BASF Bayer BMW Commerzbank Continental DaimlerChrysler Deutsche Bank Deutsche Börse Deutsche Post Deutsche Telecom E.ON Fresenius Henkel Infineon Technologies Linde Lufthansa MAN METRO Munich Re RWE SAP Schering Siemens ThyssenKrupp TUI Volkswagen

Categories: Shoes companies | Sporting goods manufacturers | Clothing and textile companies | Brands | Companies listed on the Frankfurt Stock Exchange

1.2.2 Reebok

Introduction:

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Brief history:

Reebok's origins go back to 1895 when Joseph William Foster made running Shoes with spikes in them. He formed a company called J.W. Foster and Sons which made Shoes for top runners. The family-owned business made the Shoes for athletes in the 1924 Summer Olympics.

In 1958, two of the founder's grandsons started a companion company that came to be known as Reebok, named for an African gazelle.

In 1979, Paul Fireman, a partner in an outdoor sporting goods distributorship, spotted Reebok Shoes at an international trade show. He negotiated for the North American distribution license and introduced three running Shoes in the U.S. that year. At \$60, they were the most expensive running Shoes on the market.

By 1981, Reebok's sales exceeded \$1.5 million, but a dramatic move was planned for the next year. In 1982, Reebok introduced the first athletic Shoes designed especially for women; a Shoes for a hot new fitness exercise called aerobic dance. The Shoes was called the Freestyle, and with it Reebok anticipated and encouraged three major trends that transformed the athletic footwear industry: the aerobic exercise movement, the influx of women into sports and exercise and the acceptance of well-designed athletic footwear by adults for street and casual wear.

Reebok went public in 1985.

Benefits:

Medical Insurance:

Employees who work at least 20 hours per week are eligible to join our group medical plans after one month of employment. We currently offer three health plans (depending on your geographical location) so that you may choose the plan that best suits your needs. All of our plans have prescription drug coverage.

Dental Insurance (For both New England and Non New England: Delta Dental):

Employees who work at least 20 hours per week are eligible to join our group dental plan after one month of employment. We currently offer two dental options so that employees may choose the plan that best suits their needs.

Group Life Insurance and AD&D (Prudential):

Full-time employees. We currently offer \$10,000, one times an employee's base pay or two times an employee's base pay; supplemental life up to \$300,000. The maximum coverage for Life and AD&D are \$500,000 each.

Long-Term Disability (Prudential)

Full-time employees. Coverage begins on the 91st day of disability. We offer three different levels of coverage - 50%, 60% and 70% of base earnings.

Short-Term Disability

Full-time employees. Coverage equals 100% of base earnings for up to 90 days.

Travel Accidental Death & Dismemberment (American International Group)

Five times your annual salary to a maximum of \$1,000,000. Coverage is free.

Reebok Employee Stock Purchase Plan

All Employees with six months of service may elect to participate in the Reebok Stock Purchase Plan. Employees may contribute between 2% and 10% of their weekly earnings on an after-tax basis to buy stock at a special discount at the end of an option period. Option periods begin on January 1 and July 1.

Reebok Savings and Profit-Sharing Retirement Plan

All employees with one year of service (and over age 21) are eligible to participate in the 401(k) plan. Under this plan, employees may contribute between 1% and 80% of pre-tax earnings, choosing how their contributions are invested. To encourage participation, Reebok provides an employer matching contribution of 50 cents for each \$1.00 saved by the

employee, up to 10%. This matching contribution is vested over a five year period. Unless employees call to decline participation or change their contribution percentage, all newly hired employees will be automatically enrolled at 2% and defaulted into the Stable Value Fund, after completing the eligibility requirements.

The Profit Sharing component is discretionary and is also vested over a five-year period. Employees be employed with RIL for one year to be eligible to receive this discretionary contribution.

Paid Vacation

Twelve Vacation time is accrued on a monthly basis. Full-time employees accrue .833 days per month with a maximum of 10 days in a calendar year. In the calendar year in which employees celebrate their fifth anniversary, vacation is increased to three weeks, in the calendar year of their tenth anniversary, vacation is increased to four weeks per year and in the calendar year in which the employee celebrates their twentieth anniversary, vacation is increased to five weeks per year. Part-time employees working at least 20 hours per week accumulate vacation time on a pro-rated basis.

Paid Sick Leave

Full-time non-exempt (generally those paid on an hourly basis) employees accumulate? Day sick time per month for the year. Part-time non-exempt employees working at least 20 hours per week accumulate sick time on a pro-rated basis.

Paid Holidays

Twelve holidays are observed annually by Reebok International Ltd. Holidays typically observed by the Company include, but are not limited to: New Year's Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas Day. Floating holidays are also provided.

Educational Assistance

Full-time employees are immediately eligible for educational assistance. Undergraduate, graduate and continuing education classes must be pre-approved and must be both job related and required to enhance job performance. Reebok International Ltd. reimburses up to 100% of tuition costs, providing a "C" or better is earned. The maximum reimbursement for the calendar year is \$10,000 for graduate programs and \$5,250 for undergraduate programs, which includes books and materials.

Dependent Care and Medical Care Reimbursement Accounts:

Full-time employees may elect to defer pre-tax dollars to be used to reimburse qualified dependent care and medical care expenses.

Life Balances Resources:

Free to employees. A nationwide service designed to assist employees with information and resources to balance the demands of work and personal life including finding quality, near-site day care.

Employee Assistance Program:

Free to employees and their families. Confidential counseling on personal issues.

Employee Discounts:

Employees and their families are able to purchase quality Reebok, Greg Norman Collection,

Rockport, and Ralph Lauren Footwear products at discount prices through the Employee Purchase Program. They receive a 40% discount on apparel and footwear products purchased at the company outlet stores 50% discount at all concept stores.

Fitness and Wellness Centers

For a low price, employees at the Canton and Lancaster sites may access exercise classes, wellness activities and state-of-the-art equipment in our professional staffed fitness centers.

Business Casual Environment

Save the stiff, uncomfortable stuff for social events. Suits and ties are not required.

1.2.3 Nike

Introduction:

Nike is the world's #1 manufacturer and marketer of athletic footwear and apparel. Almost out of the blue, the company established itself as one of the world's most familiar brands during the 1980s and 1990s. As familiar as a Coke bottle or Big Mac, the Nike "swoosh" logo came to symbolize not just sports culture, but street culture, as the appeal of the star players who endorsed the brand was carried onto city streets. The approach of the new century set Nike new problems. Trainers went (briefly) out of fashion, economic slowdown and labor problems hit Asian performance. But the group has bounced back, retaining its iron grip on the sporting apparel sector and still undisputed leader in sports-oriented street wear.

The Ad brands Company Profile of Nike summarizes the company's history and current operations and also contains the following website links:

History of Nike:

NIKE, pronounced NI-KEY, is the winged goddess of victory according to Greek mythology. She sat at the side of Zeus, the ruler of the Olympic pantheon, in Olympus. A mystical presence, symbolizing victorious encounters, NIKE presided over history's earliest battlefields. A Greek would say, "When we go to battle and win, we say it is NIKE." Synonymous with honored conquest, NIKE is the twentieth century footwear that lifts the world's greatest athletes to new levels of mastery and achievement. The NIKE 'swoosh' embodies the spirit of the winged.

Goddess who inspired the most courageous and chivalrous warriors at the dawn of civilization. (From Nike Consumer Affairs packet, 1996)

The Swoosh

The SWOOSH logo is a graphic design created by Caroline Davidson in 1971. It represents the wing of the Greek Goddess NIKE. Caroline Davidson was a student at Portland State University in advertising. She met Phil Knight while he was teaching accounting classes and she started doing some freelance work for his company. Phil Knight asked Caroline to design a logo that could be placed on the side of a Shoe. She handed him the SWOOSH, he handed her \$35.00. In spring of 1972, the first Shoe with the NIKE SWOOSH was introduced.....the rest is history! (From Nike Consumer Affairs packet, 1996)

The Nike athletic machine began as a small distributing outfit located in the trunk of Phil Knight's car. From these rather inauspicious beginnings, Knight's brainchild grew to become the Shoe and athletic company that would come to define many aspects of popular culture and myriad varieties of 'cool.'

Nike emanated from two sources: Bill Bower man's quest for lighter, more durable racing Shoes for his Oregon runners, and Knight's search for a way to make a living without having to give up his love of athletics. Bower man coached track at the University of Oregon where Phil Knight ran in 1959. Bower man's desire for better quality running Shoes clearly influenced Knight in his search for a marketing strategy. Between them, the seed of the most influential sporting company grew.

The story goes like this: while getting his MBA at Stanford in the early '60s, Knight took a class with Frank Shallenberger. The semester-long project was to devise a small business,

including a marketing plan. Synthesizing Bower man's attention to quality running Shoes and the burgeoning opinion that high-quality/low cost products could be produced in Japan and shipped to the U.S. for distribution, Knight found his market niche. Shallenberger thought the idea interesting, but certainly no business jackpot. Nothing more became of Knight's project.

Cut to 1963. Phil Knight traveled to Japan on a world-tour, filled with the *wanderlust* of young men seeking a way to delay the inevitable call of professional life. Seemingly on a whim, Knight scheduled an interview with a Japanese running Shoes manufacturer, Tiger--a subsidiary of the Netsuke Company. Presenting himself as the representative of an American distributor interested in selling Tiger Shoes to American runners, Knight told the businessmen of his interest in their product. Blue Ribbon Sports--the name Knight Thought of moments after being asked who he represented--was born. The Tiger executives liked what they heard and Knight placed his first order for Tigers soon thereafter.

By 1964, Knight had sold \$8,000 worth of Tigers and placed an order for more. Coach Bower man and Knight worked together, but ended up hiring a full-time salesman, Jeff Johnson. After cresting \$1 million in sales and riding the wave of the success, Knight ET. Al. devised the Nike name and trademark Swoosh in 1971.

By the late '70s, Blue Ribbon Sports officially became Nike and went from \$10 million to \$270 million in sales. Katz (1994) describes the success via Nike's placement within the matrix of the fitness revolution: 'the idea of exercise and game-playing ceased to be something the average American did for fun,' instead Americans turned to working out as a cultural signifier of status. Clearly, the circumstances surrounding the shift are not this simple; it is one of the aims of this project to discover other generators of popular attention to health.

If Nike didn't start the fitness revolution, Knight says, "We were at least right there. And we sure rode it for one hell of a ride" (Katz, 66). The 80s and 90s would yield greater and greater profits as Nike began to assume the appearance of athletic juggernaut, rather than the underdog of old. "Advertising Age" named Nike the 1996 Marketer of the Year, citing the "ubiquitous swoosh...was more recognized and coveted by consumers than any other sports brand--arguably any brand" (Jensen, 12/96). That same year Nike's revenues were a staggering \$6.74 billion. Expecting \$8 billion sales in fiscal 1997, Nike has targeted \$12 billion in sales by the year 2000. And all from the back of a car.

Few can question Nike's financial hegemony. But nearly \$7 billion in revenues clearly begs the question, what sells these Shoes? It is my assertion that Nike's power to sell comes from deep-rooted yearnings for cultural inclusiveness and individual athletic accomplishment. These seemingly paradoxical desires collide in consumer's hearts and minds and produce the unyielding zeal for Nike Shoes and apparel. Unfortunate effects of this zeal can be found in the rash of Nike apparel killings in 1991 and the profusion of Nike appeals to these disparate elements of Americans' personalities through an advertising philosophy that is, at once, simple and sublime. In addition, Nike's practices of top-level athletes promoting their products appeal to countless ages and creeds as a way to identify with and emulate their athletic heroes. These forces work powerfully upon the individual consumer, but one should not lose sight of the cultural context in which the individual moves.

Brands:

Converse	Nike Team Sports
Cole Haan	Nike Football
Nike Basketball	Nike All Conditions Gear (ACG)
Nike Goddess	Hurley International
Jordan Brand	Nike Hockey
Nike Town	Nike Golf
Bauer	Blue Ribbon Sports

WORLDWIDE:

Nike Germany	Nike Italy
Nike France	Nike Spain
Nike (UK)	Nike Japan
Nike Canada	Nike Korea
Nike Hong Kong	Nike Taiwan
Nike London (UK)	

Chapter 2 **Literature review**

This paper basically focuses on brand and the link between brand and consumer preferences. The following flow chart shows how this paper divided and explained theories on branding and consumer behaviour.

“Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and / or to that firm’s customers. For assets or liabilities to underlie brand equity they must be linked to the name and / or symbol of the brand. If the brands name or symbol should change, some or all of the assets or liabilities could be affected and even lost, although some might be shifted to a new name and symbol. The assets and liabilities on which brand equity is based will differ from context to context. However, they can be usefully grouped into five categories” (Aaker, 1991, p 15).

1. Brand Loyalty
2. Name awareness
3. Perceived quality
4. Brand association
5. Propriety brand assets

Brand equity is a valuable asset for a company, which they want to, put in their brands. A power full brand enjoys a high level of customer brand awareness and loyalty. Company can have a competitive advantage through high brand equity. Brand equity also involves the value added of product through customer relations and perceptions for the specific brand name.³⁹ Brand equity assets can be described as a way of adding or subtracting value for customers.

Brand Loyalty

Brand loyalty shows customer preferences to purchase a particular brand; customers believe that the brand offers the enjoyable features, images, or standard of quality at the right price. This belief and faith of the customer becomes a base for new buying habits. Initially customers will purchase a brand for trial, after being satisfied, customers will keep on buying the product from the certain brand. Brand loyalty represents an encouraging approach towards a brand resulting in regular purchase of the brand over time.

“The brand loyalty of the customer base is often the core of brand equity. If customers are indifferent to the brand and, in fact buy with respect to features, price and convince with little concern to the brand name there is likely little equity. If on the other hand, they continue to purchase the brand even in the face of competitors with superior features, price, and convenience, substantial value exists in the brand and perhaps in its symbol and slogan.” (Aaker, 1991, p 39). There are many attributes in the car which helps them creating loyal customer base and even can influence the customers group in such a way that they are using the same brand for generations.

Name awareness

This is the second category of the brand equity. Brand name awareness plays vital role in consumer decision making process; if customer had already heard the brand name, the customer would feel more comfortable at the time of making decision. Customers normally

do not prefer to buy an unknown brand, especially if it an expensive product like motor car, TV, refrigerator, apartment etc. Therefore companies' strong brand name is a winning track as customers choose their brand over unknown brand. It is an essential characteristic for every brand; perceived quality defines a customer's perception and the product's quality or superiority. The perceived quality provides fundamental reason to purchase. It also influences brand integration and exclusion to consideration set before final selection. A perceived quality provides greater beneficial opportunity of charging a premium price. The premium raises profit and gives a resource to reinvest in the brand. Perceived quality will enable a strong brand to extend further and will get a greater success possibility than a weak brand. Perceived quality has a greater influence in a customer's purchasing process and in brand loyalty. This influence is very important when customers are in a condition, which makes them unable to make an analysis of the quality. Perceived quality can be used as a helping tool when company intends to utilize a pricing strategy with premium price and further extend a brand in several markets (Aaker, 1991).

Emotional Branding

Usually branding starts when company designs a product with great feature and capabilities better than what their competitors are offering. The company then has a "position" in a product distinct category against competitors. The problem increases when neither of the groups has made efforts to create emotional bond between the customers and the company and its product. Emotional branding is the fine approach that clarifies the values of the company to the customers (Marken, 2003). When companies want to know what consumer feels about them, they have to build a personal communication with the customers. This is the good way in a company can consider itself because customer perception is very important for companies. However a company can learn a lot by listening to its customer views. It is essential for companies to correspond by their product by relating to their customers emotionally; otherwise product can be a product and become a brand image in the customer's minds. Emotional Branding also consider brand name which influence consumers decision making process.

Brand Name

The brand name is very significant choice because some time it captures the central theme or key association of a product in a very condensed and reasonable fashion. Brand names can be extremely successful means of communication. Some companies assign their product with a brand name that in reality has nothing to do with the emotional experience but is catchy and a name that people can easily memorize. The core base of naming a brand is that it should be unique, can be easily discriminated from other names, easy to remember and are attractive to customers (Keller, 2008).

In my opinion people have strong connection to brands and brands name. Brand name influences the customer decision in car choice. When people intend to purchase a car, they have many brand names to choose from, but usually people purchase a car with preference to brand name and company reputation in market because of trust and pervious experience.

Logos and symbols

Logos and symbols have a long history which shows brand identification of the company. There are different types of logos, which are unique from corporate names or trademarks. Logos and symbol are easy way to recognize a product. It is a greater success if symbol and logos became a linked in memory to corresponding brand name and product to increase brand recall. Customers may perhaps identify definite symbols but be unable to link them any

particular brand or product (Keller). Logos helps companies to develop the brand equity through raised brand identification and brand loyalty. Logos are very important assets, companies spend enormous time and money to promote brand logos and symbols.

Logos and symbol are successful way to get a better place in customer mind. If customers find something that is easily identifiable preferably in a positive way, customers feel more comfortable with them. If there is not much difference among brands, then logos and symbols can be a very effective way of differentiating the brands from each other.

Consumer Behaviour

Consumer behavior mainly sheds light on how consumers decides to spend their various resources like time, money etc. on various products so as to meet their needs and requirement. Consumer behavior encompasses study of what, when, why and where the consumers will buy their products. It also focuses on how often the consumers use the products. Furthermore, it also sheds light on how the consumers evaluate the products after the purchase and the effect of evaluations on their future purchases (Schiffman, 2005).

To give an example of how consumer behavior evolves while buying a car, he will start with recognizing his or her need for a car. Then come the information collecting and processing stage. After making up his mind to buy one specific brand, for instance Skoda, the consumer makes the purchase. In the post-purchase stage, the consumer evaluates the performance of the car against the expectations he or she had before buying the car. In this stage, the consumer is either satisfied or dissatisfied. So, it is evident from the last example that study of consumer behavior involves lot of things.

Complex Buying Behavior

Complex behavior can be defined when consumers are highly involved for making a purchase decision. Complex buying behavior calls for high level of involvement on the part of the consumer. In case of high involvement, consumers distinguish salient differences among the competing brands. Consumers' are highly involved in case of expensive and highly self-expressive products. The consumer engages in extensive information to search and to learn about product category so as to be able a good purchase decision. For example, when a consumer decides to buy a car, he seeks information about the available brands and compares his collected information about each brand and finally makes up his mind (Kotler, 2007).

Dissonance reducing buying behavior

In case of dissonance reducing buying behavior the level of consumer involvement is also high. Consumers typically undergo dissonance reducing buying behavior in case of costly and infrequent purchase. In this type of consumer behavior the consumers find it difficult to differentiate among the brands. For example, consumer buying carpet may come across of dissonance reducing buying behavior, as carpets are usually expensive and self-expressive. In case of carpets, consumers may deem most of the available carpet brands in the market within a certain price range to be of the same quality. Consumers may respond primarily to a relatively better price. After the purchase consumer might experience post purchase dissonance (after sales discomfort) (Kotler, 2007).

Consumer Decision making

The consumer decision making process defines different steps when a consumer goes through to purchase a product. If customer wants to make a purchase he or she takes a sequence of

steps in order to do complete this purchase. Problem recognition includes when consumer feel a significant difference between the current state and ideal so consumer thinks there is some problem to be solved. The problem may be small or big. In the second step, the consumer seeks information about the product. The extent of information search relies on the level of consumer involvement. In case of expensive products, the level of involvement is high. Conversely, in case of relatively cheap products the level of involvement is usually low. In the third step, the consumer evaluates the different attributes of the brands. Consumer may consider the product attributes and compare brand products. In the final step consumer makes his choice about a product. It's true that a consumer may not necessarily go through all the decision making steps for every purchase he or she makes. At times, consumer makes his or her decision automatically and the decision may be based on heuristics or mental shortcuts. Other times, in case of high involvement products consumer may take a long time before reaching a final purchase decision. It depends on consumers' importance of the products like purchase of a car or home. More over consumers try to make an estimated brand universe on the basis of available information about the brands, and to make an estimated the utility function on the basis of past consumption experience (Solomon, 2006).

Social Class

Social class is an invisible stratification of the inhabitants of the society into different groups based on some traits of the people. Inhabitants in a society can be divided into different social classes according to their income level, occupation, education and so forth. Social class of a person is determined by a wide variety of set of variables including income, family background and occupation (Solomon, 2006). A person's social class can be defined by what he or she does with money. The consumption choice of a person also determines the person's position in society. Every social class varies from each other because of having its own traits that set it apart from other class. Social classes vary in costumes, language patterns and many other activities and preferences. This class of consumer will possibly never buy a product on an experimental basis. Social class is very important source to know which social class person belong. Mostly people have different preference and choices from others (Stephens and Townsend, 2007).

Conspicuous Consumption

Conspicuous Consumption can be defined as the way of consumption by the people who have the financial ability to afford expensive brands not only just to consume the products but also to show off with the view to inspire envy among others. People of higher class usually go for a wide array of status symbols for consuming conspicuously. Conspicuous consumption is related to the person's social class, generally the upper class consumer would purchase and display exclusive items to show-off their wealth and power. They purchase expensive branded products like cars, latest electronics even if it is not necessary for them to purchase (Solomon, 2007).

Purchase Intention

The purchase intention shows customers preference to purchase the product, whose image is very close to customer. Moreover customers are well aware of certain brand name through advertising, from their past experience or information form their friends and relatives (Teng, 2008).The intention of a consumer to purchase a particular brand can be defined as his willingness to buy that brand. After being exposed to a TV commercial, a consumer might be interested about the product but being just interested in a product does not mean that the consumer has the intention to buy the product.

Chapter 3 RESEARCH METHODOLOGY

3.1 Research Design:

Descriptive Research:

The study was conducted to understand the effect of brand on consumer buying behavior of branded sports shoes. The problem and information needed is clearly defined. Research process is formal and structured. Sample is large and representative and data analysis is quantitative.

3.1.1 SAMPLING PLAN

Sample Methods - Simple Random Sampling

Sample size - 150

Primary data - Questionnaire

3.1.2 SAMPLE

While deciding about the sample of research, it is required from the researcher's point to pay attention to these under mentioned points:

- a) Sample Units: A decision has to be taken concerning a sampling unit before selecting a sample, sampling unit may be a geographical one such as state, district, village Etc. so in this research sampling unit is New Delhi area.
- b) Source of data: Data required for the study was collected through primary sources i.e. Market Survey.
- c) Sampling size: This refers to the no. of items to be selected from the universe to constitute a sample. This is a major problem before the researcher. The size of sample should neither be excessively large not too small, it should be optimum. This size of population must be kept in view for this also limits the sample size .Sample size in this research is 150.

3.2 INSTRUMENTS USED

Primary data collected through sample survey from the selected elements in malls and also from online medium. So for this purpose I have used the most popular tool of primary data collection through direct communication with respondents. The tools I used are questionnaires.

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3.2.1 METHOD OF DATA COLLECTION

Actually data is of two kinds which are following-

- a) **Primary Data:** Primary data are those, which are collected afresh and for the first time and this happen to be original in character.
- b) **Secondary Data:** Secondary data are those data which have already been collected by someone else and which have already been used as per required.

There are basically two sources to collect secondary data

- a) Internally: Provided by the company/organization
- b) Externally: Various publication of central, state and local Government.
 - Books, magazines, newspapers
 - Internet

After only keeping in mind one can think about what type of data has to be collected during research as our research is concerned I have to gather primary data for Customer preference.

3.2.2 RESEARCH INSTRUMENTS

Questionnaire:

As the questionnaire is self administrated one, the survey is kept simple and user friendly. Words used in questionnaire are readily understandable to all respondent.

I have made the questionnaire in which questions are according to the research and these are convenience for the respondent.

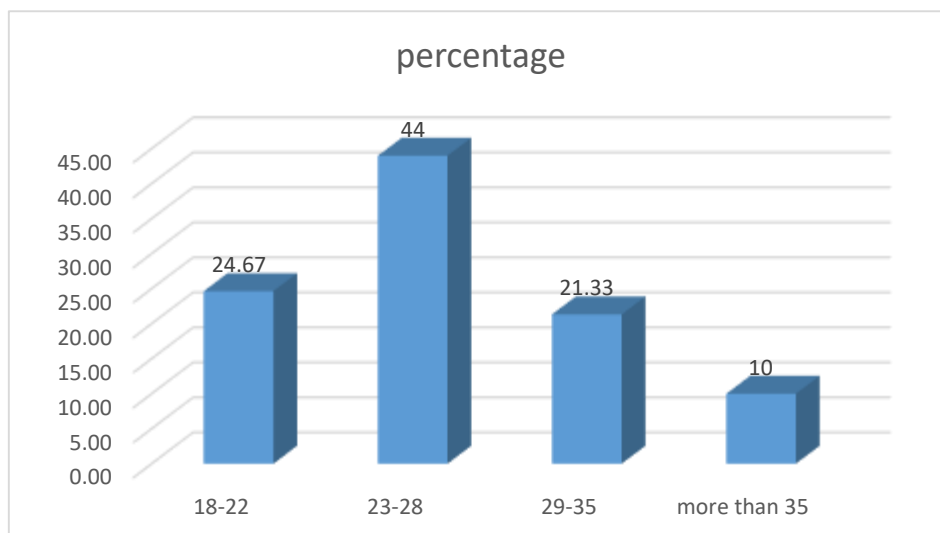
Chapter 4

DATA ANALYSIS AND INTERPRETATION

4.1 Analysis of Survey

“WHAT IS YOUR AGE”

AGE GROUP	PERCENTAGE	FREQUENCY
18-22	24.67	37
23-28	44	66
29-35	21.33	32
More than 35	10	15



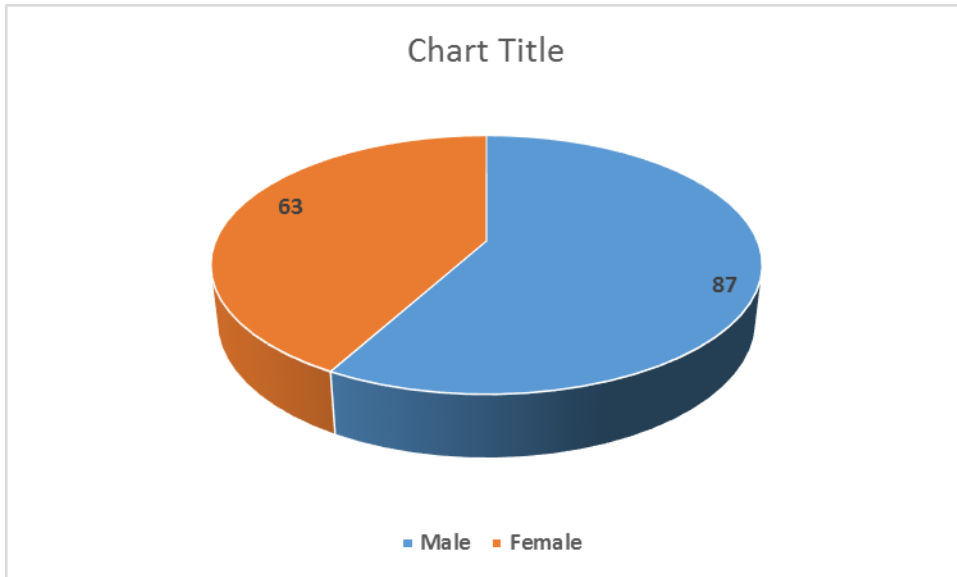
“WHAT IS YOUR GENDER”

Male

Female

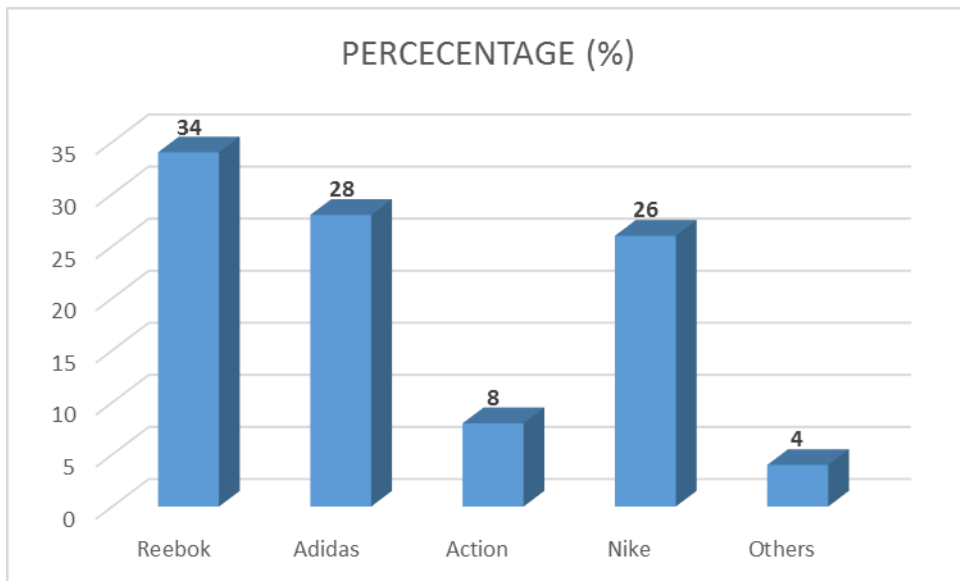
87

63



“WHICH BRAND DO YOU PREFER IN SPORTS SHOES”

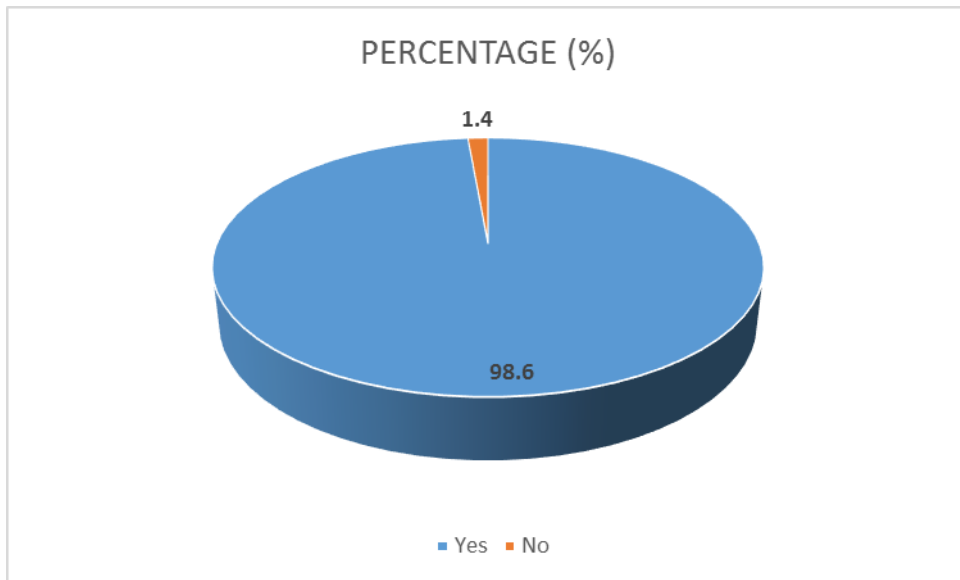
BRAND	PERCENTAGE	FREQUENCY
Reebok	34	51
Adidas	28	42
Action	8	12
Nike	26	39
Others	4	6



COMMENT: shoes of Reebok brand are most preferred among people

“ARE YOU SATISFIED WITH THE QUALITY OF PREFERD BRAND”

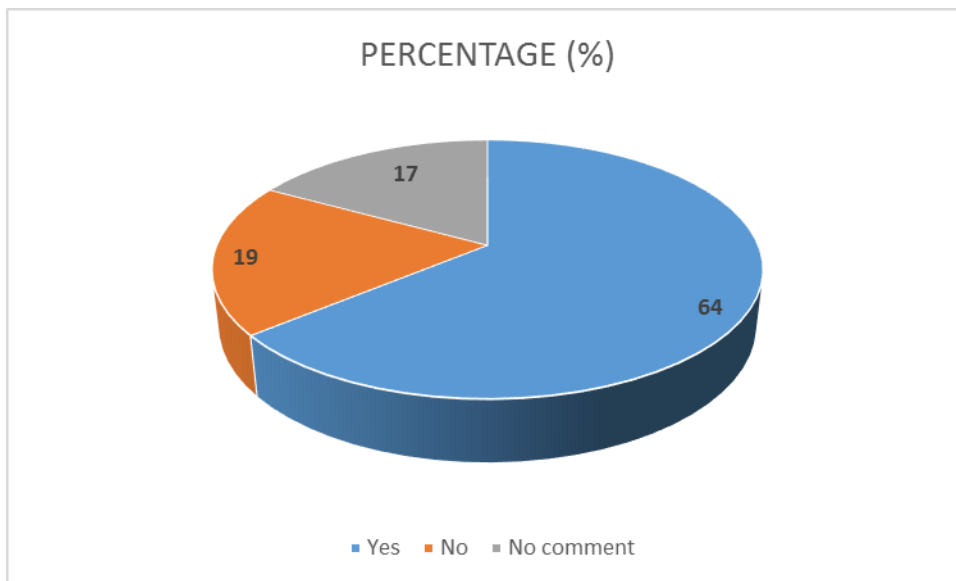
OPTION	PERCENTAGE (%)	FREQUENCY
Yes	98.6	148
No	1.4	2



COMMENT: most of the people in surveyed region were satisfied with their brand.

“ARE YOU SATISFIED WITH THE PRICE RANGE OF YOUR PREFERRED BRAND”

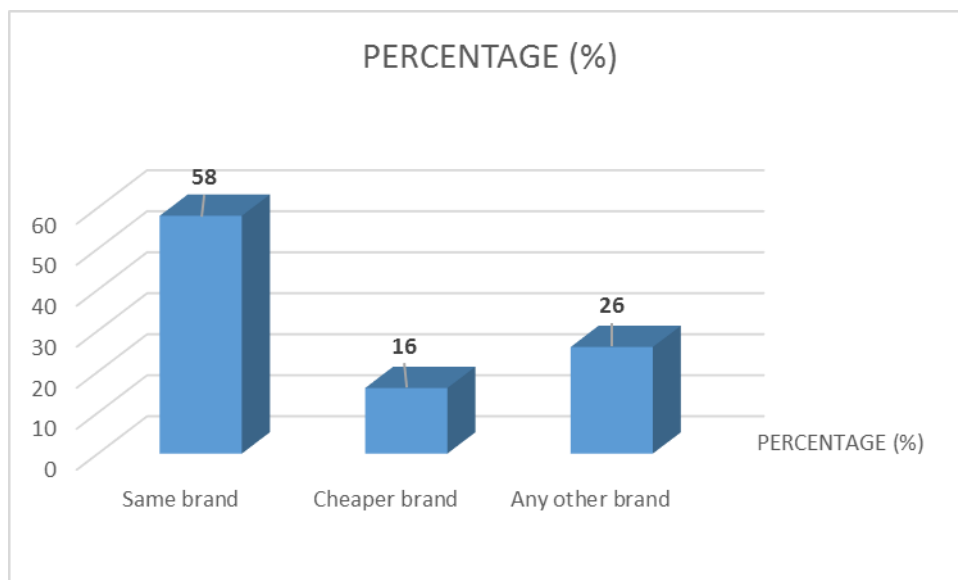
OPTION	PERCENTAGE (%)	FREQUENCY
Yes	64	96
No	19	29
No comment	17	25



COMMENT: price does not seem any obstacle in the way of consumers. Most of the people were happy with given price range.

“IF PRICES OF YOUR PREFERED BRAND INCREASES WILL YOU PURCHASE AGAIN”

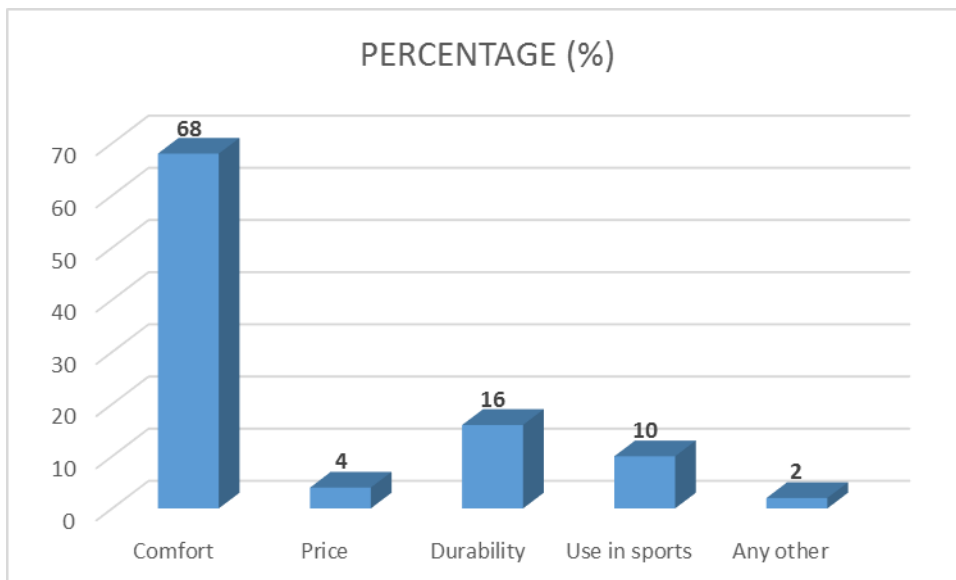
BRAND	PERCENTAGE (%)	FREQUENCY
Same brand	58	87
Cheaper brand	16	23
Any other brand	26	40



COMMENT: Increment in price affects the trend and market of the “branded sports Shoes”.

“HOW DO YOU CONSIDER THE IMPORTANCE OF SPORTS SHOES”

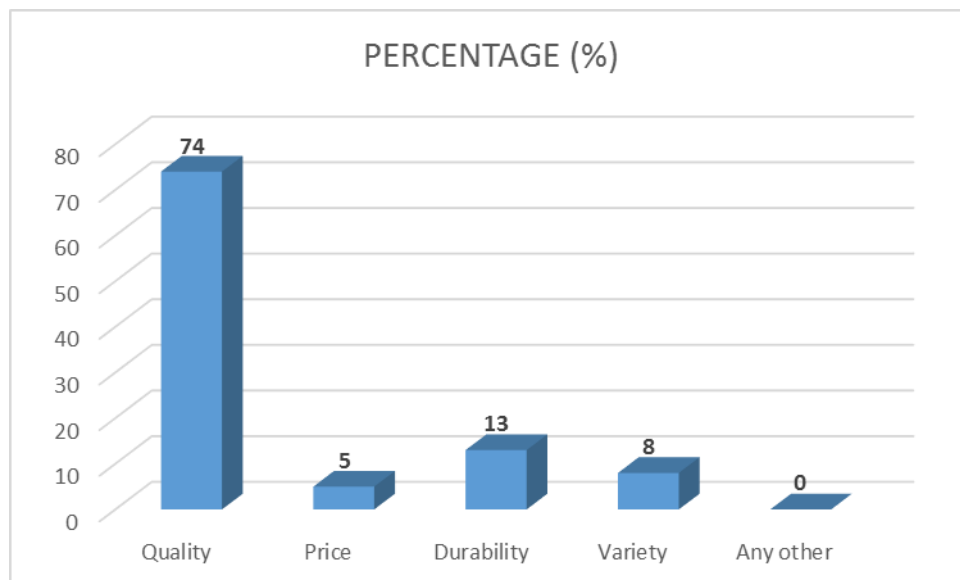
IMPORTANCE	PERCENTAGE (%)	FREQUENCY
Comfort	68	102
Price	4	6
Durability	16	25
Use in sports	10	15
Any other	2	2



COMMENT: The main ground on which Shoes being purchased is the quality of the Shoes. This indicates the quality preference among consumers, rather than price, durability etc.

“WHAT FACTORS INFLUENCE YOU MOST TO GO FOR A PARTICULAR BRAND”

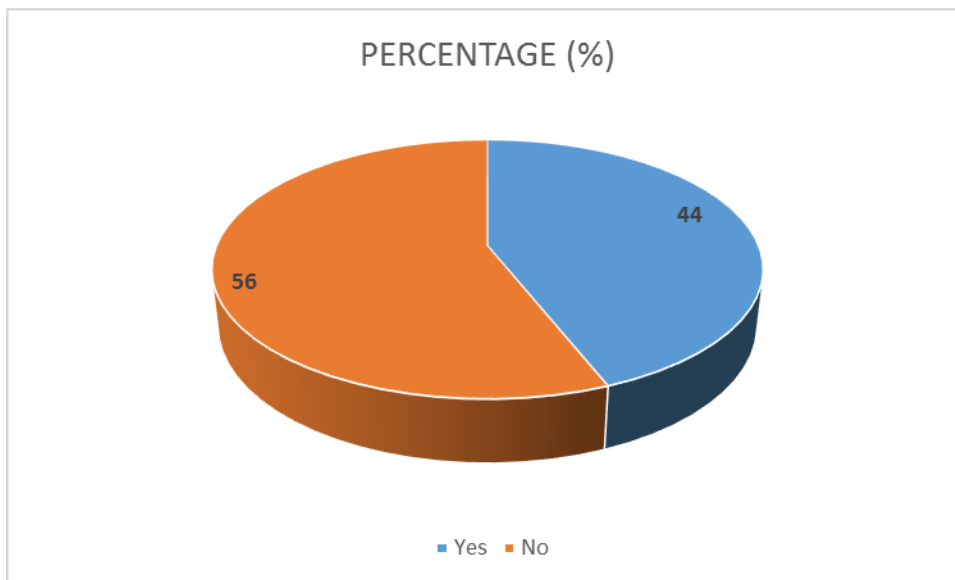
INFLUENCE	PERCENTAGE (%)	FREQUENCY
Quality	74	111
Price	5	8
Durability	13	20
Variety	8	11
Any other	0	0



COMMENT: people in the surveyed area mostly preferred the quality of the brand instead of price and durability.

“DO YOU NORMALLY SWITCH OVER THE BRAND”

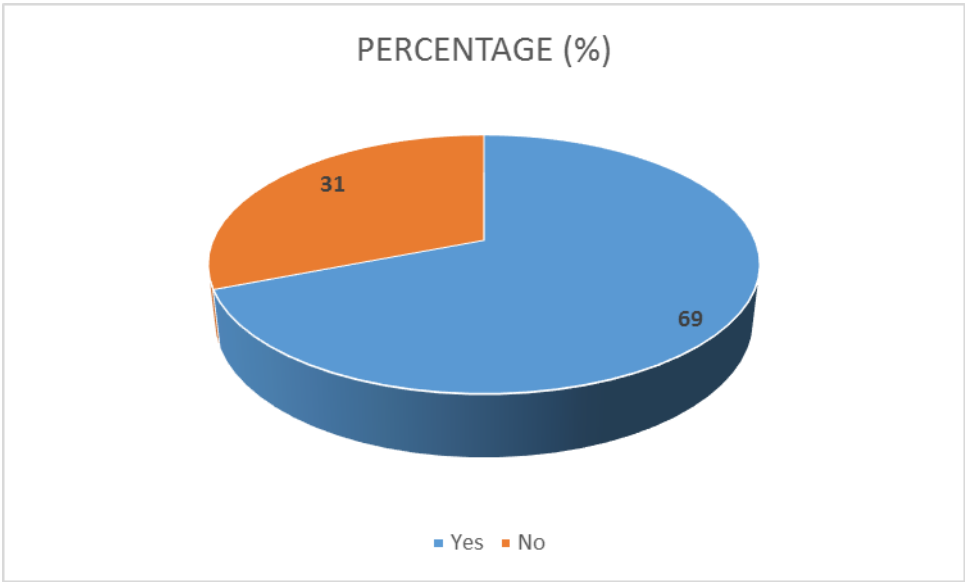
OPTION	PERCENTAGE (%)	FREQUENCY
Yes	44	66
No	56	84



COMMENT: Most of the people were not ready to switch over from their brand.

“IS THERE ANY EFFECT OF ADVERTISEMENT ON SELECTION OF BRANDS”

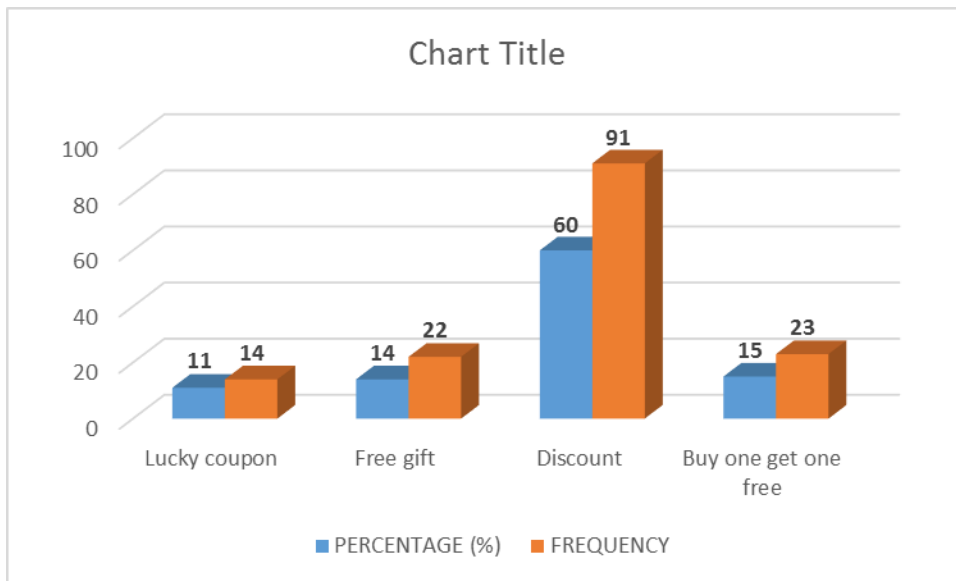
OPTION	PERCENTAGE (%)	FREQUENCY
Yes	69	104
No	31	46



COMMENT: Advertisement plays a crucial role in the brand selection

“WHAT KIND OF PROMOTIONAL TOOL YOU PREFER”

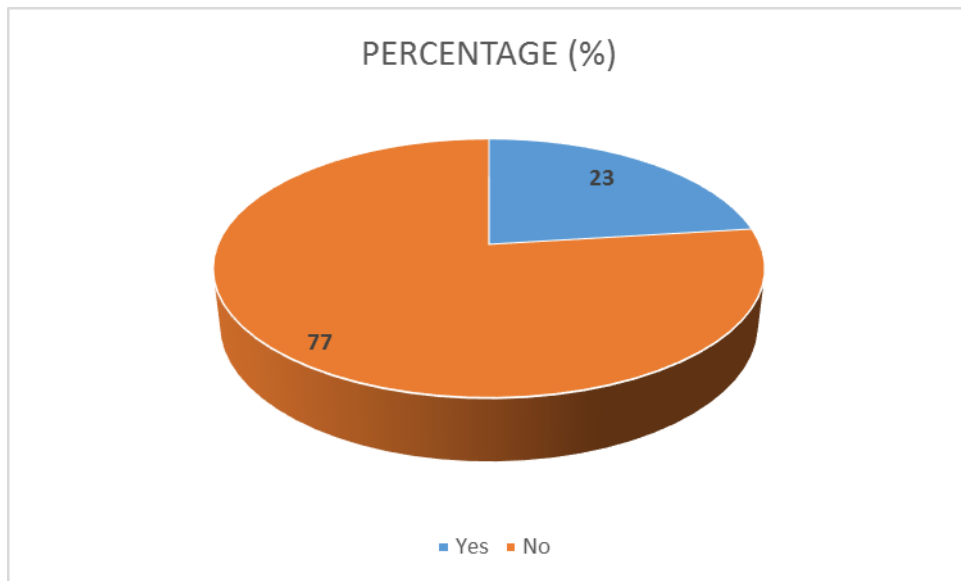
OPTION	PERCENTAGE (%)	FREQUENCY
Lucky coupon	11	14
Free gift	14	22
Discount	60	91
Buy one get one free	15	23



COMMENT: Respondents were more inclined towards the discounts Package in companies promotional tools.

“WILL YOU BUY PREFERED BRAND AT LOW COST OF NEGLIGIBLE QUALITY”

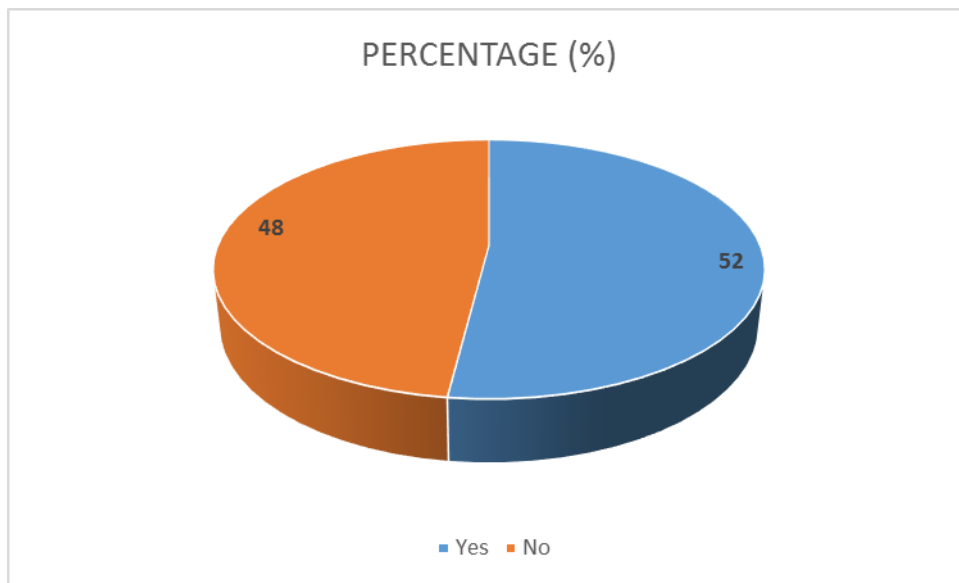
OPTION	PERCENTAGE (%)	FREQUENCY
Yes	23	34
No	77	116



COMMENT: Most of the people do not want to leave their preferred Brand at the cost of “low prices”

“IS THERE ANY IMPACT OF CELEBRITIES ON YOUR PURCHASING”

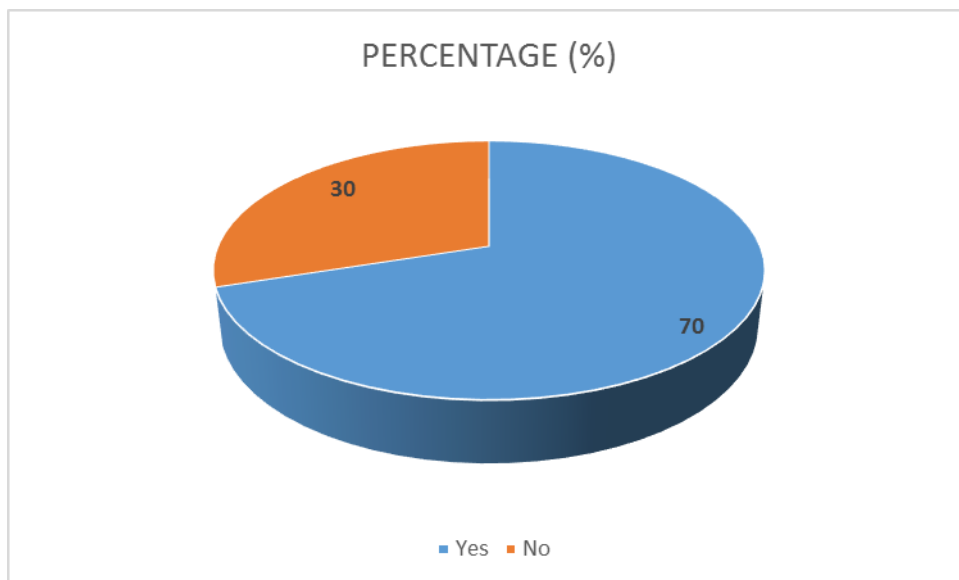
OPTION	PERCENTAGE (%)	FREQUENCY
Yes	52	79
No	48	71



COMMENT: Celebrities have a special impact on the mind of the consumers that affects the purchasing sense of consumers.

“WILL YOU PURCHASE ANOTHER BRAND OF SAME QUALITY WITH LESS PRICE”

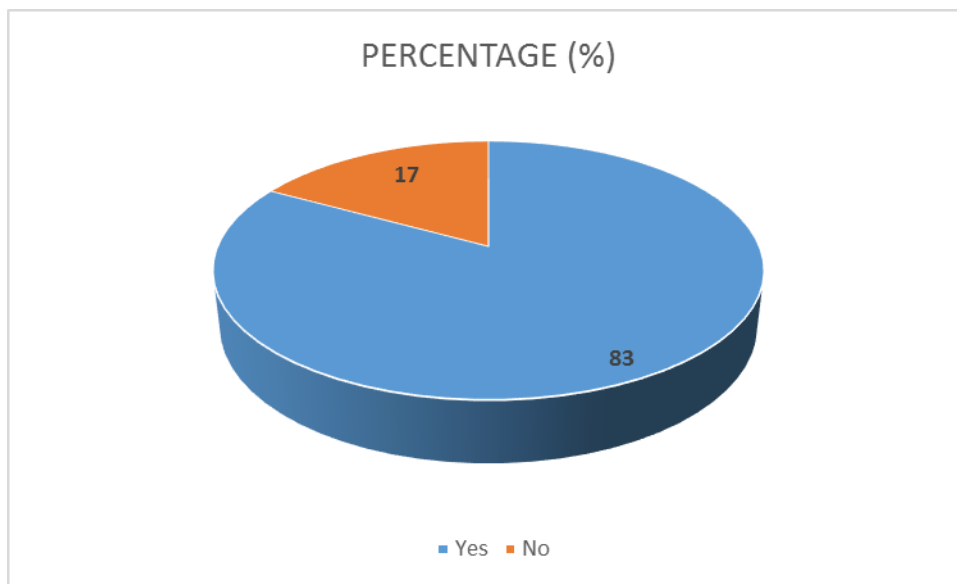
OPTION	PERCENTAGE (%)	FREQUENCY
Yes	70	106
No	30	44



COMMENT: Consumers look more brand loyal as they are not ready to leave their brand for other brand of same weightage.

“DO YOU THINK WEIGHT OF THE SHOES IS A FACTOR FOR CHOOSING A BRAND”

OPTION	PERCENTAGE (%)	FREQUENCY
Yes	83	125
No	17	25



COMMENTS: Weight proved its importance in purchasing of the shoes. Most of the users preferred to wear lighter shoes.

4.2 Data Analysis

4.2.1 Analysis of Objective 1

To study which branded sport Shoes is mostly preferred by people.

34% of Delhi consumer prefer Reebok brand.

28% prefer Adidas brand.

26% prefer Nike brand.

8% prefer other brands.

4.2.2 Analysis of Objective 2

To find out factor influencing the people at the time of purchasing sport Shoes

- QUALITY
- COMFORT
- DURABILITY
- PRICE and USE IN SPORT OR ANY OTHER.

- **74% of the Delhi consumer consider QUALITY as most influencing factor while selecting a brand**

- **68% of the Delhi consumer consider COMFORT the most important factor while buying sports shoes**

- **64% of the Delhi consumers are satisfied with the price range of their preferred brand**

- **60% of the Delhi consumer says that DISCOUNT is the most effective promotional tool in buying sports shoes**

Chapter 5 RESEARCH FINDINGS

After assessing the overall market scenarios what came in picture was as follows:

- ✓ Consumer reactions suggest that Reebok is the market leader among all its close counterparts in the sports Shoes with 34% followed by Adidas (28%) and Nike (26%).
- ✓ 74% of the respondents say that QUALITY is the most influential factor in buying sports shoes.
- ✓ 68% of the respondents consider COMFORT the most important factor while buying sports shoes.
- ✓ /69% of respondents say that there is effect of advertisements on their selection of brand of sports shoes
- ✓ 58% of the respondents say that they will stick with their brand in spite of increment in price.
- ✓ 60% respondents say that DISCOUNT is the most preferred promotional tool.
- ✓ 77% of the respondents were not ready for compromising on QUALITY over COST.
- ✓ 52% of the respondents say that there is impact of celebrities on brands.
- ✓ 83% of the respondents say that WEIGHT of the shoes is a factor for selection of brand.

5.1 LIMITATIONS OF THE STUDY

While surveying I encounter with some problems like-

- A survey should involve a larger sample size otherwise the findings of the survey can not be generalized.
- But a larger sample size may increase the time and cost of collecting the primary data with the help of Questionnaire.
- In some of the retail showroom it is not allowed to get the questionnaire filled.
- Many of the respondents were not willing to fill the questionnaire.
- Some people were not willing to respond and few of them who responded were in hurry hence the active participation was lacking. Due to which I faced difficulties in collecting information's regarding our questionnaire.

Another problem which I face was that people were hesitating to give information about their views freely.

5.2 Suggestion

“THE BOTTOM LINE” OF THE MARKET RESEARCH SPEAKS THAT QUALITY AND COMFORT OF BRANDED SHOES ARE MOST IMPORTANT IN INDIA. CUSTOMER OF BRANDED SPORTS SHOES ARE NOT MUCH PRICE SENSITIVE BUT THEY FOCUS ON QUALITY AND COMFORT SO COMPANIES SHOULD ALSO FOCUS ON THESE THINGS.

Chapter 6

Adherence Sheet

Adherence Sheet

Particulars	Last Date	Signature of Mentor 1	Signature of Mentor 2	Signature of Student
Title of the Project/Area of Topic Finalization	19-Jan-15			
Literature Review/Objectives of the study	02-Feb-15			
Methodology	16-Feb-15			
Questionnaire/Data Collection tools	02-Mar-15			
Data Collection	23-Mar-15			
Analysis	13-Apr-15			
Conclusion and Recommendations	20-Apr-15			
First Draft	27-Apr-15			
Final Report/Binding and Submission	02-May-15			

Chapter 7 ANNEXURE

7.1 QUESTIONNAIRE

Q.1 What is your age?

- (a) Yes (b) No

Q.2 What is your gender?

- (a) Male (b) Female

Q.3 Which brand do you prefer in Sports Shoes?

- (a) Nike (b) Adidas
(c) Reebok (d) Action
(e) Any other

Q.4 Are you satisfied with the quality of preferred brand?

- (a) Yes (b) No

Q.5 Are you satisfied with the price range of preferred brand?

- (a) Yes (b) No
(c) No comment

Q.6 If the price of your preferred brand increases will you purchase again?

- (a) Same brand (b) Cheaper brand
(c) Any other brand

Q.7 how do you consider the importance of sport Shoes?

- (a) Comfort (b) Price
(c) Durability (d) Use in sport
(e) Any other

Q.8 what factors influence you to go for a particular brand?

- (a) Quality (b) Durability
(c) Price (d) Variety
(e) Any other

Q.9 Do you normally switch over the brand?

- (a) Yes (b) No

Q.10 Does the advertising play any role in selection of brands of Shoes?

- (a) Yes (b) No

Q.11 what kind of promotional tool you prefer?

- (a) Lucky coupon (b) Free gift
(c) Discount (d) Buy one get one free .

Q.12 Are you willing to buy the preferred brand at lower price with negligible quality?

- (a) Yes (b) No

Q.13 Is there any impact of celebrities on your purchase of sport Shoes?

- (a) Yes (b) No

Q.14 Will you purchase another brand of same quality with less price?

- (a) Yes (b) No

Q.15 Do you think weight is a factor for choosing brand?

- (a) Yes (b) No

7.2 PERSONAL INFORMATIONS:

Name :

Age:

Gender:

Address :

Phone No. :

E-mail:

Occupation:

Date :

Thank You.

7.3 BIBLIOGRAPHY

The lists of reference for the purpose of completing this marketing project are as given below:

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Marketing Research
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By: G. C. Beri
By: Boyd and Stasch
By: Philip Kotler

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www.yourarticlelibrary.com

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