A

DISSERTATION REPORT

ON

"Can Personalizing and Online Marketing Help Firms?

A CASE OF NIKE IN INDIA"

PROJECT GUIDE:

Mr. Abhinav

SUBMITTED BY:

Tanmay Khatri

2K11/MBA/52

SUBMITTED TO:

Delhi School of Management

Delhi Technological University

CERTIFICATE

This is to certify that the dissertation project report entitled "**Can Personalizing and online marketing help firms? A Case of Nike in India**" submitted by the candidate Tanmay Khatri in partial fulfillment of the requirement for the award of **Master of Business Administration by Delhi School of Management, Delhi Technological University, New Delhi** is a record of the candidates work carried out by him under our supervision. The matter embodied in this report is original and has not been submitted for the award of any degree.

HOD   **Project Guide**

Prof. P.K.Suri   Mr. Abhinav Choudhary

                                                                           Assistant Professor

Date:

PREFACE

The proposal which I present here would be focusing on the issues related to online marketing by the firms and personalization of products among the consumer. This will describe the brief information on what theories, methodologies and time scale will I be following. There will be a brief focus on the primary and secondary research that will be followed. The amount of risk and cost involved in leaping towards the personalized production and online marketing is quite high. Firms need to be sure about the class of consumers that they target and the returns they focus upon form the market. Today the level of competition within the shoe industry has reached at the highest limits; firms try their best to overcome this indulging themselves into many activities. This only helps them if the steps taken forward are decided at the right time and in right direction. Today online marketing has taken a boom in India major fraction of the population today tend to look for new products and get information through internet, so why not firms take advantage of this and manage to get the best returns out. Today consumers have a large pool to choose their products from so industries need to focus on maintaining their customers. When an individual looks for shoe he tries to keep his options open as to what he likes he might find it in one or the other store. This is what makes the industry loose the customer to their competitors. So can offering personalized products help them maintain and build customers? This paper will help me investigate more on these issues in greater detail with the help of theories, journals, articles and reviews of other authors who have researched on this topic before.

Delhi School of Management   Tanmay Khatri

Delhi Technological University

<u>ACKNOWLEDGEMENT</u>

Every study requires a guidance of someone who is working in that field. Firstly we would like to thank HOD Sir Prof. P.K.Suri for providing an opportunity of preparing a Grand Project Report and allowing us to use the resources of the institution during this project.

We are extremely thankful to our Project Guide, **Mr. Abhinav** for their precious guidance regarding the preparation of the Project Report. Their guidance has proved to be useful and without them, the preparation of this report might not have been possible.

We are also thankful to the other faculty members of DSM for extending their valuable support for this project.

We also extend our sincere thanks to the Respondents, who helped us during the course of our project and for their gracious attitude.

We would like to take this opportunity to extend our warm thoughts to those who helped me in making this project a wonderful experience.

Last but not the least; we would also like to thank our family for their support and encouragement.

CONTENTS

INTRODUCTION

EXCUTIVE SUMMARY-

Online marketing has become a main line attraction for most of the companies today in the business world. Companies who have been practicing this in their daily business have benefited quite a lot. This study will take you through the whole process including the pros and cons of online marketing. In this research we will be considering the case of Nike the major shoe brand and its competitors with regard to online marketing. Further in this research, recommendations and solutions have been made which can be applied by Nike in order to achieve more from this sector compared to the other rival's.

PROFILE OF COMPANY-

When Nike first entered India in 1996, only a handful of models were available. The marketing, promotion and distribution were handled by Bata. Later the onus was removed to quite a large extent from Bata and franchisee owned showrooms took the initiative. They appointed Sierra Industrial Enterprises Pvt. Ltd. as a licensee to handle distribution, while the parent company kept brand management to itself. In June 2000, Nike began selling shoes and other products online.

Future Plans: Nike has always been really on a high for their expansion plans and also hopes to double their outlet presence all over India. This will place more pressure on the new prospectus entrants and the existing players could frighten them and place a wrong move in the market. This is a risk in the opposite direction that is an essential one. With advertisements placed all over with their newer marketing strategies started placing them high in the market.

Nike's takeover of Converse was an epic moment in the shoe industry, which took place in 2003 for around $305 million. Converse's management team remained the same and wanted to work out the same strategy. They had to buy Converse via a group of private investors to pull it out of bankruptcy; also the new addition to Nike helped them to establish a stronger market presence over the other brands.

OBJECTIVES AND RESEARCH QUESTION

To confirm that online marketing has been on its peak and that by entering this field or bring this to daily practice can help firms generate great revenues. To find the cause that why do firms with no connection to online marketing have been generating less revenues than compared to the ones who have been following it, in the case of Nike. Bring out recommendations and solutions for the company.

RESEARCH QUESTION –
    a. Can online marketing be help to firms?
    b. If so then to what extent.
    c. Where does Nike stand when it comes to online marketing in India?
    d. What other factors affect the firm's marketing.

RESEARCH STRUCTURE-

Under literature review concentration will be given to the marketing strategies and online marketing methods. Qualitative and quantitative methods should be followed in the methodologies chapter. Data interpretation will be discussed here. Then the primary and secondary data will be analyzed. Finally the conclusion and recommendations will be presented.

LITERATURE REVIEW

EVOLUTION OF NIKE

Bill Bowerman and Phil Knight were the founders of Nike Inc. and named it as Blue Ribbon Sports in early 1962. In an attempt to realize Knights theory, he came to an agreement with the Onitsuka Tiger Company to be their sole distributor in the United States.

Knight didn't start that big, and in1962, he received his first shipment of 200 pairs of Onitsuka Tiger shoes Oregon. The shoes were later bought by Blue Ribbon Sports (BRS), they pulled in a total sales figure of around $8,000 in their premature venture. In 1966, Bowerman worked in tandem with Tiger to design the *Cortez* running shoe, which was a huge success for Onitsuka Tiger Company and was first sold at BRS outlet. Later in the coming years they started manufacturing their own line of shoes which they started bearing the name of Nike, and the Swoosh trademark. Design of the Swoosh trademark was done by a University student for a mere $35.

In 1972 BRS/Tiger relationship came to a standstill and BRS soon changed its name to Nike, Inc. and re-launched itself at the 1972 Olympics. In 1980, with a huge support of around 2,700 employees, Nike went public by selling 2 million shares on the New York Stock Exchange (NYSE: NKE).

There came a point when cult-stars were picked for brand endorsements and 1980's were marked by bringing in the legendary Michael Jordan on board as their product spokesperson, with revenues in excess of $1 billion, the formation of Nike International Ltd., and the "Just Do It" campaign which was a major point in the history of Nike, Inc. Nike also expanded its product line to include specialty apparel for a variety of sports. In 1990, Nike surpassed the $2 billion mark in consolidated revenue with 5,300 employees worldwide. In addition, we opened the Nike World Campus in Beaverton, Oregon.

Nike pushed on to participate in major events such as the World Cups, NBA, and so on to popularize themselves with the masses. We saw also many stars don the sportswear in their personal collection, which was followed by increase in their sales with the general public, who wanted to follow their stars. Later Nike started spreading the collection in terms of ranges which spread from *high* performance (when communicating with athletes they wanted to be in the race with their competitors hence they gave more attention to high performance products), *comfort(*this dealt with

lot of loyal customers as they were the old customer tied with them offering them the comfort on their soles they needed*), lightweight*(they wanted to eliminate the ongoing trend of heavy and bulky sports shoes by offering their new technological range of light weight shoes which felt light on the wearers feet*), durable*(it had come to a point where consumers wanted more long lasting foot wear as they were paying a good amount for these, hence durability had become a major concern for Nike, Inc.*), style*(with the youth population growing by the day they wanted to keep up with the expectations of their young customers hence they tried giving in much more stylish and different shoe designs*)*.

Overview of the Indian shoe industry

We can have an overview of the shoe industry with respect to some factors which can be categorized into 2 parts

      i.   Aggregate factors
    ii.   Category factors

Aggregate factors

Size: the shoe industry in India is largely with an unorganized sector. The size of the industry is £1 billion in value terms and 620 million pairs in terms of volume. Of this 100 million belongs to the organized sector. In addition to that less than 50% from the organized structure is composed of canvas and rubber shoes, mainly sports shoes. Of this, around 35% can be estimated to fall under the category of the premium sports shoe segment. That means that the total market size of the premium sports shoe segment in India is approximately 35 million pairs.

Growth: The footwear industry as a whole is growing at a rate of 12% p.a. No clear-cut data regarding the growth of the sports shoe segment is available, but the growth rate is expected to be higher than the rest of the industry. Since the phenomenon of international brands like Nike, Reebok, Adidas and Lotto being available in the Indian market is reasonably recent, there are still a considerable number of first-time buyers in the country. We can expect a growth rate of about 40% in the growing youth market segment.

Life Cycle Stage: Following many reports one can see that there is a rapid growth in the shoe industry in India, and the present shoe vendors need not worry as there is a huge scope of growth in the many years to come and prosperous times are for sure, as demand for shoes will keep on

increase with the special interest of today's youth, thus the life cycle of the shoe industry is sure to maintain an upward movement graph.

Cyclicity: The sports shoe industry in India as well as around the world displays a direct cyclicity with major sporting events of the world. There is generally an increase in sales during the Olympics, Soccer and Cricket World Cups. Following these upsurges in sales, there are usually periods of low sales.

Seasonality: Again, the demand for sports shoes, as a whole is not really seasonal in nature. However, if we go deeper and look at individual models or shoe-types within the sports shoe industry, we may notice the slightest semblance of seasonality. For instance, soccer shoes are likely to enjoy more sales in the summer and monsoons than in winter owing to the fact that most soccer in the country is played at these times in a year. At the same time, since sports shoes are often used as fashion accessories and footwear, a buying flurry may take place in the months of October and November, during the festival of Diwali – the gift-giving period in India.

Marketing Mix: Sports shoes in India are usually distributed through company showrooms, franchisees and other retail outlets. Certain brands have their own exclusive company-owned showrooms, while others operate through franchisees. In addition, many distribute through retail outlets as well. As far as pricing is concerned, a sports shoe in India can cost anything between Rs. 300 and Rs. 12,000, depending on the brand, quality and design. For the premium brands, the lower limit can be raised to Rs. 800. The type and promotion varies from brand to brand. While most players use print media and billboards for advertising, some use television advertising as well. Celebrity endorsements are a common form of promotion for sports shoes in any country and India is no exception. Often, these companies also sponsor sporting events and sports programs on television in order to promote their product.

Category factors

Concentration: Shoe market in India is around 50% with the organized sectors, about 45 million pairs of shoes p.a. segmenting itself into premium high quality and general sector. Falling in the premium category the masses placed Nike, Reebok, Adidas and Puma, while Reebok playing with around an excess of 50% of the market share being the leader, and the remaining share spread amongst the other remaining players.

Power of Buyers: Buyers do not enjoy a bargain as in this industry the price for any brand comes fixed from the industry itself and doesn't lie in the hands of the middle man. A pair of Nike in a

certain region would be similar to the price being offered in another region in the same country itself.

Power of Suppliers: As sorted out from the above section the power entirely lies with the suppliers, on the part of deciding the prices, which they fix as standard and runs for the entire range as well.

Rivalry: From the above segmentation, to eye for the top stand in the market lies only amongst few brands. If we take players from the general sector then the competition increases. MNC's like Nike and Reebok have their presence hardly felt in this category and do not necessarily target this segment, while they play along their own plans.

Pressure from Substitutes: There is not much of a pressure of Substitute products from other footwear's as professionally they do look into their own comfort zone and stick to them, which is being offered by these top premium brands. Also if you notice premium brand wearers will not switch their taste for price as they are much more comfortable.

Ease of Entries and Exits: For a domestic or new entrant, it is difficult (not impossible) to establish themselves quickly as one would want to, as the competition is amongst the top of the crème, and who have established themselves in their Indian base. Surely, one can argue that a domestic player would know the market much better, but that is only domestic and his returns also would be of the same scale but not for a national level as when these MNC's entered the market they looked upon a wide scale and settled. The only possibilities that could be entertained are that of merger with these groups, it will help both ways, and will help the bigger fish to spread on a wider economical scale over a larger area.

MARKET SHARE

In the financial year of 2010, Nike Inc. stood at a staff strength of around 34,000 plus and revenues of around $19 billion, stood strong in the market having a high market share with reference to their competitors of around 35%. These assumptions are valid for the premium sports shoe segment and not the whole footwear industry. The company has grown by 60% over the last year and is expected to grow by a further 40% in the near future.

NIKE WORLDWIDE MARKET SHARE
2011

Nike
23%

Others
43%

Adidas
19%

Reebok
15%
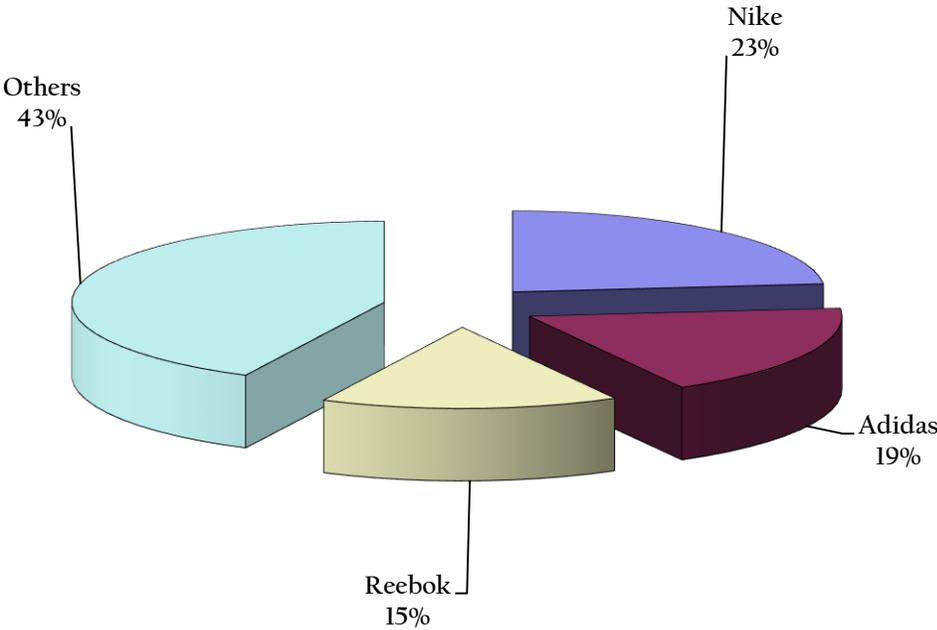
SWOT ANALYSIS

Strengths

Nike was the first of the organizations to shift bases and bring in more technology, and perform shifts based on situations. They also have a strong brand recognition and reputation in the market. They have indulged in diverse fields of the market such as sporting equipment, apparel, footwear, etc. they have huge amounts of control over their distribution channel and their innovation schemes while distributing online.

Weaknesses

A strong criticism comes across Nike when it comes to their overseas working conditions being portrayed as poor. Also it is said with the trend in call centres the customer service is poor and not helpful. Direct sales to the consumers creates a conflicting situation with its own resellers.

Opportunities

They have capitalized over the increase in demand of products online, e-commerce has played a major role and also a occupied market. Expansion of ecommerce market is a must as a developer, and growing reputation in non-basketball sporting activites is also a major boost in their market share.

Threats

Threat is always from new entrants or existing players moves, but for which they must always be aware. Technological solution updates is a must, which could pull them down if outdated.

PEST ANALYSIS

Technological Factors: When it comes to technology, it plays a major role in shoe industry. We currently see how much advancement is being noticed in marketing and designing of the shoe. Nike being the market leader they need the best technological support. Technology in India is at its peak, though communication still maybe a minor problem which is being a major issue solved, and many firms in this sector have been coming up.

Socio-cultural: India being a diverse nation with every individual thinking different and having a different choices. This gives NIKE Inc. a diverse and a wide target market for expanding. India is a cricket crazy nation, NIKE, Inc. took a major step and helped the national team by endorsing their equipments and apparel. This gives Nike a great advantage by endorsing the cricket team. It makes it easier for them to the favorites amongst the diverse nation.

Political: India in the current ongoing recession has been able to keep it economic growth and net income at a high. This factor plays a major role in attraction of more FDI, entering into the Indian market has never been a problem as rules and regulations have been liberal and supportive. Only the entry phase where they need to partner up with an Indian entity to function as an FDI played a major role, due to the help of Nike town's high influx of cash reserves it was possible to even have and dream of such a major expansion all over India.

Environmental: In India, preservation is of utmost importance, and Nike have involved themselves in various CSR activities which have made them a popular figure and they need not worry on the environmental scales, as the damages are covered not only by them but many of the other CSR loving organizations who have teamed up with the, one major player being the NDTV group. Who have partnered with them in helping and initiating various environmental activities?

4 ELEMENTS OF A WEB MARKETING PHILOSOPHY

These are four vital elements to a successful on-line marketing mindset.

1. Focus on your customers

Websites must be structured with customers in mind of the organization, like an FAQ system must be developed to answer customers "dumb questions (and as said no question is ever dumb)" and answers them in as much as details as possible, pictures would also help a lot, as need to cater to every type of peoples understanding is important. Dealing with customer's aspect of concerns is an important phase in marketing, but dragging ones attention to your product is another factor in all. In this information industry the more you present the more you succeed is the factor that plays a role in all. Involvement of factors like search engine and etc are an important factor that helps in making the product sound important.

2. OFFER EXCELLENCE

Generalization is the most dangerous game to play with as just brushing through leaves out a mark of non-excellence with the organization. We have to explain in detail to highlight our product, to pull in the customer's attention and give millions more supportive reasons for customer to buy the intended product. Simulation is required to help customer visualize what exactly he is performing. But when we speak of visualization it doesn't mean that we fill with graphics in this internet age world. Too much of it brings in the shabbiness and a thought of being disorganized, which could lose interest and support. Details must be clear and cut short and, for example I advertise a product Nike wouldn't take a scanned image or some amateur photography and place it to display their product, they would do it in a nice and professional manner to make themselves highly presentable. When we speak about professionalism, true that the current tools are being amended on a daily basis but if one doesn't know to use the tools there comes the trouble part with half done advertisement. Basically, to say there is a need to invest a lot in marketing which falls in line to perfection to attract the potential customers. Being generalist is dangerous; uniqueness is an important factor.

3. Keep tweaking your Web strategy

There is a need of constant improvement in this field; improvement can deal with product or with change in structure or marketing. Combination of the first two is required over with simplistic strategies which deal with the visitor's attention. Keep the strategies that are working and drop that aren't, even the ones that are working need a bit of tweaking as it brings in freshness into the product marketing. And understanding is also required as to what are the changes and why are the changes being performed. Even tweaking with team performance and role reversals can work out miracles, I know getting into HR is another detailed matter but every factor is important while

speaking about marketing. Continuous improvements on long term and short term basis are important when we involve playing with the marketing strategy.

4. Schedule marketing time and money

Planning eye of an entrepreneur is the most important; as the captain is the one who will place his best men into places where he feels they are the best and so on down the hierarchy. One must see his own business and the customers pocket ad needs, for example there is a pay as you go service in sim cards, this is an effective way to pull in the customers, there could be also monopoly played in certain countries where there being only one operator he can charge to the highest peak. But with such facilities you help connecting more with the customers; similarly Nike, Inc. has its own deviations in scheduling its marketing time and money. They have the high ranged premium brands personalized, they have the same quality in slightly lesser price and they also have a general segment, where anyone who cannot afford the high priced can settle in for the general product but sill own the brand. Focus on your customers and offer nothing but excellence, keep tweaking the marketing strategy and schedule marketing time and money ideally. The only bright moment would be if these selections help to show a right move for the company.

INTERNAT- Business Model

► A method of doing business which brings profit to the firm either by increasing revenue or by reducing cost.

► Always important to keep customer values in mind.

SEGREGATION

► An application that creates customer value by E- Marketing model.

► Innovative methods of selling products.

► Affects every entity of the model like manufacture, service provider

► Models:

☐ Content Sponsorship Model

☐ Direct Selling Model

☐ Infomediary Model

☐ Intermediaries Model

Sponsorship Content Model

► Firms bring valuable content or services on their Websites

► Self-advertising

☐ Example:

► Yahoo!

Direct-Selling Model

► Manufacturers eliminating channel intermediaries and sell directly to consumers

► Known as "Disintermediation"

► Dell Computers

Infomediary Model

► An organization that collects and sells information about consumers or businesses

► Similar to a Market Research firm

Intermediary Model

► Brokers and agents bring buyers and sellers together but neither purchase nor take possession of the actual products

☐ Brokerage firms

► E-Trade, E-Bay, Metal site

☐ Agent firms

► Travelocity

► E-retailers are firms that buy products and resell them online

☐ "Click and mortar" stores

☐ Example: E-Toys

ONLINE Marketing Communication

► Models:

☐ Online Advertising Model

☐ Online Sales Promotion Model

☐ Content Publishing Model

☐ Email Model

► Does not include a firm's own Website

Online Sales and Promotion Model

► Sampling digital products

► Allows consumer to view products before purchasing

► E-Music

Content Publishing Model

Company's Website

► The displaying of a firm's information about their product offerings on the Website to Internet users

► Brochure

► Does not involve transactions

► Directed towards stakeholders

►   Pure Fishing

E-Mail Model

►   Three types:

☐   Target Promotions

►   Companies target users through research and data mining to send e-mail

►   Bulk Email Software Marketing

☐   Reverse Channel

►   User to firm

►   Customer service

►   Bass Pro Shops

☐   Consumer-to-Consumer

►   Word of mouth

Relationship Marketing

►   Customer Relationship Marketing (CRM)

►   E-Marketing is able to build long-term relationships due to:

☐   FAQs

☐   Automated e-mail responders

☐   Customized Websites and information

►   Model:

☐   Community Building Model

    Community Building Model

►   Website developed to create a special interest community

►   Users may provide information for products or services

►   Bring consumer to concise location, making them more available for communication by a firm.

►   Creates social bonds and enhances customer relationships

►   Ivillage

    Marketing Plan Tasks

►   Analysis of situation

☐   Factors affecting Environment – Analyst's collect external elements that include economic analysis, social and demographic trends.

☐   Opportunities form market – The supply and demand analysis is done along with a SWOT analysis.

►   Selecting Target Market – marketers select the type of customer they are looking to attract.

- ► Setting objectives – marketers set the objectives according to the firm's mission and resources.
- ► Designing marketing mix strategies – Develop product, pricing, distribution, and promotion strategies
- ► Action Plan – Plan the actual marketing plan implementation
- ► Budget – Set a budget for the marketing plan
- ► Evaluation Plan – Continuously evaluate the plan to make sure objectives are met.

Baazee.com is one of the best auction sites. Here one can buy good and genuine stuff ,even second hand at very good and reasonable prices. This site is created for the convenience of the customer and sits all kinds of people.

An Overview of B2B Payment Systems

B2B payment universe has three types of payment systems:

- Those who replace the ongoing bank or finance company like a trade card. With an account responsible to ensure your payment like a loan system with a guarantee.
- Works with the banks and finance companies offer the same service to their customers like for example; solutions like Orbian IPIN.
- Those who use Pay Pal, something like a trade card again, but comes with features incomparable.

When talking of B2B payment systems, it can help both transactions conducted on exchange. Secondly, those conducted amongst existing trading partners.

Regardless of the model we tend to see some of the qualities in B2B payment systems:

- Like assurance of the payment by the buyer for the seller.
- Assuring the buyer about the delivery and quality, since there is an assurance for seller then it has to run on a two-way system, and cannot be just fair for one and unfair for the other.
- Allowing the sellers to conduct businesses with new parties and prospect customers whomsoever they find.
- This eradicates some amount of expenses, hassles and risk, and reduction of these three main factors can help the body the concentrate on other grieve issues they encounter on their path of business.

It is important to have multiple B2B solutions as there involved a high amount of cash flow in this, when we speak about B2C, the part gets easier for them as their costs are lessened to a great extent and also techniques like credit facilities and easy pay installments make it easier for them, thus companies need not much concentrate from there but when it comes to B2B since there is a lot

involvement of heavy income, thus lot of care and security is required and a lot of interest is shown in this field.

Review of Alternative Payment Systems

We are seeing a revolution in the market catering to a wide outfield and programs like B2B, B2C, and C2C payment systems, have lessened the pressure noted upon. Integration of payment systems like EBPP (Electronic Billing Presentment and Payment) system or eBilling systems are certain necessary systems that have emerged.

Why Alternative Payment Systems Are Necessary

These days credit cards have become a great payment method, the burden on the consumer is very less as they have to pay the total amount spent in the month only towards the end of the month. But on the other hand the problem is being faced by the merchants, as the customers can deny the purchase where the card has not been physically present, e.g.: Amazon. Card is not required only the number and security code are sufficient. Hence here is where the alternative payment method plays a major role. Now the merchants can also play safe. By the alternative payment method they will also have to just store the authorization code from the payment system to ensure later.

Non-Reputation: the big issue here is how to verify whether the card holder is genuine or not. N-R is system that plants some secure code or even a certificate on the customer's computer. It acts as a 3D verification security system which ensures more safety.

Fraud Protection

Elimination of fraud and malpractices are one thing which can never be completely eliminated but by use of alternative payment system one can minimize the risk to a great level, e.g.: secure code, certificate, scratch payment card, and more.

Dispute-resolution Process

Certain set of rules are to be laid down in favor of merchants like they should be given the advantage that they can only refund money up to a certain amount or even cancel.

No Need to Have a Merchant Account: Surprisingly, some of the "alternative" payment systems I've reviewed have expected merchants to have merchant accounts. While it is the case that many merchants will have merchant accounts, at about $25 per month plus transaction fees, they may not be cost effective for very small businesses - especially since multi-channel businesses will typically have different accounts for their Web business and for their store business. Also, even a

little fraud can be a huge problem for a very small business, since chargeback fees and penalties can quickly swell into the thousands of dollars. For many small merchants - crafters and other producers of specialty items - merchant accounts are a liability. A true alternative system will permit merchants to skip the headaches of a merchant account.

Setup Process

The days of six-week implementations are long gone! Alternative payment system providers are essentially ASPs (application service providers) who process money for you. Expect implementation to take a week or so, and expect to make minimal and simple changes to your own site. If your existing Web hosting company, which hosts your shopping cart, already has a turn-key alternative payment system installed, then you're in luck. Just make sure the payment system they offer measures up to the other criteria.

Quick Access to Funds

Money should be available within a couple of days after you ship the products. Sooner is better. You sometimes have to accept a higher discount rate for seeing the money sooner. You should never have to wait 30 days to get paid.

Types of Payment Systems

There are basically five different types of payment systems: same-as-cash stored value accounts, self-recharging accounts, hardware-based stored-value accounts, micropayments, and billing to a phone bill. In some cases, the type determines the audience, such as micropayment systems, which are generally preferred for digital content.

Same-As-Cash Stored Value Accounts: If your target audience typically pays with cash, then you'll need to implement a payment system to which they'll have access. With these solutions, you want to make sure the same-as-cash cards have a wide distribution network in the brick-and-mortar world. It doesn't do you any good if your customer has to have a credit card to purchase the same-as-cash card. Vendors include: Internet Cash, InteractivCash (formerly Chargit PrePay), VisaCash, Pocket Pass, and Cube Card.

Self-Recharging Accounts: These accounts rely on the buyer associating either a checking account or a credit card number with the vendor. The vendor debits the associated account when the customer purchases from them. Vendors include: PayPal, iPin, Achex, and Qchex.

Hardware-based Stored-Value Accounts: These systems are having more trouble taking off, since special hardware is required on the part of the buyer. On the other hand, non-repudiation is a non-issue when hardware is part of the purchase. Vendors include: Wave Systems, Visa Smart Card, and Mondex.

Micropayments: If you're delivering digital content such as articles or music, you may need to charge small amounts. In that case, a $.20 per-transaction fee might be less attractive than a percentage fee. Micropayment systems are designed for small value, high volume transactions. Some even handle DRM (digital rights management). Vendors include: Qpass, MicroCreditCard, and Millicent.

Billing to a Phone Bill: The downside of billing a purchase to the phone bill is that receiving payments typically takes a long time for the payment system provider. The sooner you want to see your money, the higher the discount rate is going to be, since the provider is essentially paying you before he gets paid. Vendors include: Charge Phone and ChargitDial.

Understanding Online Behavior: Imagine being a custom tailor and trying to fit a customer's clothes without taking measurements. Sure, you could make a best-guess, but you'd never really provide that customer with a proper fit. And as a result, you lose business. But that's exactly what 77 % of all online businesses are doing. According to Forrester Research, only 23 percent of companies currently improve their online operations by making use of the data associated with how customers use their Web sites. However, as experts agree and the brick-and-mortar world has demonstrated, understanding and reacting to customer behavior is the number one resource for acquiring and keeping customers. Forrester leaves us with the sobering pronouncement that fewer than 200 business-to-business sites will be standing in 2003. Will understanding "E-Metrics" be a key differentiator for survival?

Brick and mortar companies use well-understood, well-defined metrics to describe business performance and understand success. While e-business shares many principles with the offline world, Web sites require a fundamentally new approach and perspective to business analytics. Today, while many e-businesses are struggling with the concept of hits versus page views for measuring success; many forward-thinking sites have begun to adopt new E-Metrics. Forward-looking B2B sites are now drilling deeper into customer interests and segments to track individual behaviors and click-stream patterns for more effective targeted marketing campaigns and communication. With this increased customer knowledge, e-businesses are able to improve customer retention, build a more loyal customer base, and increase ROI.Online marketers know

that they need to do more than simply measure "click-through" rates and loosely defined "hits." The key is to gain a fundamental understanding of customer preferences and purchasing lifecycles.

MARKETING STRATEGIES

A Marketing Strategy is a major role player which allows the organization to maximize the use of its limited resources to the fullest in order to boost sales and achieve competitive advantage.

The key part of any general strategy is: An effective strategy brings the integral components of corporate strategy in such a way that it can then successfully engage prospects, competitors and customers in the marketing field. It comes from the broader corporate strategies, missions and goals, with the customer participation in the source of company's revenue marketing strategy is closely linked through the sales it performance shows.

Sectorial tactics and actions

Publishing strategy comes around as a foundation for any marketing plan for an organization. Market plan generally consists of specifications required to be successfully implemented on strategy in order to achieve great outputs. For instance, building a level of interaction with the consumers and attract them by providing low cost products. Once this is achieved then high margin products can be sold. When building a strategy one considers a series of tactics to ensure that the marketing plan is much more effective. Marketing strategies support the fundamentals of the market plans designed to achieve the marketing needs and goals.

The numerous strands of any marketing strategy which include promos, channels, internet and public relations can be orchestrated. Companies tend to cascade strategies for an organization by creating tactics that later become goals for the next group or level.

Generally, all marketing strategies are dynamic and very interactive. They are based on various and numerous plans and predictions. Every strategy in marketing is unique, but can always be reduced to a generic strategy. There are numerous number of ways to categorize them.

A brief description of the most common categorizing schemes is presented below:

- **Strategies based on market dominance** – under this strategy firms are classified by their market share on the dominance of the industry. These strategies can be categorized under leadership, follower and challenging.

- **Porter generic strategies** – these are based on penetration within the market and competitive advantage such as cost leadership, product differentiator and segmentation of the market.
- **Innovation strategies** – this deals with the bringing of innovative products and new business models across the table for approval, the three types, such as: pioneers, close followers and late followers.
- **Growth strategies** – This is based upon the main question as to how should the firm grow: horizontal (Prospector), Vertical (Analyzer), Diversification (Defender), Intensification (Reactor).

- **Marketing warfare strategies** – This scheme goes hand in hand with the military strategy and marketing strategy.

Strategic Models

In common day practice research indicates that problems are faced in market when some functions of strategy are misused. We see it in most of the companies where senior managers follow the same mistakes over and over again even though they are pointed out by junior managers. Unfortunately very less evidence is there to support that new methods introduced are much more efficient.

Coarse Marketing

Marketing strategy participants usually implement many sorts of models and tools to settle in their marketing decision. When starting a strategic analysis, the 3Cs can be stated to obtain a wider understanding of the strategic environment. An Ansoff Matrix is usually utilized to bring in an understanding of a strategic positioning of the 4P's of marketing mix. Later, the 4Ps will be used to establish a wide placed plan.

In the practical life, marketing involves a great deal of common sense. While dealing with a limited number of factors in an imperfect environment with limited resources complicated by risk identification and shortened timeline.

If we have new products coming up from a firm, there is no proof that the innovated product will actually yield the best results, it can always happen a carefree operation could also have a highest value fall out, while it could also work out well, there is also a chance that the working well part comes out of sheer rational thinking.

For a long time, managers of product related projects used sheer intuition and experience to analyze the complex, unique situation. Overall strategy was coupled with customer reaction survey and deep thoughts and actions. This almost instinctive management, is what is sometimes called 'coarse marketing'; to distinguish it from the refined, aesthetically pleasing, a part considered by many theorists.

CONSUMER BEHAVIOUR

Understanding the buying behavior of the target market is the essential task of marketing management under marketing concept. The consumer market consist of all the individuals and households who buy or acquire good and services for personal consumptions. The buying behavior tries to find out the answers for the questions, who buys? How do they buy? Where do they buy? Do they buy?

(A) FACTORS INFLUENCING CONSUMER BUYING BEHAVIOR

There are four major factors that influence the buying behavior such as cultural factors, social factors, personal factors, and psychological factors.

i.   **CULTURAL FACTORS:** Culture is the most fundamental determinant of a person wants and behavior. Values, perceptions, preferences, and behavior are the main variable under culture of an individual. Each culture contains sub-culture like nationality, religious group, geographical area, and linguistic divisions etc.

ii.   **SOCIAL FACTORS:** A consumer behavior is also influenced by social factors such as the consumer reference group family and social roles and status.

iii.   **PERSONAL FACTORS:** A buyer decision is also influenced by his or personal characteristics, notably the buyers age, lifestyle, occupation, economic circumstances etc.

iv.   **PSYCHOLOGICAL FACTORS:** a person buying choices are also influenced by four major psychological factors such as motivation, perception, learning belief and attitudes.

(B) BUYING DECISION PROCESS

It includes buying roles, types of buying and steps in buying process.

I.   BUYING ROLE

The buying role could be classified into four parts. These are initiator, influencer, decider and buyer.

II. TYPES OF BUYING BEHAVIOR

Consumer decision taking varies with the type of buying decision. There are four types buying behavior such as Complex buying behavior, Habitual buying behavior, Variety seeking buying behavior.

III. STAGES IN BUYING DECISION PROCESS

Here are five stages in buying decision process namely problem recognition search, evaluation of alternatives purchase decision and past purchase behavior.

NEED RECOGNITION

The buying process starts with the buyer's recognition of a problem of need. The buyer senses a difference between his actual state and desired state.

INFORMATION SEARCH

There are different sources from where a consumer can gather information like personal sources commercial sources, experimental sources.

EVALUATION OF ALTERNATIVES

After gathering information about different products the customer will be in a fuss as to choose which product among the mainly alternatives consumer usually evaluate the alternatives on traditional basis, on the basis of utility function etc. from the many alternative consumers at last choose the best one for him.

PURCHASE DECISION

A consumer who decides to execute purchase intention will be making up to five purchase decisions.

POST PURCHASE BEHAVIOR

After purchasing the product and services the consumer will experience some level of satisfaction or dissatisfaction with the product and services that will influence subsequent behavior. If consumer is satisfied he may show the probability of buying the product the next time, satisfied customer will say good thing about the product, proving the statement that "satisfied customer is the best advertisement."The dissatisfied customer, may take some action against it. They may try to reduce the dissonance by abandoning returning the product.

Understanding consumer needs and buying process is the foundation of any company. By understanding how buyers go through problem recognition, information search evaluation of

alternatives, the purchase decision and post purchase behavior marketers can pick up many clues as to how to meet buyers need.

Marketing Strategies

"For years, we thought of ourselves as a production-oriented company, meaning we put all our emphasis on designing and manufacturing the product. But now we understand that the most important thing we do is market the product. We've come around to saying that Nike is a marketing oriented company and the product is our most important marketing tool."

-Phil Knight, CEO of Nike in the late 1980s.

Nike's marketing strategy is an important component of the company's success. Nike is positioned as a premium-brand, selling well-designed and expensive products. Nike lures customers with a marketing strategy centering on a brand image which is attained by distinctive logo and the advertising slogan: "Just do it". Nike promotes its products by sponsorship agreements with celebrity athletes, professional teams and college athletic teams.

Nike's distinctive competency lies in the area of marketing, particularity in the area of consumer brand awareness and brand power. On the global scale this key distinctive competency towers over the competitors. As a result, Nike's market share is number-one in the athletic footwear industry in most places around the world. Catch phrases like, "Just Do It," and symbols like the Nike "Swoosh," couple with sports icons to serve as instant reminders of the Nike empire. It is about time that this competency is leveraged on to India.
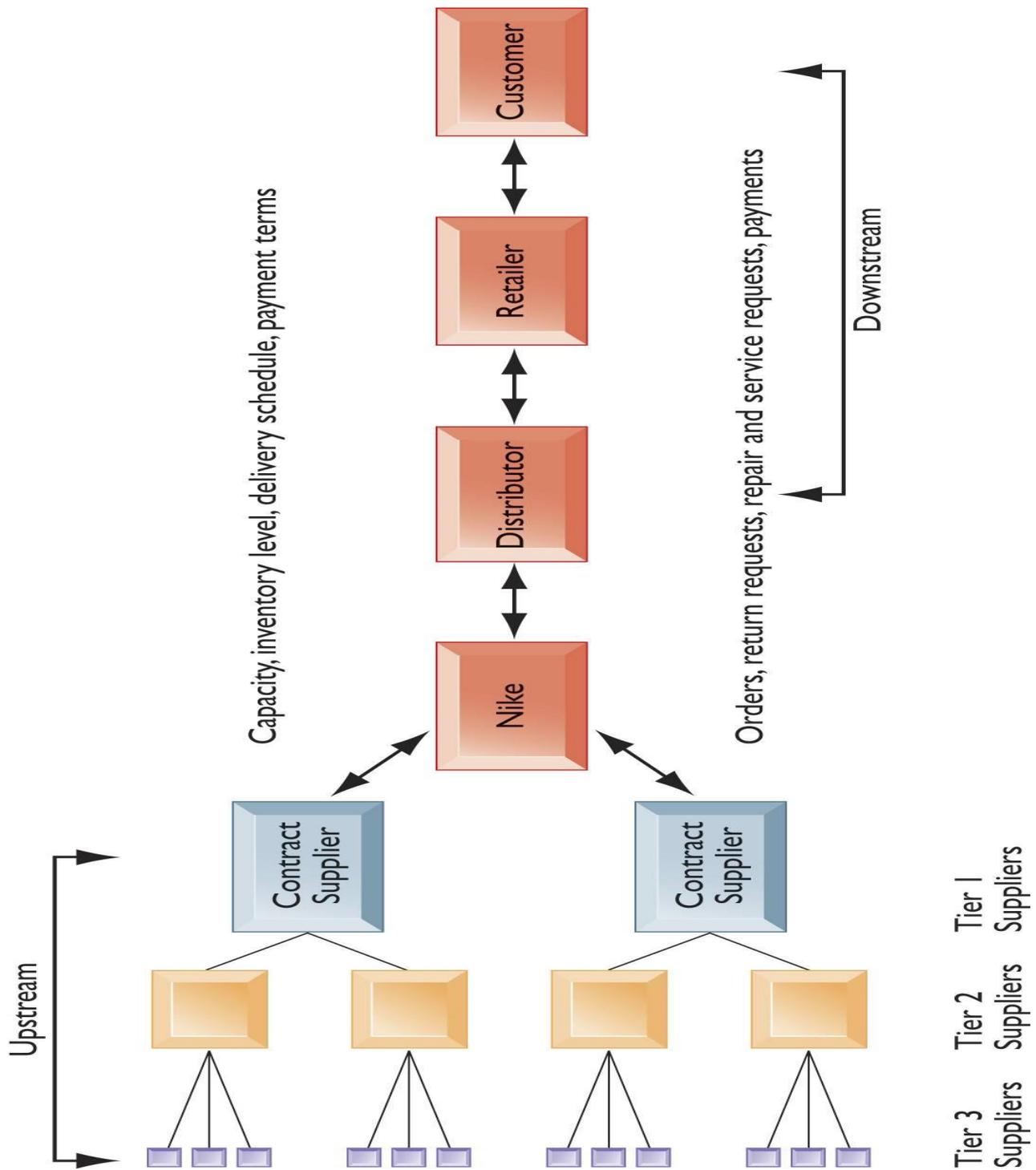
Two key attributes of a distinctive competency are its inability to be easily replicated and the value or benefit it offers to consumers. Few companies have such a recognizable image and the resources to promote it. This ultimately translates into added value for consumers. The public benefits from the strength of Nike's image at the point of purchase. For decades, consumers have come to associate the Nike image with quality products. By associating star athletes and motivational slogans like, "Just Do It," with marketing campaigns that emphasize fitness, competition, and sportsmanship, consumers identify their purchases with the prospect of achieving greatness. Younger consumers especially benefit from this positive influence. This image is something that

competing companies cannot easily duplicate by simply enhancing the physical characteristics of their products.

Nike's vision is to remain the leader in the industry. The company will continue to produce the quality products that have been provided in the past. Most importantly, Nike will continue to meet the ever-changing needs of the customers, through product innovation. In the past, the company has utilized product differentiation as the main competitive strategy. As Nike's reputation dictates, it will continue to place emphasis in this area. Nike has built its business on providing products that rise above all others and this has made it the worldwide success that it is today.

Nike is known for its technologically advanced products and is the leader in this area. This allows Nike's products to stand out from the rest. The company's focus also allows it to maintain a somewhat narrow niche that enables it to effectively capture the needs and wants of the consumers. An example of Nike's superior and innovative technology is its new range of shoes called "Air Presto". Termed as the first T-shirt for the feet, these shoes can take the shape and size of the wearer's feet. Unlike regular shoes it comes in sizes like XL, L, M, S and XS. Each of these sizes can accommodate three conventional foot sizes. Nike will continue to produce such path-breaking products in the future and stay a step ahead of its competitors.

Nike will also focus on making a strong effort in price leadership. Nike's products in the past have been concentrated in the higher end of the pricing category. An entrance will now be made into lower price categories with these quality products. This will enable
Nike to capture an even greater hold on market share.

DISTRIBUTION CHANNEL OF NIKE – Marketing Mix 4ps

Product

Nike has placed its foot in almost all divisions, be it only under sports equipment but also under apparels. They have also split their main product the foot wear sector into many divisions to concentrate on many activities such as football, basketball, cricket, tennis, hockey, cross training and much more for men, women and children. They not only stick to the sporting field but have spread out to other activities like racing, walking, aquatic wear, athletes. Also to stand up with the youth they have maintained their standards, and bring out their hip cult into their apparel and foot wear too. They also came up with products with Apple Inc. and came up with monitor devices that measured an athlete's performance *via a* mini device that links an iPod to the strenuous activity.

Place

Nike has a wide distribution pattern connecting to over more than 25,000 retailers in United States alone; this also includes their own outlets that are spread all over. Speaking of a wide base in US alone, they are also spread all over the world in over 140 countries and would want to make a mark in over that figure. They also distribute their product though their online portal that allows customers to also personalize their products and they deliver to their doorsteps for the right amount of money. This also takes place as it is not possible to cater to each and every customer with the time he personally wants, so online shopping comes out to be the most efficient and fast and cost efficient manner.

PRICING

Nike, Inc. looks to cater the high premium goods more than the general category and mentioned below are the prices of mentioned shoes in India.

Shoe Type	Men	Women	Kids
Cross Trainer	` 4,500 – 4,900		` 2,000 – 3,000
Jogging(/Walking)	` 1,000 – 5,200	` 1,200	` 1,000 – 2,500
Cricket	` 5,000		` 2,500
Air Presto	` 5,200 – 5,900		

As can be seen from the table, Nike's price range in the Cross Trainers and Cricket categories are rather narrow and limited due to their commonality. These placements cater to the higher earning group of people thus making it very limited and also what is needed are limited number of products. We suggest that this price range be expanded to include shoes of a lower price so that there can be

the extra stretch of customers that they can get, either that or some other quality shoes, innovation is required. Nike must introduce cheaper products from these categories like they have done in the running (or walking) segment. By doing this, they will be able to target a larger customer base and gain market share without reducing their prices.

On the other hand, the Air Presto products are the high lifestyle products aimed at the top end of the market – the niche market. A brand like Nike needs to hold on to these premium customers as they will help the mid ranged customers to keep a focus on these products and also try and indulge in buying these products, these are the exclusive products of the lot. Prices could be played on even with these products once they get old and a major sale could be organized to clear out and also please a customer who can own the product range.

PROMOTION

Until now Nike's ad campaign in India has been rather settling compared to their other ads around the world. Overall they have spent above $250 million on their airtime ads; there can be more influx into the airtime ads in India as most of the ad campaigns in India are still not fully exploited as this is something that was aggressively done in the other parts of the world, especially with Nike football ads. If something like this comes up in India it could boost their sales, for something like in relative to the Indian Cricket team and Indian Premiere League. Until now it has been majorly with magazine ads and newspaper ads with Sports celebrities, something of these enhancements can boost their look out for products. They can become more Indian like taking a study from Adidas and bring in more Indian sports celebs. Nike teamed up with Rediffusion, who carried out their Indian ad campaign.

Being as diverse the Indian network is, freedom was given to the franchisee owners to promote themselves relating to Nike on their local cables – promoting their own marketing strategy. Banner format advertising is also a form of advertising that covered in major cosmopolitan cities as Mumbai, Delhi, Chennai, Bengaluru, Kolkata and Hyderabad.
The Indian operations need more Internet presence to help promote their products. Doing reasonably well is something more than doing exceptionally well, which they need to.

ADVERTISING

Though Nike's ad campaign in Indian has been sort of dull as compared to their world presence, but they have come out ore in other methods such as road campaigns and competitions, which still makes it rather slow. They have sponsored many events and outlets whose inaugurations have been organized by many a celebrities. Each opening followed an after party, which amounts to their own style of promotion or organize a round of some games that kept them in a popular run.

Also they have sponsored local tournaments and supported with various scholarship factors that have helped prospectus child sport stars from schools, colleges and Universities.
Recently, Nike collaborated with former Indian Tennis player C.G.K. Bhupati to open the Nike – Bhupati Tennis village in Bengaluru, to host many young talents. Nike could also stand up and join the National Cricket Academy to promote bribe free selections and training. These methods should either be used into Nike's ad activities or implement earlier. This will help improve brand image, with sort of CSR and help improve its standings in the market.

CONSUMER BEHAVIOUR

To study the consumer behaviour we need to know the customers and understand how they behave in a market.

WHO ARE THE CUSTOMERS?

In India, Nike shoes are targeted towards the higher income group and on the basis of the different sports played in the country. Customers of sports shoes can be segmented into various categories. Various criteria can be taken into consideration and segmentation can be done according to a number of factors. Some of the identifiable segments are on the basis of Gender, Age, Sports / Fashion, Geographical Location, Perceived Benefits and Income.

Gender

Nike shoes are available for both men and women. There are exclusive product ranges, made specifically for each gender. Often the same shoe comes in a male and a female model, differing in aspects like color and size. This differentiation is necessary, as these shoes are not simply used for sports but for fashion as well. Hence specific designs are necessary for the sexes to complement

the clothes worn by each of them. However, a drawback is that in India there are fewer models available for women than in other countries.

Age

Nike has also divided its product offering and customer base according to age. There are separate designs made for children - colorful and flashy, and more sober looking models for older people. In fact there are certain designs that are available only for children and come in smaller sizes.

Sports/ Fashion

As mentioned before, branded sports shoes in India have a dual purpose - they are used for sports as well as lifestyle products. As a result, segmentation can be done on this basis. For those using these shoes as fashion accessories, anything that looks good would be adequate. But those using them for a specific purpose need to be divided into further segments based on the sport, namely Running, Tennis, Cricket, Soccer, Basketball and others.

Geographical Location

Nike has adopted a strategy to market and sell its shoes and other products mainly in metropolitans and other big cities. The reason for adopting this strategy was that the pricing of the shoes was such that they could be targeted only towards the high income and fashion conscious groups. For them the market is concentrated mainly in these areas. Hence all Nike showrooms, franchisees are located in the main urban centers of the country.

HOW DO THEY CHOOSE?

While choosing the right kind of shoe for themselves, consumers have many aspects to consider. This, of course, depends on the consumer. The purchase of any sports shoe is dependent on the buying and spending power of the customer, which directly reflects the purchasing power of the consumers. This is especially true in case of children. To complete the cycle, we can specify five different buying roles that are applicable

1. Initiator (identifies the need for the product)
2. Influencer (has informational or preferences input to the decision)
3. Decider (makes the final decision through budget authorization)
4. Purchaser (makes the actual purchase)
5. User

In the case of Nike shoes, the consumer type that goes through the above cycle is the children. In this segment one can draw a differentiation line between the customers and users of the product. The need for the product is felt by the child and fulfillment of the need is done by their parents. Here the buying behavior of the user depends on the purchasing having narrowed things down; the category to be dealt with in this context is the Indian sports shoe segment. A large fraction of the sports shoe industry, indeed the shoe industry in the country belongs to the unorganized sector. Our focus will be on the organized sector only – i.e. branded sports shoes.

A key point about the sports shoe industry in India is that most of the sports shoes sold are not used for sporting activities. Such shoes are mainly looked upon as fashionable footwear or accessories. This is primarily due to the attractive and flamboyant appearance and comfort that these shoes provide. Many users view them as all-purpose and all-weather shoes. At the same time, sports shoes are also used for what they are meant for. People serious about their sports make it a point to possess and use a pair of shoes made for the particular sport (s) he is involved in. This makes one thing clear – in selling sports shoes in India, it will not be adequate to target only the sports persons; the non-sporting segments will also have to be paid attention to.

PRODUCT / BRAND STRATEGY
CUSTOMER TARGETS
A key factor while deciding upon the target audience of Nike is the price of a pair of Nike shoes. Nike is a high-end sports shoe, an expensive product. Taking these factors into consideration, it has been decided that the target customers for Nike shoes in India would be middle and high income groups. It is within this category that further segments and target customers will have to be identified. It would, therefore necessary for Nike to target various parts of its product range at the right target audience.

The people most likely to buy Nike shoes would be people who are fashion conscious. To these people shoes like Nike are lifestyle products rather than sportswear. This customer group would be the largest and critical to the success of the brand. Furthermore, these people are likely to be within the 16 – 30 age group. Children can also be included in this category, as they too are getting more and more fashion conscious these days.

The second category to be considered is people who indulge in various sporting activities. These people need a pair of high-performance and comfortable sports shoes and it is up to Nike to fulfill that need. This category can be further sub-divided into more segments according to the sport

played. Nike has a shoe for every sport – Basketball, Tennis, Cricket, Soccer and more. People playing each of these sports need to be targeted specifically.

In close conjunction with the category are sports fans. These are people who do not play any sport seriously, but like to pretend that they are. Being sports fanatics, they would like to dress themselves in the most fashionable sporting gear available and that includes sports shoes.

The target audience can also be classified according to age. Nike and other brands like Reebok and Adidas appeal to young people – children, teens and people in their twenties. But at the same time Nike has a range of shoes made to serve the needs and preferences of the older group of people. There is no need to believe that only the young can wear Nike, older people can too. This belief however, has to be cultivated in the minds of the people.

RESEARCH METHODOLOGY

OBJECTIVES OF THE STUDY

The main objective of the project is to study the marketing strategies of Nike and to determine whether online marketing can help, or not, Nike to grab a greater market share in existing Indian market. We need to understand their Indian competitors and realize their working patterns, mainly Reebok and Adidas (which follows around the world too). Having acquired a widespread acceptance and a go through in the market, they would want to explore new and fresh market areas of India. Adidas is just tagging Nike in terms of the overall market share and would definitely want to aim at catching up to Nike, and if possible overtake all their existing rivals. At the same time Adidas would also want to gain greater penetration into the Indian market.

Another main objective is to know the customers.
Are the customers satisfied with the product or not?

METHODOLOGY

DATA COLLECTION

There are possibly two methods of data collection, namely Primary and Secondary sources.

Primary sources: -
The data required for the study is based on personal interviews that are based on pre-decided format of a structured questionnaire, which would be administered to the respondents. Also short personal

interviews is a possibility even though of the fact that it is difficult to catch seniors of any organization to get their view, but short talks rather than hour long ones are sufficient to get their views, as being people of small words.

Secondary Sources: -

The secondary data consists of information collected from various websites, annual reports from companies, leading business magazines, and published data of the footwear industries.

SAMPLE SIZE

Sample size of this project is a small group of collected people of around 50 respondents of whose results have been published further in this project report.

AREAS COVERED

I could not possibly cover an entire Indian market due to constraints such as time, money involved in travelling and with other priorities involved during the course also. This includes Dwarka, Greater Kailash 1 and the Southern Extension of New Delhi in India.

STATISTICAL TOOLS USED

The statistical tools used in this project are fairly simple to understand and basic projection help to identify and answer out our research question are such as bar diagrams, pie charts, area graph and doughnut.

LIMITATIONS OF THE STUDY

- There was a serious constraint for resources. Money was personally saved by collecting secondary data from Internet, while primary data had limitations spreading over a small area when compared to the whole of India.
- The main source of data has been collected through Secondary data. The sample size for the survey is 50.
- Due to lack of time the areas covered were also very few.
- The company officials were reluctant to give exact pricing policies followed by them.

DATA ANALYSIS

Having carried out an analysis of the customer base, it is possible to understand who the customers are and what they want. Segmentation is a critical factor. It is of utmost importance to know which segment to target to achieve maximum profitability. The study also reveals the various uses of the

product - that a pair of sports shoes is not necessary sportswear; it is also leisurewear and a fashion accessory. This point increases the importance of segmentation. The factors and circumstance that affect the buying behavior and purchase pattern emphasize the need for promotion and provides hints as to when and how the products can be promoted and advertised. All in all, the customer analysis reveals various aspects of the consumer base and enables us to know and understand the market. This knowledge would certainly be irreplaceable when it comes to marketing and selling the product.

MARKET POTENTIAL

Broadly speaking, market potential for Nike, inc. has been a high since its entry in India due to their past performances all around the world. People are knowledgeable about the existence of the brand in a market, and eyes don't go un noticed. However, even considering this way is also a vague method of explaining and understanding a market and target market has to be narrowed down to each and every product. Further, this also has to be divided into the PPP (Purchasing Power Parity) of India and understanding that all their products can't be introduced into India, but they would need to introduce many other products which fits the purchasing range, even varying within the country**.**

FINDINGS BASED ON THE QUESTIONARE DETERMINING CUSTOMER SATISFACTION

What appease you to purchase your footwear?
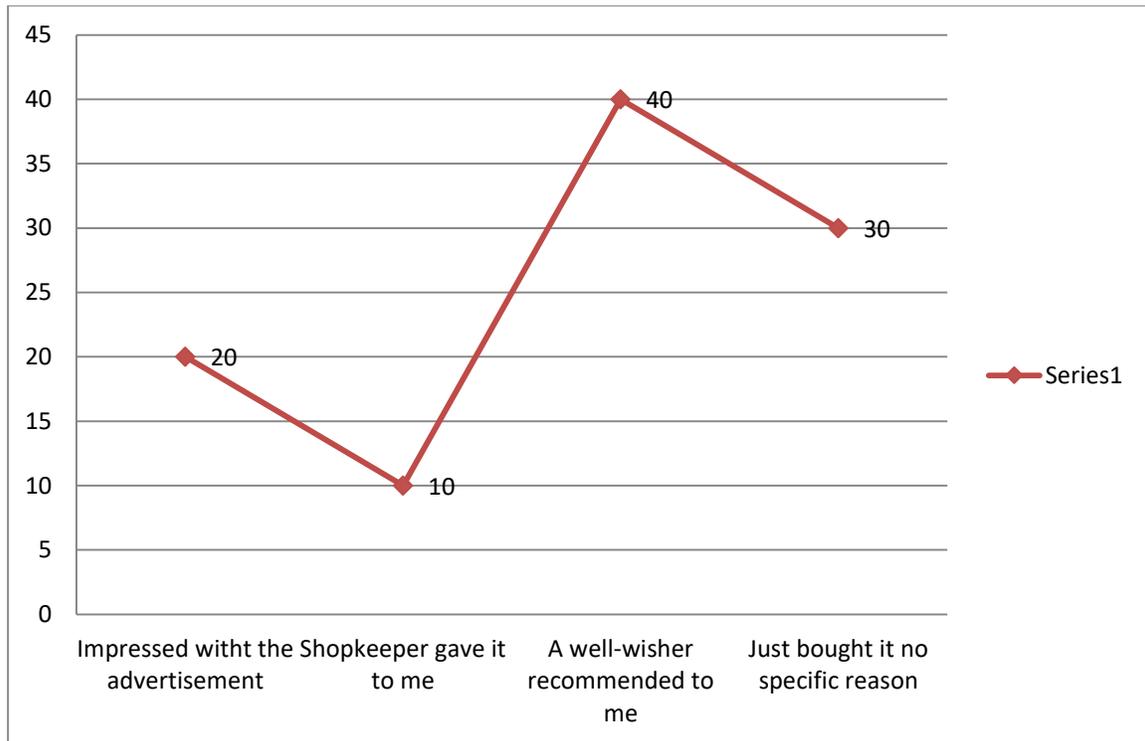
Here we see that 40% of the consumers buy shoes because a well-wisher told them to buy that particular shoe. Then another 30% buy for no specific reason. 20% buy it because they are impressed with its ad and the remaining 10% buy because the shopkeeper told them to do so.

Do you ask for a specific brand by name?

As we see that 90% of our respondents do look at a brand while purchasing while the rest remaining would probably look at cost effectiveness and not bothered about brands.
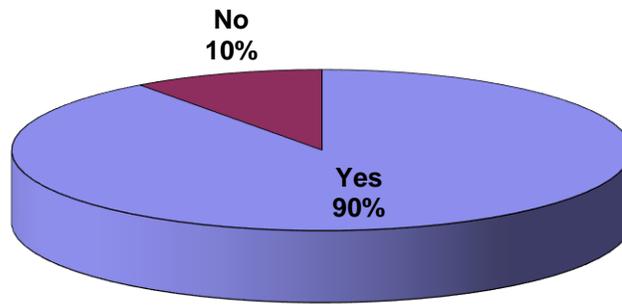

Which brand do you generally use?
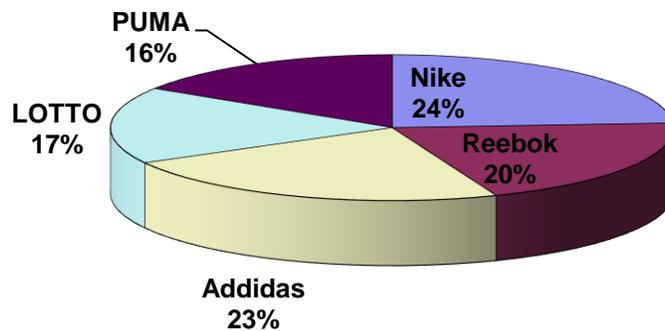
We see that Nike, with 24%, has a higher liking from the masses which is closely followed by Adidas, with 23%, and then With Reebok, with 20% – these being the international brands, then followed the local brands with 17% and 16%

Has any sports shoe advert made an impact on you/ played a major role?

	YES	NO	IF YES, THEN WHY
NIKE	43	57	
ADIDAS	63	37	
REEBOK	45	55	
PUMA	30	70	
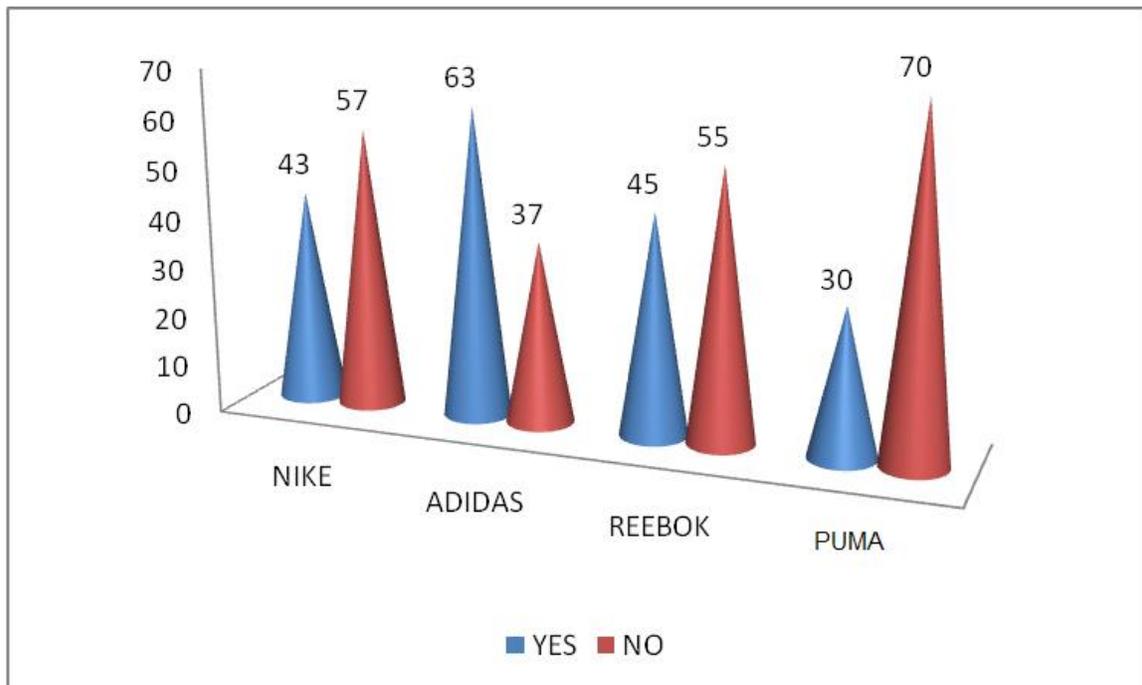
Most of the people are influenced with Adidas's advertisement, then with Reebok and then Nike. The most un-influential is that of action a local brand. All deals with appealing of the customers.

What according to you is the relative importance's of the following?

|	V. Imp	Imp.	Not so Imp.	Doesn't matter
PRICE	50	28	12	10
DURABILITY	55	45	0	0
BRAND IMAGE	40	20	15	15
COMFORTABLE	54	36	10	0
LOOKS	40	40	15	5
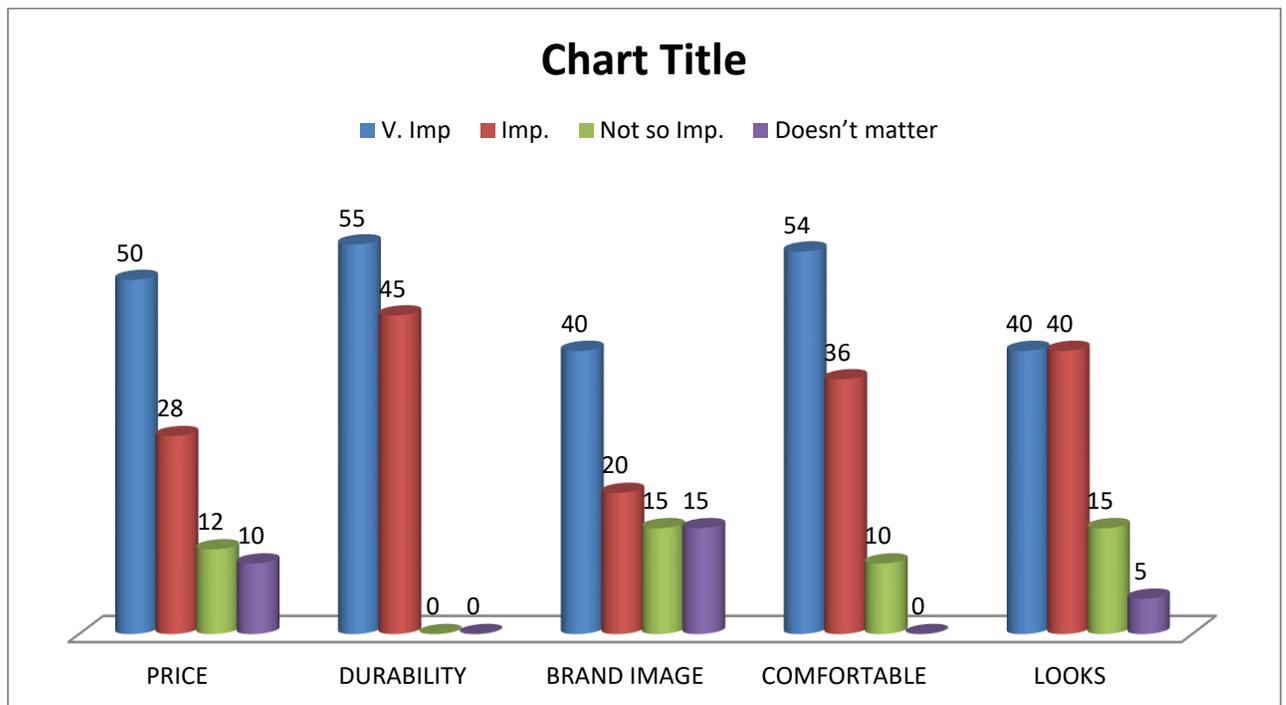
By this we see that the consumers want the shoes have to be durable. Then the pricing also plays a very important for them. The foot wear must be comfortable. Along with that looks and the brand image also play an important role.

Where do you generally see NIKE advertisements?

Chart Title

- ONLINE
- NEWSPAPER
- MAGAZINES
- TELEVISION
- RADIO

11%

18%

14%

22%

35%
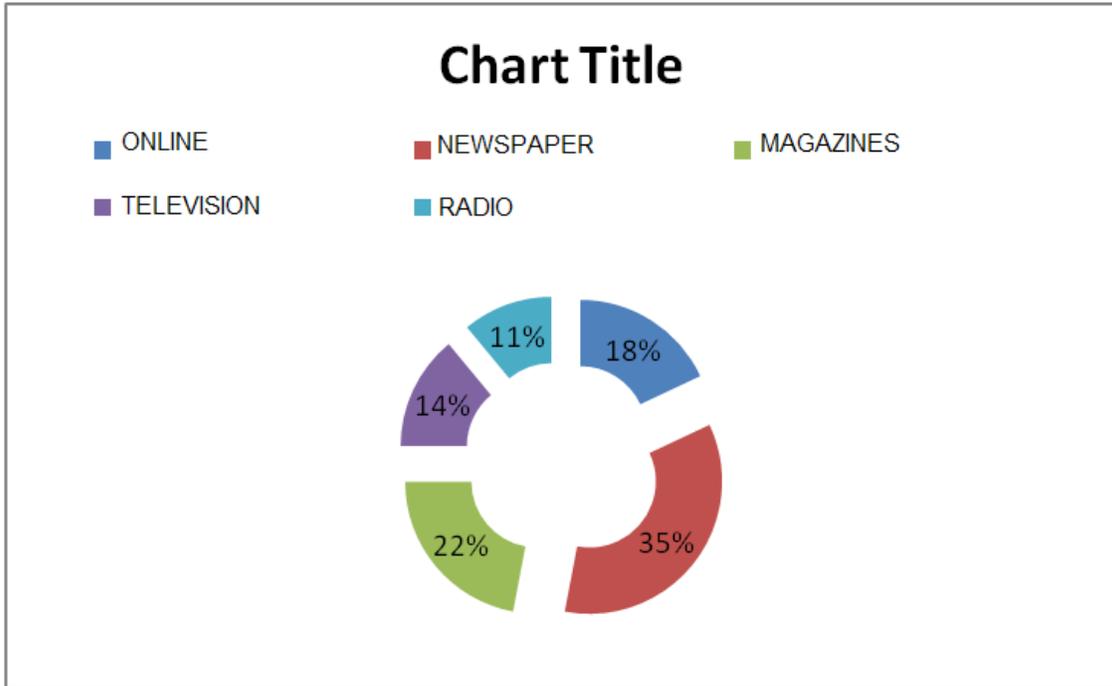
This chart basically shows the level of advert on various mediums.

Which brand according to you is doing a best marketing of their products?
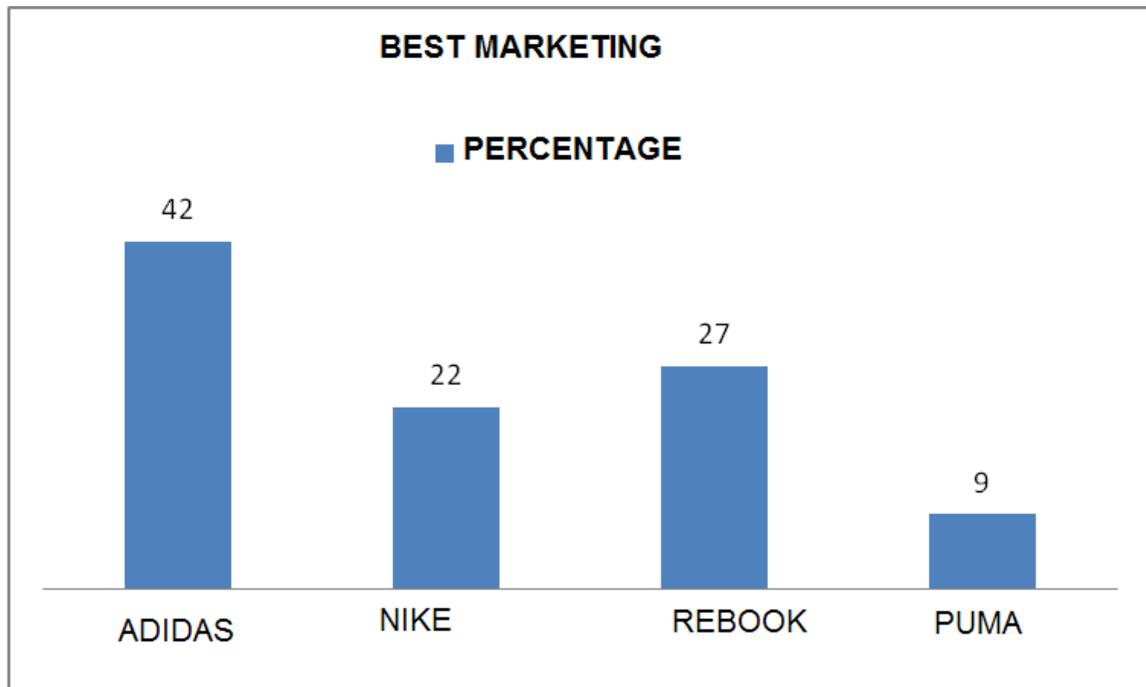
Larger number of people goes in for Adidas. As we know that Nike is a premium brand only 22% of people think that they do good marketing. Whereas Reebok takes over Nike by standing at 27%.

## Which brand do you see much in online marketing?
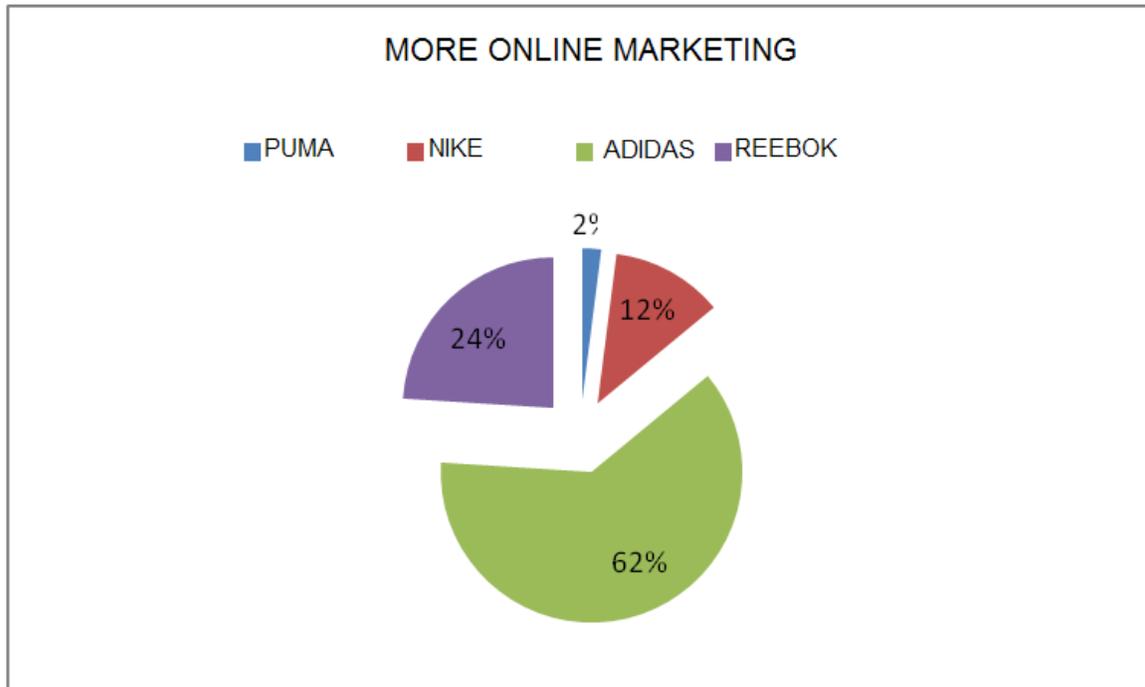
We notice 62% of the population feels that Adidas is the one. The next in the race is Reebok with a fare 24% of population supporting them. Nike falls at the minimum 12% which shows that they need to do more in this field.

Are you satisfied buying Nike?
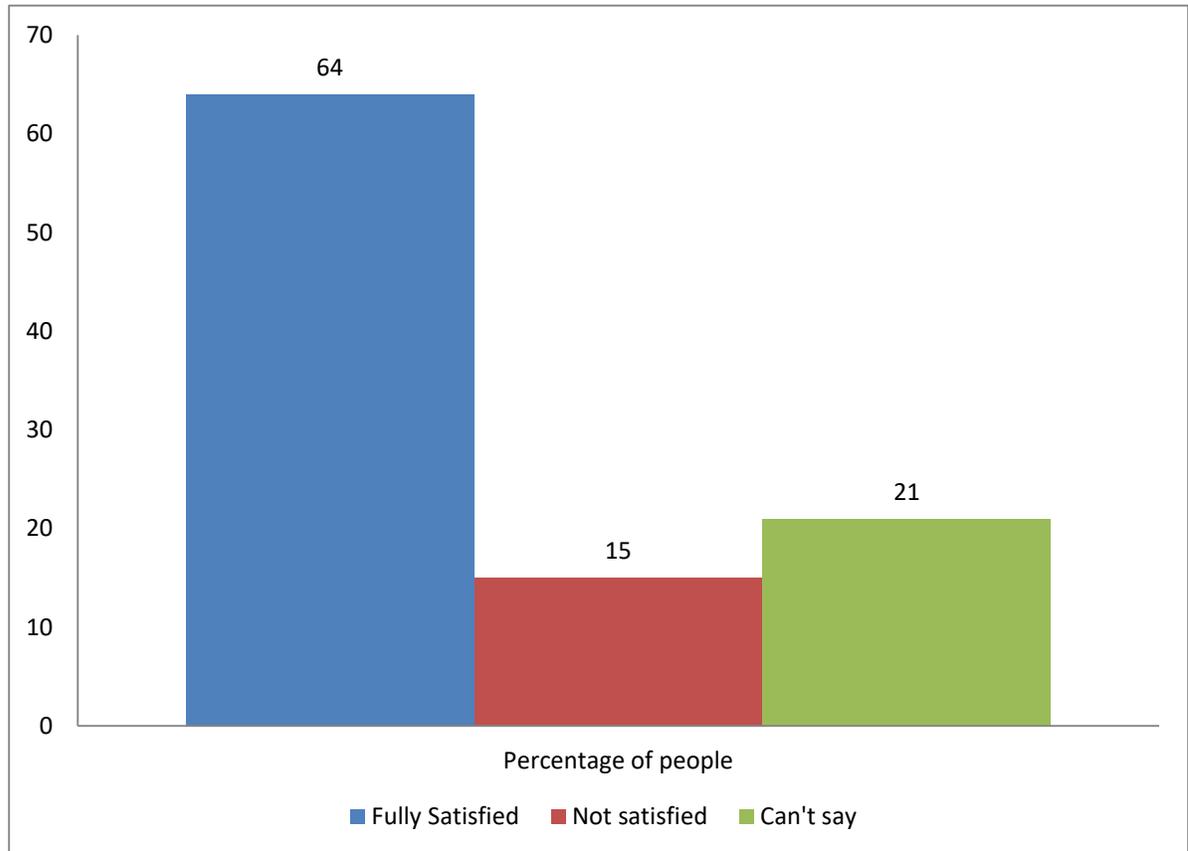
64% of customers were fully satisfied with Nike products while 15% were opposing it, out of which 21% remaining couldn't make up their mind on this issue.

Do you think online marketing makes a difference to you?

Percentage of people

	Yes	No	Can't say
■ Percentage of people	56	27	17
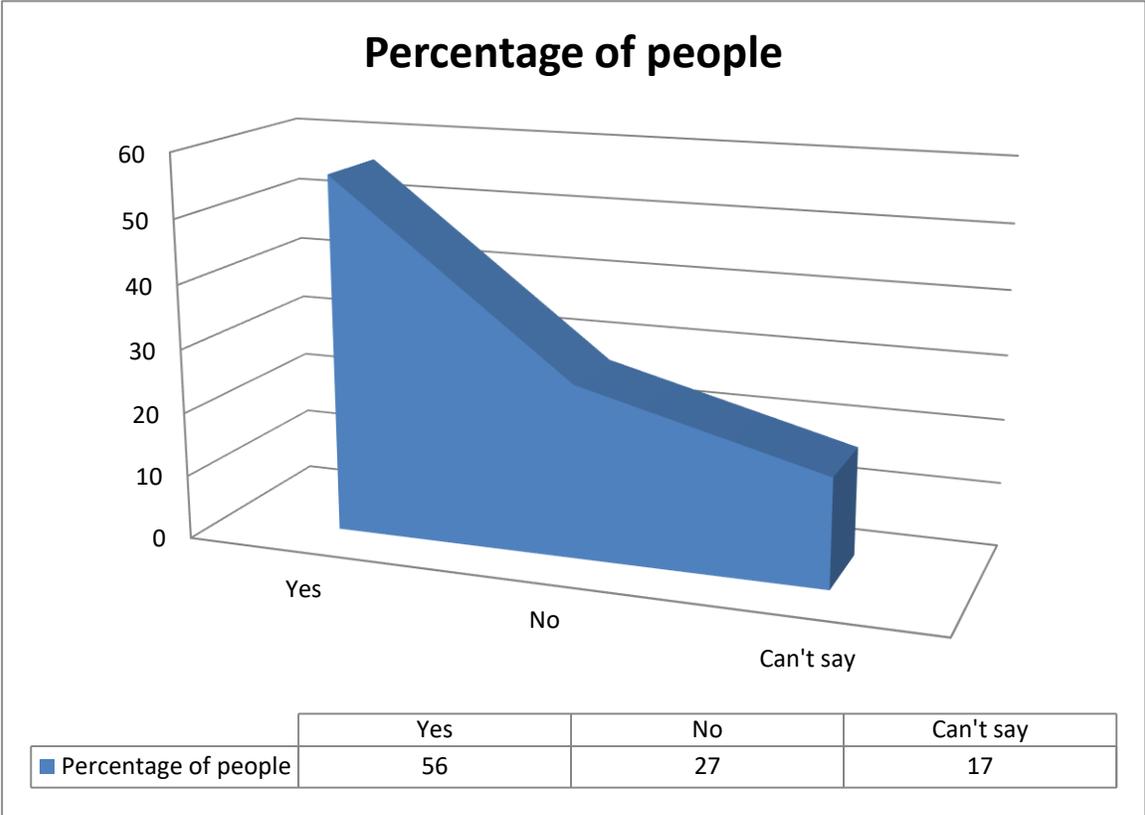
The graph above clearly shows how important is it to make a mark in the online market and how many people get affected by it. 57% of the sample size said that online market would actually affect their decision.

CONCLUSION & RECOMMENDATIONS

The specific brand objective of Nike India would be to build up its brand reputation, image and equity. A brand is not simply a collection of products and benefits, but also a storehouse of value stemming from awareness, loyalty, association of quality and brand personality. A brand is a name, term, sign, symbol or design or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate from those of competitors. In essence, a brand identifies the seller or maker. It can convey up to six levels of meaning: Attributes, Benefits, Values, Culture, Personality and User. If a company treats a brand only as a name it misses the point. The branding challenge is to develop a deep set of positive associations for the brand.

Although these six meanings are noticeable in the Nike brand in the west and other parts of the world, they are yet to be cultivated in India. Nike has to ensure that their brand is built up on these pillars in India.

The secondary brand objective of Nike India would be to ensure that they match the market share and sales volumes of its competitors. After all, a company is in business to make profits and stay ahead of its competitors. A company, product or brand may have a very good reputation and image, but if it is not profitable, it does serve its purpose. At the same time sales figures and data can be misleading. Hence market share has also to be paid attention to.

Nike despite being one of the most popular brands in the world has not really caught on in India. Yet, there is reason to believe that Bata's Power and Liberty would be ahead of Nike in terms of popularity. We also notice that Nike is at par with Reebok. This again does not reflect too well on the brand, considering that Nike outsells Reebok everywhere else in the world.

Hence it is reasonable to state that Nike's popularity level in India could do with a boost. The best way to achieve this would be some serious brand building. The image of the brand has to be improved and people must be made aware of its presence. Thus, the rationale behind choosing improvement of brand image and reputation as the company's primary objective is quite clear.

Nike's distinctive competency lies in the area of marketing, particularity in the area of consumer brand awareness and brand power. On the global scale this key distinctive competency towers over

the competitors. As a result, Nike's market share is number-one in the athletic footwear industry in most places around the world. Catch phrases like, "Just Do It," and symbols like the Nike "Swoosh," couple with sports icons to serve as instant reminders of the Nike empire. It is about time that this competency is leveraged on to India.

Two key attributes of a distinctive competency are its inability to be easily replicated and the value or benefit it offers to consumers. Few companies have such a recognizable image and the resources to promote it. This ultimately translates into added value for consumers. The public benefits from the strength of Nike's image at the point of purchase. For decades, consumers have come to associate the Nike image with quality products. By associating star athletes and motivational slogans like, "Just Do It," with marketing campaigns that emphasize fitness, competition, and sportsmanship, consumers identify their purchases with the prospect of achieving greatness. Younger consumers especially benefit from this positive influence. This image is something that competing companies cannot easily duplicate by simply enhancing the physical characteristics of their products.

Nike's vision is to remain the leader in the industry. The company will continue to produce the quality products that have been provided in the past. Most importantly, Nike will continue to meet the ever-changing needs of the customers, through product innovation. In the past, the company has utilized product differentiation as the main competitive strategy. As Nike's reputation dictates, it will continue to place emphasis in this area. Nike has built its business on providing products that rise above all others and this has made it the worldwide success that it is today.

Nike is known for its technologically advanced products and is the leader in this area. This allows Nike's products to stand out from the rest. The company's focus also allows it to maintain a somewhat narrow niche that enables it to effectively capture the needs and wants of the consumers. An example of Nike's superior and innovative technology is its new range of shoes called "Air Presto". Termed as the first T-shirt for the feet, these shoes can take the shape and size of the wearer's feet. Unlike regular shoes it comes in sizes like XL, L, M, S and XS. Each of these sizes can accommodate three conventional foot sizes. Nike will continue to produce such path-breaking products in the future and stay a step ahead of its competitors.

Nike will also focus on making a strong effort in price leadership. Nike's products in the past have been concentrated in the higher end of the pricing category. An entrance will now be made into lower price categories with these quality products. This will enable Nike to capture an even greater hold on market share.

Presently, the only form of customer relationship management activity that Nike has adopted in India is product warranty. Nike shoes come with a six-month warranty. If the shoe is found to be defective or wears out within six months due to no fault of the wearer, Nike replaces the product. This is only the first step and more needs to be dome in this area.

Being a company that always strives towards excellence, Nike needs to know exactly what its customers think about their products. A good way of assessing this would be to have the customer fill in a form at the point of purchase. The form will ask the customer his / her opinion on the product as well as the showroom. Suggestions and comments would be welcome. However, care must be taken to ensure that these forms are not too cumbersome and do not take up too much of the customer's time. Surveys have indicated that normally people don't mind filling in forms as long as they are not too long.

Another good method would be to introduce a system of customer points. Every time a customer makes a purchase, he would earn himself a certain number of points, depending on the price of the product. After he crosses a certain point level, he would be entitled to a gift from the company or choose a product of a certain value from the range. This would be helpful in building customer loyalty and give them an incentive to make repeat purchases. A most valued customer database could be created from her e and various forms of direct marketing could be directed at them. This would help the company to retain its existing customers.

A third way to improve customer relationship would be to issue gift coupons and vouchers. People would have the facility to buy these vouchers and present them to their dear ones. This would be a good way to reach out towards newer customers through existing ones.

Nike as we all know is a very well know brand all over the globe, so they already know how to play their game. Never the less all companies do make mistake of applying the same rules around the globe which they follow in their native origin country. India is a country with a population which is over a billion by now so to individually target the masses is out of reach and makes no scenes. Therefore what Nike should do in India is that they should target the people through the mediums of media which include television, posters, adverts newspaper and radio. I myself coming from India know the people and the trends better.

BIBLIOGRAPHY

WEBSITES

a.) Baffou, F. (2009). *Is It Enough to Personalize Products to Be Different vs. Competition? M&M's, BMW, Louis Vuitton, H&M, Nike.* Available: http://www.futurelab.net/blogs/marketing-strategy-innovation/2009/01/is_it_enough_to_personalize_pr.html. Last accessed 2nd Feb 2010.

b) Crowe, A. (2007), *Marketing methods, models and theories.* Available: http://www.slideshare.net/Alistercrowe/popular-theories-in-marketing-strategy Last accessed 3rd Arp2011.

c) Crowe, A. (2010). *Popular Theories in Marketing Strategy.* Available: http://www.slideshare.net/Alistercrowe/popular-theories-in-marketing-strategy   . Last accessed 15th Apr 2010.

d) Jiang, L. (2010), *Network Marketing in the New Dawn of Shoe,* Available at: http://www.ssicommunityed.com/network-marketing-in-the-new-dawn-of-shoe Last Accessed: 4th Apr 2011

e) Kristiansson, P. (2010). *What is behavioral merchandising? All about eCommerce product personalization and recommendations* . Available: http://www.articlesbase.com/ecommerce-articles/what-is-behavioral-merchandising-all-about-ecommerce-product-personalization-and-recommendations-3333430.html. Last accessed 15th Mar 2011.

f) Loughborough University Press. (2010). *Customised sprint spikes using rapid manufacturing.* Available: http://www.sportstechreview.com/2010/09/customised-sprint-spikes-using-rapid-manufacturing/. Last accessed 2nd dec 2010Kellena. (2010). *Online Marketing Theory and Practice* . Available: http://www.docstoc.com/docs/21381259/Online-Marketing-Theory-and-Practice/ . Last accessed 2nd dec 2010.

g) Marshall, G. (2006). *Welcome to the official web site of the Journal of Marketing Theory and Practice.* Available: http://www.jmtp-online.org/. Last accessed 3rd Mar 2011.

h) Rack Room Shoes (2010), *About Us- Our Company*, Available: http://www.rackroomshoes.com/about/ Last Accessed on: 4th Apr 2011

i) nike. *Company overview.* Available: www.nikebiz.com. Last accessed 12th apr

BILIOGRAGHY-

a) Ajzen, I. (1991). Theory of Planned Behaviour. *Organizational Behaviour and Human Decision Process*. 5, 179-211.

b) Bryman, A and Bell, E (2007). *Business research methods*. 2nd ed. oxford: Oxfrod university press. p179-192, p 301-322.

c) Ghauri, P and Gronhaug, K (2010). *Research Methods In Business Studies*. 4th ed. Harlow: Pearson Education Limited. p90-102.

d) Yang, C. C. (2005), *The Refined Kano's Model and its Application*, Total Quality Management, Vol. 16 No. 10, pp.1127-1137

e) Huang, H, M. (2001). Theory on Emotion of Marketing. *Journal of Business and Psychology*. 16 (2), p239- 247.

f) Hawkins, Coney, B (2007). Consumer Behavior, 6th Edition, p45-152.

i) Kotler, P (2004). Marketing Management, p150-240.

g) Reichwald, R . Piller,F.T. and Moslein,K . (2000). INFORMATION AS A CRITICAL SUCCESS FACTOR FOR MASS CUSTOMIZATION OR: WHY EVEN A CUSTOMIZED SHOE NOT ALWAYS FITS. , p1-10.

APPENDIX-QUESTIONNAIRE

Questionnaire-consumers

NAME

AGE:

SEX:

OCCUPATION:

INCOME:

Q1. What appease you to purchase your footwear?

☐ Impressed by advertisement

☐ Shopkeeper just gave it to me.

☐ A well friend recommended.

☐ No specific reason

Q2. Do you ask for a specific brand by name?

☐ Yes

☐ No

Q3. Which Brand do you generally buy?

☐ Puma

☐ Lotto

☐ Nike

☐ Reebok

☐ Adidas

Q4. Has any sports shoe advert made an impact on you/ played a major role?

	YES, IT HAS	NO	REASON

NIKE			
ADIDAS			
REEBOK			
PUMA			

Q5. Which brands advert do you see more rate them accordingly?

	1	2	3	4
REEBOK				
NIKE				
LOTTO				
PUMA				
ADIDAS				

Q6. Where do you generally see NIKE adverts?

☐ Newspaper
☐ Television
☐ Online
☐ Radio
☐ Magazines

Q7. Which brand according to you is doing a best marketing of their products?

☐ NIKE
☐ REEBOK
☐ PUMA
☐ ADIDAS

Q8. Which brand do you see much in online marketing?

☐ REEBOK

☐ ADIDAS

☐ NIKE

☐ PUMA

Q9. Are you satisfied buying nike ?

☐ Fully satisfied

☐ Not satisfied

☐ Can't say

Q10. Do you think online marketing makes a difference to you?

☐ Yes

☐ No

☐ Can't Say