LIBERA UNIVERSITA' INTERNAZIONALE DEGLI STUDI SOCIALI

Faculty: *Economy* *Subject:* *Marketing Management*

TITLE

Sportswear Marketing 2.0 – The Use of the Social Network in the Sportswear Industry

Supervisor
Prof. Alberto Marcati

Co-Supervisor
Prof. Luca Pirolo

CANDIDATE
Alessandro Monda
Matr. 624541

ACCADEMIC YEAR *2010/2011*

Index

Introduction

This work has the purpose to analyze the possible ways that companies could follow in the use of the rising media system, the Social networks.

The field in which we will work is the sportswear industry, the reasons in the choice of this industry are easy to understand and quite immediately:

- The sportswear industry is for young and active people. The target of the brands is above all people dynamic and active. The age range is people between the 14 and the 40 years. This kind of people results to be the main users of social network too. Indeed through several research it was found that these new communities are largely followed by teenagers and juvenile people, who carry an active life and want to be in connection with new trends.
- The second reason that pushes the choice of this sector is the attention that the competitors of this market are turning to this media. Indeed numerous are the innovation that the leaders have done in the use of those tools.

In order to have a better focus on the use of this innovation and what are the main trends of the sector we will pay more attentions to the three giants of the market: Nike, Puma and Adidas.

The preference for those three brands is motivated too. First of all because they are the three main companies in this sector (Reebok is the third but it is part of Adidas AG since 2006) so they are also the firms that more than others could give us the idea of the trend in the market and have the possibility to attract more customers.

The second motivation is because they have taken three strategies completely different between them: Nike for two times has created a branded social network and now its web community for runners, Nike +, is a huge success and is making the history of the branded Social Networks.

Adidas is following a completely different way, for its campaign all Original is carrying all its information to Facebook the most popular social network in the

world. In this way the company can easily achieve the customers through the exploitation of this new word of mouth, better called the word of mouse.
The third is Puma, this company has a spread to overcome with the two market leaders companies so it has to use all the possible ways in trying to gnaw the distance. In the attempt of doing it Puma decided to follow a strategy in the middle of the other two. Indeed Puma created an own social network known as Puma Social that is part of the company's website, but at the same time the links with common social network as Facebook, Twitter and Flickr hold a great importance in the development of the community.
What we want to understand is the efficiency of these strategies, if the Social Networks are a good way to attract customers and to make them as loyal followers of the brand, to change them from simple buyers but to people who like the companies' ideas, the communities and all the movement around the firms.
Other objective of this work is to understand what is the best way to follow, we have said before that these companies have in common the exploitation of this new tool, the 2.0 world, but they try to use it in several different ways.
What is better? Create communities on existent platforms where people are already registered or it is better to create new websites where there could be a better focus on customers activities, ideas and needs.
A further question that we want to answer is if the Social Networks must work as a starting point for a new campaign through which attract new customers curious of the firms' movement or the social networks campaign has to be just the end of everything, where people already followers of the brand could find all the information without going on external links. And to analyze if in this creation the popularity of the brand has an heavy weight in the users' choice and how it is better to build the community.
Our work will be shared in four chapter that will present the following topics:
In the first we will see, briefly, the history of the main social networks in order to understand how they emerged and which are the leader of the sector.

In this chapter we will give a look to the main users of this media, who are the people more achievable by these campaigns and the main reasons that push people in joining web-communities or follow other profiles.
Important will also be the way to build a perfect social network strategy in order to understand which are the main errors that the firms have done, how to avoid them and trying to delineate a useful way that companies can follow to have the best results, also recurring to the simultaneous use of other media as television, radio and paper (better known as older media) to increase the visibility of the 2.0 campaign.
In the second chapter our attention will be more focused on the market that we will analyze, the sportswear industry, at the start we will see the market from a general viewpoint, then we will share the industry in the two biggest parts: the sportswear-equipment industry and the footwear sector.
Important will also be the developments of the industry in the main country markets as United States, Europe and China. In the end we will have a better focus on the market power of Nike, Puma and Adidas. In particular we will look to their market share, their brand equity, their strengths, weaknesses, opportunities and threats and how they can exploit or suffer them.
The third chapter could appear as the union between the previous two. Indeed here we will analyze what are the strategies of the three companies in the use of the 2.0 world and which are the main objectives that they want to achieve and through which ways they want reach them, with a focus on the differences between their campaigns.
In the fourth and last chapter we will have the core of our analysis: understanding what is the idea of the people about those strategies and if they find them attractive or not.
To obtain this information we will create a questionnaire through which understand the thought of the respondents about their activity on the web, their sport activity and established those starting points understand what is their opinion on the three campaigns.

The way that we will use to analyze those data are the two statistical methods of Chi-Squared Test and the ANOVA system. Those methods will help us in understanding above all the relationships between two variables in order to better understand the motivation of people in choosing a strategy or another one.

In the end we will do a summary to group together all this information that we obtained, in order to understand what could appear as the best strategy for respondents and what are the points of strength that company have to force to attract the attention of the users and what are the points of weakness to improve in order to increase the appeal of their campaigns.

Chapter 1

The Social Networks

1. History of the Social Networks and main websites

Since their birth, the Social Networks, started to attract a lot of attention from "normal" users and from expert of the field too. The users were enraptured by this new sites where they could share information and where they have the possibility of getting in touch with people so far from them, where was so easy holding information, sometimes personal too, about activity experiences and taste about brands and products too. In reaction to this interest of the consumer automatically, Social Networks attracted the attention of the scholars, who wanted to understand the reasons of this huge success and which where the possible way to exploit this new web-trend.

At the start Social Networks were thought with the final goal to aggregate people who had the same interests, the same hobbies, the same ideas or just the same language They were not concerned as a global tool for web connection but just as a tool to connect people with similar characteristics and behavior.

But before to briefly examine the history of the SNs, we have to give a specific definition of Social Network. According to the article of Boyd and Ellison, about this matter, they define social network sites "as web-based services that allow individuals to construct a public or semi-public profile within a bounded system, to articulate a list of other users with whom sharing connection, and to view and to traverse their list of connections and those made by others within the system. The nature and "nomenclature" of these connections may vary from site to site.[1]".

[1] Boyd, D. and Ellison, N.B. (2007). "Social Network Sites: Definition, History, and Scholarship," *Journal of Computer-Mediated Communication*, 13 (1), 210-230.

The main success factor was not to meet strangers through those sites but rather the possibility to make visible and articulate proper ideas and feelings and to make it public to all the "friends"[2].

The share of the information is an important and powerful point, some SNs give the possibility to share everything with everybody, but others sometimes become a sites only for a niche of people with the same interest, the same ideas, same nationality and the sites get more the appearance of a platform only for this groups even if the designers' idea was to create a service for everybody[3].

The history of this new phenomenon has started in the 1997. The name of this first web space was SixDegrees.com and it gave the possibility to the users to create profiles, to list their Friends and to surf the Friends lists. Before the creation of *SixDegrees* on the web already were dating sites, as *AIM* and *ICQ*, which gave the possibility to create personal profiles, with a buddy list, or others, as Classmates.com, which allowed people to affiliate to their high school or college network and surf the network with others who were also affiliated. But *SixDegrees* is considered as a pioneer in the Social Network field because it was the first that combined all these features, but the failure of this websites was in the business management and although the constantly increase of the users' number at the start of the 2000 closed.

Weinreich recognizes the biggest difficult in the choose of the time, people were not ready for such innovation, so just few people had fully understood the potential of this service and so *SixDegrees* remained a tool just for early adopters[4].

In the following years a large number of communities born offering several combinations of profiles and networks of Friends. In this *LiveJournal* deserves a citation, it was the first real community or to better say the first commercial web

---

[2] Fono, D., & Raynes-Goldie, K. (2006)." *Hyperfriendship and beyond: Friends and social norms on LiveJournal*". In M. Consalvo & C. Haythornthwaite (Eds.), *Internet Research Annual Volume 4: Selected Papers from the AOIR Conference* (pp. 91-103). New York: Peter Lang.

[3] Hargittai, E. & Hsieh, Y.P. (2010). "*From Dabblers to Omnivores: A Typology of Social Network Site Usage*" In *A Networked Self*. Edited by Z. Papacharissi. London: Routledge.

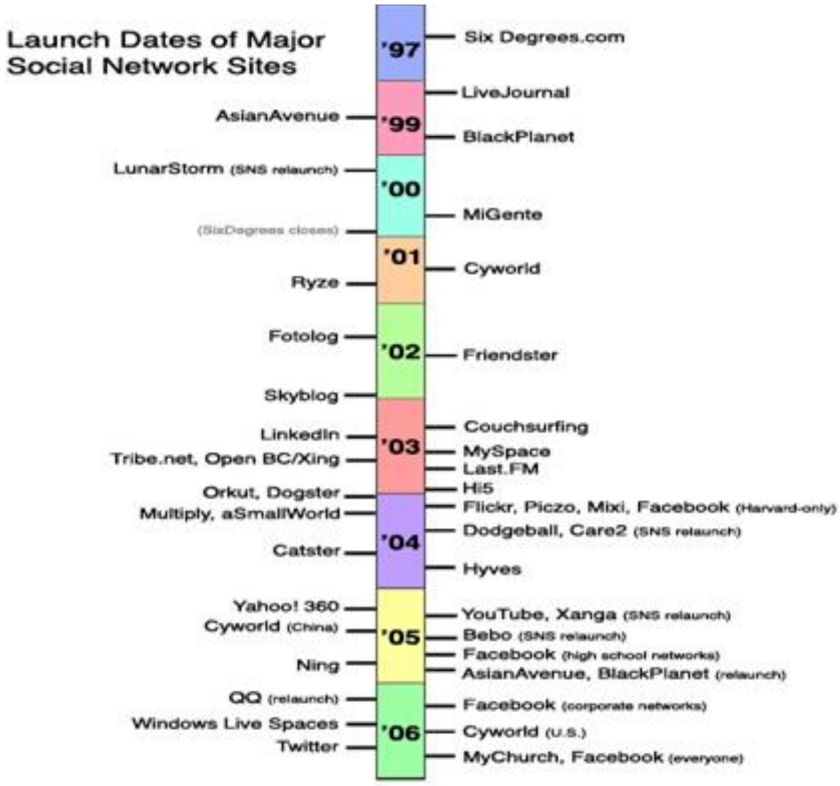
[4] A. Weinreich, personal communication, July 11, 2007

community of people who had in common the loyalty to a product, in this case a web journal.

The next step is the 2001 with the launch of *Ryze.com*, a web service with the final goal to help people in leveraging their business networks. “Ryze's founder reports that he first introduced the site to his friends who were primarily members of the San Francisco business and technology community and between them there were entrepreneurs and investors of many SNSs”[5]. The main consequence was that people behind *Ryze* (and other websites as Tribe.net, LinkedIn, and Friendster) was tightly connected personally and professionally. Unfortunately the result was sad for *Ryze*, it never acquired mass popularity, *Tribe.net* grew as a niche site, but *LinkedIn* became a powerful business service and *Friendster* became the most important case, but from a negative prospective indeed it is famous as "one of the biggest disappointments in the Internet’s history"[6] (Chafkin, 2007, p. 1).

[5] A. Scott, personal communication, June 14, 2007

[6] M.Chafkin, “Anything Could Happen”, Bylaner, 2007



[7]

Friendster was launched in 2002 as a social complement to *Ryze* to compete against dating site that were increasing their power at that time. The idea of *Friendster* was to favor meeting between users. The web site was a success but a lot of technical and social problem started. Friendster's could not suffer the increase of demand of the users so servers and databases collapsed.

Another problem that they had was the creation of some profiles that were not owned by people but they were fake of celebrities or sportsman and for this reasons were called "Fakesters" and their presence was in contrast to the idea to force users to meet themselves. These two problems drive many early adopters to left the website for a lack of trust.

At this point internet became the new rising media and sharing on the web became one of the most liked action to do, for this reason a large part of the websites started to pay more attention to SNS features and they became SNS themselves. Examples

[7] Figure 1. Timeline of the launch dates of many major SNSs and dates when community sites re-launched with SNS features (Boyd, D. and Ellison, N.B. (2007). "Social Network Sites: Definition, History, and Scholarship," *Journal of Computer-Mediated Communication*, 13 (1), 210-230.)

include *Flickr* (photo sharing), *Last.FM* (music listening habits), and *YouTube* (video sharing), with the strange case of *Microsoft's Windows Live Spaces* (better known as MSN Spaces) lukewarm received in the United States but extremely popular abroad.

A further step to Social Network as we know today was done in 2003 when in California was launched MySpace. MySpace was able to increase its users, capitalizing the experience on Friendster's alienation of its early adopters. A driving factor for the platform became the indie-rock bands who were expelled from Friendster for irregularity in complying profile regulations.

While MySpace was not launched with bands in mind, they were welcomed. Indie-rock bands from the Los Angeles region began creating profiles, and local promoters used MySpace to advertise VIP passes for popular clubs. Intrigued, MySpace, contacted local musicians to see how they could help the website in its development. But bands were not the only source of growth, but the symbiotic relationship between bands and fans helped MySpace to expand beyond former Friendster users. The bands-and-fans dynamic was mutually beneficial: bands were able to contact fans, while fans desired attention from their favorite bands and used Friend connections to signal identity and affiliation.

Furthermore, *MySpace* differentiated itself giving the possibility to constantly add features based on users' demand and allowing them to personalize their profiles.

In 2004 explodes the phenomenon *MySpace*, mass of teenagers joined the community and the large part of them were users rejected from *Friendster*, large part of them joined to be in connection with their favorite bands; others were introduced by older family members. *MySpace* decided to not reject underage. In this way within the site there were three distinct populations: musicians/artists, teenagers, and the post-college urban social crowd, with a strong interaction between these last two groups.

In July 2005 the bubble exploded, *MySpace* attracted the attention of all the media given its acquisition by News Corporation for $580 million. But the times got harder: the site was implicated in a series of sexual interactions between adults and minors, prompting legal action. This problem started a fear for sexual predators that *MySpace* tried to show exaggerated through some researches[8].

While in U.S. *MySpace* started playing the part of the leader, outside SNSs were proliferating and growing in popularity worldwide. Friendster was dominating in the Pacific Islands, *Orkut* in Brazil and later in India (Madhavan, 2007). In the U.S., blogging tools with SNS features, such as *Xanga*, *LiveJournal*, and *Vox*, attracted broad audiences. *Skyrock* dominated in France, and *Windows Live Spaces* had a dominant position in several country, including in Mexico, Italy, and Spain.

Until this point SNSs remained as a niche and they were not considered as a tool to connect everyone worldwide , but in these years there was the breaking point: *Facebook* rose. Unlike others, *Facebook* was designed to create a network between several colleges. When was created, in 2004, *Facebook* was the Harvard-only network, the only way to join it was to be an Harvard student and to own a *harvard.edu* email address. And also when it started to support other schools, the university mail address still was a fundamental request in order to make an association user-university.

In September 2005, *Facebook* switched its goal, from a tool to connect only a niche of college student to a site with the final objective to connect everyone. This change of policy started including high school students, professionals inside corporate networks, to finally achieve everyone. This openness did not mean that new users could easily access in closed networks, to be part of the community were still request an appropriate *.com* address, while to enter in an high school networks an administrator approval was needed. Unlike other SNSs, *Facebook* did not give the possibility to make their full profiles public to everyone, another feature that differentiates *Facebook* is the ability for outside developers to build "Applications" which allow users to change their profiles in order to personalize their profiles and to perform other tasks, such as comparing movie preferences and managing events.

[8] Felix Gillette, *"The Rise and Inglorious Fall of Myspace"***,** Bloomberg Businessweek; 6/27/2011, Issue 4235, p52-59, 8p, 12 Black and White Photographs, 1 Graph

Currently, there are no reliable data to establish how many people use SNSs, but some marketing research indicates that Social Networks are growing in popularity worldwide. This growth pushed many corporations to invest time and money in creating, purchasing, promoting, and advertising on SNSs.

The rise of SNSs shows us a change in the organization of the websites and above all on the creation of online community. While websites dedicated to communities of interest still exist and prosper, SNSs were first of all organized around people. Early public online communities such as Usenet and public discussion forums were structured by topics or according to topical hierarchies, but social network sites are structured as personal (or "egocentric") networks, with the individual at the center of their own community[9]. This more carefulness changed the social structures, now "the world is composed of networks, not groups[10]". For this reason to better understand how to exploit Social Networks as a marketing tool, it is primary better to understand people who join the web community.

b. Users – Who interact on SNs and why

Understanding the composition of the people who interacts on the web is a good way to catch or keep consumers, in this way there is the chance to better know the users, their hobbies their tastes and which are the main function that they use on these sites.

The use that people does it is quite easy to understand, the goal in using social network is mostly to keep in touch with people already known and for this reason

[9] Boyd, D. and Ellison, N.B. (2007). "Social Network Sites: Definition, History, and Scholarship," *Journal of Computer-Mediated Communication*, 13 (1), 210-230.

[10] Barry Wellman, "Structural Analysis: From Method and Metaphor to Theory and Substance." Pp. 19-61 in *Social Structures: A Network Approach*, edited by Barry Wellman and S.D. Berkowitz. Cambridge: Cambridge University Press, 1988

more than an half of the users has two or more profiles online, in order to have the possibility to have an instant messaging and stand alone features[11].

Looking at data we get that the large part of the members are adults and their number is substantially increasing in the last years (from a 8% in 2005 to a 35% in 2008), but they are regularly visitors who check their pages only few days in a week for a short time. For this reason in the last years the teenagers have been the real resource of Sns, increasing so much their number as users and the frequency of their visits. Indeed the real contribution of the teenager was not so much in term of inscriptions but above all in terms of number of hours spent on these sites chatting and sharing information with their friends.

In early studies on Internet it was showed that there were factors that hit and attract some people more than others and this differences were visible above all in the case of the contrast between genders. One of those influences is the "Neuroticism" (the behavior of the people to talk about their bad experience), which take hold above all women, and it pushes users to join discussion group and social web[12]. But this conduct changed with the introduction of the chat. Indeed, according to new studies, people preferred to speak with familiar people on the chat to entrust their personal experience, instead of writing public messages were everyone, friends or not, could read and comment them, with the risk to communicate with some fake profile too.

Besides the concept of the neuroticism there are other potential uses of networking sites to analyze: in particular extraversion and openness to experience play an important role on the users[13].

Correa and Zuniga attested that there is a strictly correlation between heavier users of social networking sites and their openness. This receptiveness results being

---

[11] Amanda Lenhart, ,"Adults and social network websites", January 14, 2009, Pew Internet and American Life Project

[12] Y. Amichai-Hamburger*, E. Ben-Artzi, "Loneliness and Internet use", Computers in Human Behavior 19 (2003) 71–80

[13] Jolene Zywica, James Danowski (2008) "The faces of Facebookers: Investigating social enhancement and social compensation hypotheses; predicting Facebook and offline popularity from sociability, self-esteem, and extroversion/introversion; and mapping the meanings of popularity with semantic" n, 1-34. In *Journal of Computer Mediated Communication* 14 (1).

higher of the mean and a significant sign of it is the curiosity for a new tool as the Internet Technology[14].

But these are just the psychological starting that could push people to join web-communities. The main concept that we have to stress is why people start navigation on SNs. Zywica and Danowski, in their studies, found several reasons that influence the behavior of people on the social network.

The first point is the popularity. According to the Five-Factor Model of Ewen[15], the popularity is an important step. People who are popular have more self-esteem and it means that they will be more extroverted and they will share information more gladly than other person who will prefer to hidden their personality using post that will not reveal their real personality[16].

These studies are drawn on the survey of Katona, Zubcsek and Sarvary, where it is showed the importance of the influence of the "others", they stressed the importance that the "neighbors" have on other users and how it is possible that people decide to join a group, a page or a site only to be popular under the eyes of someone else and how this network system helps to create a chain that can move people and change their ideas quite easily. In their research they achieved the solution that the adoption decision of individuals is as a binary choice, affected by three main factors: "(1) the local network structure formed by already adopted neighbors, (2) the average characteristics of adopted neighbors (influencers), and (3) the characteristics of the potential adopters"[17].

Acceptance and participation to social networks can increase thanks to people's acculturation and higher comfort in communicating through a virtual system; their

---

[14] Teresa Correa, Amber Willard Hinsley, Homero Gil de Zúñiga, Who interacts on the Web?: The intersection of users' personality and social
media use, Center for Journalism & Communication Research, School of Journalism, University of Texas at Austin, USA

[15] Ewen, R. B. (1998). *Personality: A topical approach.* Mahweh, NJ: Erlbaum

[16] Jolene Zywica, James Danowski, "The Faces of Facebookers: Investigating Social Enhancement and Social Compensation Hypotheses; Predicting FacebookTM and Offline Popularity from Sociability and Self-Esteem, and Mapping the Meanings of Popularity with Semantic Networks", Journal of Computer-Mediated Communication

[17] Zsolt Katona, Peter Pal Zubcsek, and Miklos Sarvary, Network Effects and Personal Influences: The Diffusion of an Online Social Network, Journal of Marketing Research (JMR)

participation plus the participation of other users, who could also be neighbors never met between them, build the on-line communities.

Those groups could be of several kinds, Armstrong and Hagel classified on-line communities into four different types: communities of interest, communities of relationship, communities of transaction and communities of practice.

A community of interest is a shared-interest group linked to a product or to a product group, for example, travel destinations. A community based around relationships concerns the sharing of significant life episodes between people such as terminal illnesses or parenting. A community of transaction focuses around prices and products comparison. A community of practice focuses around what people do together, for example giving wine buying advice online[18].

Muniz and O'Guinn excogitated another classification elaborating three types of on-line communities three groups of variables: identifying rituals and traditions (processes and policies and online cultures); a sense of moral responsibility or duty (expected behavior, the ability to retain members which will guarantee survival and prosperity of the community, virtuousness in the virtual environment) and consciousness of kind (feeling that binds individuals together)[19]. Kozinets started from this research and labeled forum members in four categories: tourists, mingles, devotees and insiders, according to the number of postings they have done[20]. Lee proposed a further category of the most numerous posters on a forum being termed "*evangelists*"[21].

---

[18] Armstrong, A. and Hagel, J. (1996), *"The real value of online communities", Harvard Business Review*, Vol. 74, No. 3 pp. 134-140.

[19] Muniz, A. and O'Guinn, T. C. (2001), "Brand community", *Journal of Consumer Research*, Vol. 27, No. 4 (March), pp. 412-432.

[20] Kozinets, R. (1998), "On netnography: initial reflections on consumer research investigations of cyberculture", *Advances in Consumer Research*, Vol. 25, pp. 366-371.

[21] Lee, S., Hwang, T. and Lee, H-L. (2006), "Corporate blogging strategies of the Fortune 500 companies", *Management Decision*, Vol. 44, No. 3, pp. 315-334.

3. Social Network as a Marketing tool

The start of this new century has coincided with a switch in the techniques of communication and of sharing of information. This change was given thanks to the rise of internet and in the last years to the intensive use of the social-Internet technologies, commonly known as Web 2.0.

Those changes naturally have had some repercussion on companies and the way to build their network of communication.

In their work Bughin and Chui found 3 possible clusters of networked companies:

- those who use the Web for interactions with employees (internally networked organizations, 13 percent of companies using Web 2.0)
- those forging links with customers and suppliers (externally networked organizations, 5 percent of companies)
- and those combining internal and external linkages at high levels of effectiveness (fully networked enterprises, 3 percent of companies)

according to their statistical analysis there is “a significant correlations between market share gains and the latter two organizational types, those that are fully or externally networked.[22]”, for this reason our focus will be on those kinds of companies.

The development of relationship between customers is very interesting for marketers who want to better understand the needs and attitudes of consumer groups

In our days Social Networks are increasing their number of users, it means more flow of information on this sites, more influences on the users’ opinions, but above all more people that could be reached by someone else. The same concept has value for the firms too, the social network is a good way to interact with customers or possible clients, to understand which are their needs, to be part of their life and to build in their mind a good idea of the company and of its policy.

[22] Bughin Jacques, Chui Michael, “How Web 2.0 pays off: The growth dividend enjoyed by networked enterprises”, McKinsey Quarterly; 2011, Issue 2, p17-21

All of those points were already understood by the pioneers companies that started to enter in the SNs world and establish them as fundamental points of a marketing policy focused on the penetration in the mind of the customers through the web.

The exploitation of the web community is increasing in the last years, but it's not always so easy to develop a system through which is possible to interact with the customers. Marketers have found some common mistakes that the organizations do when they develop their strategy direct to online customers. Those problems hit both the interaction and the way to communicate with customers and how to attract and convince them.

Moran and Gossieaux have done a study on a sample of 500 companies to understand what were these errors and what could be the success factors that could drive the firm to make a breach in the heart of the customers.

It is known that the word of mouth is an efficient tool for firms, it is a way to spread their ideas cheaply and without efforts, but also in this strategy there is a problem: to calculate what they add to the company, how useful it is and the increasing power of this tool within the marketing strategy[23]. This growth can be given above all through the use of the internet networks and in particular of the social networks as a new communicating channel. SNs through their simplicity, through their increasing number of customer are expanding their horizons and the possibility to exploit the WoM, also helped by the fact that "the influence exerted by virtual consumer communities is greater and more credible than any influence from the commercial community.[24]"

Starting from this known concept we can follow the analysis on the use of the online community. Even if this strategy it is only at the start we can already understand that the connection with communities is more efficient that connection

[23] Trusov, Michael, Randolph E. Bucklin, and KoEn Pauwels. "Effects of Word-of-Mouth versus Traditional Marketing: Findings from an Internet Social Networking Site." *Journal of Marketing* 73 September (2009): 90-102.

[24] Bickart, B. and Schindler, R. (2001), "Internet forum as influencial sources of consumer information", *Journal of Interactive Marketing*, Vol. 15, No. 3, pp. 31-40

with individual, first of all because there is more possibility that people will answer faster and more sincerely[25].

The first thing that the marketers have to do is finding out the most important social network in order to take information from the websites where there is a bigger number of "active users" to hold the possibility to analyze and influence the large part of customer with less effort.

First of all we have to look at the most common and more relevant mistakes done when a firm try to use the online communities and social networks[26]:

- *Build it and they will come:* this problem rise when company decides to build a community and do not pay too much attention to it, hoping that will be populated automatically and people will join the community without any effort, large part of the company who have done this error had to shut down their community.
- *The not Invented Here Syndrome*: it is a problem that rise when the brand decides to ignore the already existing communities establishing to create a new one, but they cannot force the tribe to migrate to their sites.
- *Let's keep it small so it's doesn't move the needle:* sometimes the efforts done by a company could not be so effective and it would means that the difference between the firm's community and the others are felt not so big to push the users to move from a community already known to a new one
- *My company is smarter than I am:* some company thought that the main reason of using their community was that the people wanted directly speaking with the company, so they avoided the possibility of interaction between users. It was a big problem for users, who showed to prefer interaction with common and known people to the constriction to speak with only the company

Looking at these common mistakes done by companies we can understand that the unified voices of the navigators has the same power of the company's voice. This statement show that a community driven by volunteers is better than one that is

[25] Gossieaux, Francois, and Edward Moran. "*The Hyper-Social Organization: Eclipse Your Competition Using Social Media".* New York: McGraw- Hill, 2010.

[26] Edward Mora, Francois Gossieaux, "Marketing in Hyper-Social World The Tribalization of Business Study and Characteristics of Successful Oniine Communities", World Advertising Research Center Limited

imposed by the company. This is an important pillar in hyper-sociality, which is a final score for successful firms on websites.

Correlated to those problems, to have a good presence on Social Networks, firms have to know four pillars that can help them in building a successful interactive companies[27]:

- *Tribes versus market segment:* rather than looking at the characteristics of the individual people, designers have to get in count the traits of the groups and the market that they will represent
- *Human-centricity versus company-centricity:* the main efforts of the company have to be direct to the users and not to itself. Communities are very useful only if they are started in order to help customers, to get closer to them and being a reference point for them and not in the other way. The company should not create web page to be helped by customers it could be a mistake that will not increase the power of the brand
- *Network versus channel:* the marketers have to understand that the network is not easily to manage as were older media. The biggest difficulty starts in the channel. On the network the information flow rapidly and not always for the same ways, for this reason they could not think to completely manage the channel of communication but they can just choose the best way to attract the large part of potential users who will carry their messages
- *Social messiness versus process and hierarchy:* a lot of companies prefer not engage with the "hyper-sociality" because sometimes it could be a difficult way and they can just obtain a confusing information that will not be helpful. But it is a good way to follow, because companies that want to increase their share have to exploit a new and emerging tool as the web and above all the social network, which are the new frontier of online communications.

To enforce this statement we have to highlight why the use of 2.0 technologies are so important.

[27] Edward Mora, Francois Gossieaux, "Marketing in Hyper-Social World The Tribalization of Business Study and Characteristics of Successful Oniine Communities", World Advertising Research Center Limited

The reasons of this importance are several but the main are:

- Web 2.0 technologies can help in improving collaboration and communication within companies.
- These technologies should be assessed to determine their real impact. The way to measure it could be the of numerous assessment techniques, including interviews, observations, and surveys
- These technologies can help in improving collaboration and communication across multiple vertical industries, but many companies are very cautious about deploying them[28].

Important in this new world of web 2.0 are the key characteristics of the social software identified by Matt Webb: Identity (through a screen name); Presence (being in the same space in which you can hold); Conversations (and building through them); Relationship; Sharing (of experience and sensation); Reputation and Group[29]. Surely they can vary but if they are grouped we will define the characteristics of the online community.

2.0 systems became very popular, and above all thanks to the introduction of the marketing theory called Service-Dominant Logic (SDL)[30], about the co-creation concept. The strategy is no longer based on the relationship 'market to' consumers but 'market with' consumers. The co-creation of the value made by the company together with the consumers is the key process in this new marketing logic, which has become increasingly popular over the years[31]. Within brand communities co-creation overcome the limit and started to transform brands into virtual platforms

[28] Sthephen J. Androle, "Business impact of Web 2.0 Technologies", Association for Computing Machinery

[29] Webb, M. (2004) On social software. Retrieved from http://interconnected.org/ home/ 2004/04/28/ on_social_software . Accessed April 2004.

[30] Vargo, S.L., *&c* Lusch, R.E. (2004). Evolving to a new dominant logic for *marketmg. Journal of Marketing, 68(1),* 1-18.

[31] Lusch, R.F., & Vargo, S.L. (Eds.). (2006). *The Service-Dominant Logic of marketing: Dialog, debate, and directions.* Armonk, NY: M.E. Sharpe

useful to aggregate staff members and consumers united by the same feeling towards a brand[32].

From this point started an integration between the marketing framework and the idea of co-creating value with communities of consumers who love the brand[33].

But here is possible to see a tricky point for the firms, indeed Web 2.0 tools have allowed them to develop communities of brands' supporters, who interact with companies in order to create value jointly (tribal partners), but the consumer-producers can also generate communities that can oppose or contest the management of their brands (tribal opponents). Finally we can also have communities that will create a brand related to a collective project which could compete, consciously or unconsciously, with existing corporate brands (tribal competitors).

Social networks also changed another important function of the company: the marketing research. This tool is in a phase of transition, it is not longer a decentralized profession it is starting to be very rational and in a certain way an industrialized tool[34]. It gives the possibility to catch the possibility to have better information and a faster and better distribution trough the web.

A new trend is developing in the expectations of the clients towards this kind of research, "they expect more "pro-activity" in the delivery of insight and more integration of information delivered trough a wider variety of platform[35]".

In this same article Chadwick defines this change as a contemporaneous threat and needed action, because only by the exploitation of this strategy there is the possibility to answer to the requests of the consumers, but it is also a new paradigm that has to be defined and it could means a disruptive phenomena too.

---

[32] Bernard Cova, Tim White, Counter-brand and alter-brand communities: the impact of Web 2.0 on tribal marketing approaches, *Journal of Marketing Management* Vol. 26, Nos. 3-4, March 2010, 256-270

[33] Atkin, D. (2004). *The cutting of brands: When customers become true believers.* New York: Portfolio.

[34] Morrison, D.E. (1998) *The Search for a Method: Focus Groups and the Development of Mass Communication*. Luton: University of Luton Press

[35] Chadwick, S. (2006) Client-driven change. The impact of changes in client needs on the research industry. *International Journal of Market Research*, 48, 4, pp. 391–414.

Other trends are changing the marketing research approach, first of all the continued growth of the open source movement; the emergence of Web 2.0 and the rapid growth of them, with the use of social software are new opportunities to utilize for research communities. The combination of social computing tools with an understanding of social networks will allow to build new kinds of research communities in which there is an interaction not only between respondents and researchers but with the clients too; finally there will be more possibility to handle information.

All this trends that we explained are giving the possibility of a big opportunity for marketing research. "The open source movement has liberated our thinking; it has democratized production and the distribution of information; it has created Web 2.0 software that we can utilize, while the changing social media landscape has educated an increasing proportion of the population in the skills required to use social networks, and millions of them are creating content and establishing relationships on these sites"[36].

Those new relationships and contents produce a faster way of communication between parts, trough the rise of the co-creation role problems of the respondents in answering are avoiding, differently the older way of research.

All the participant in the communities will know they are part of the research in order to increase the presence and establish a good relationship between the parts. All the users can be researchers, respondents or simply clients with no difference on "position". People has the possibility to create own sub-groups in order to increase this confidence between parts and sharing everything with this people.

To effectively operate on the a 2.0 web there are some points that companies do not have to forget and to elaborate, first of all working on the relationship, as often we said the social community is a fast way to avoid a tricky deal: the distance and the coldness between researchers and members. Usually there is just a top-down relationship in which there is a request of the marketers to the users of answering some questions and sending them back, but now the situation is completely different, through the Sns there is the possibility to establish a sort of friendship and to be less intrusive in the life of the interviewed, "researchers move from being simply measures of attitudes and behavior to being a partner in a voyage of discovery with members and clients"[37], now the researchers are active part of the discussions and he does not have anymore any sort of privileged position regarding the other speakers. This flexibility is a great advantage and it gives the possibility to easily shift from a quantitative to a qualitative research methods and vice versa and between degrees of research interaction. The discussion does not have to be felt as an imposition, it could be a voluntary discussion in order to answer to some doubts or it could just be a break-out, sometimes involuntary and without the full conscience of what they are doing.

In this way we will find a new analytical domain: a *member–member relationships*, where there are no practical reason why members cannot seek a direct relationship with the client[38]. After the recruitment, people who joined the community have to choose whether, when and how often want to be engaged by the members via panel. Once the panel becomes community the users have a bigger resource for itself , communities have their own life, it will mean there is no need of always working on them in order to have information, important is to check often and understand the real ideas of the clients.

The openness of the approach facilitate the co-creation of new discussions.

A social network gives other benefits too, as the control of any single activity, including the client and research relationship. Briefly we can say that at the same time the marketers have the possibility to stimulate conversation and to control how they are proceeding, the only power they have to sacrifice is the possibility to establish a deadline for the discussion. Promoters do not have the possibility to manage the time of a topic it could discussed for an hour, for a day or a month. But

---

[36] Mike Cooke ,Nick Buckley "Web 2.0, social networks and the future of market research" *International Journal of Market Research Vol. 50 Issue 2*

[37] Mike Cooke ,Nick Buckley "Web 2.0, social networks and the future of market research" *International Journal of Market Research Vol. 50 Issue 2*

[38] Mike Cooke ,Nick Buckley, same as before

this is part of the characteristic of a social community analysis, also the length of a topic is a relevant signal.

Related to this discussion is the rising image of the brand, the brand is one of the most important elements in this strategy, indeed it is the starting and ending point of this work on the web. It is the starting point because it is the way by which people can achieve the discussion and the community where people are speaking about the products or the company (the search engine marketing is also related to this concept, and the visibility that they brand has on the web[39]).

But marketing research is not the only way to exploit the web and the social networks it can be used as an advertising medium. Through the proliferation of e-commerce the companies give to their customers, and in general to all the web-users, the possibility to create a profile, as already understood by Berthon, Pitt and Watson in 1996, when the web was very easy and essential, in order to obtain an efficiency formula of the surfing way of the users[40].

Experimental design and conjoint analysis of four variables (background style, image size, sound file display and celebrity endorsement) define something like the 96 percent sites' configuration the web-site. It gives more possibility of trading off one effectiveness dimension for the others and raise the possibilities of the websites to be chosen by the users.[41]

To those points we have to add up another important characteristic: the interactivity of social networks. It is the best way to increase the popularity of the website or of the page, because it increased the position in the ranking of the web and this means an hyperbolic increase in the number of users and e-consumers[42]. This interactivity has to coincide with the security of the transition and of the consumers, in a

---

[39] Gori, M., and Witten, I. 2005. "The Bubble of Web Visibility," *Communications of the ACM* (48:3), pp. 115-117.

[40] Berthon, Pierre, Leyland F. Pitt, and Richard T. Watson._ "The World Wide Web As an Advertising Medium: Toward an Understanding of Conversion Efficiency." *Journal of Advertising Research* 36, 1 (1996): 43–54.

[41] Dreze, Xavier, and Fred Zufryden._ "TestingWeb Site Design and Promotional Content." *Journal of Advertising Research* 37, 2 (1997): 77–91.

[42] McMillan, Sally J. , Jang-Sun Hwang, and Guiohk Lee. "Effects of Structural and Perceptual Factors on Attitudes Toward the Website." *Journal of Advertising Research* 43, 4 (2003): 400–409.

relationship business-to-business is fundamental the union of three elements (interaction, security and privacy) and in case of a lack of one of those points there could just be the failure of the web-site, builders have to meet the needs and wants of their different users[43].

The possibility to be judged by the consumers trough a "I like" on Facebook, or on a repost on Twitter gives a real idea of the efficiency of the advertising and if it is a real answer of the expectations of the consumers.

In the past the way to do advertising on internet were only four: banner ads, sponsorships, interstitials, and "others", but today there are more ways given by the adding of search ads, rich media 3-D visualization and adver-games possibly all played on the Sns[44]. But the most exploited way in recent times is trying to have a viral diffusion through the natural sharing of videos or images, songs and what else between users.

4. The use of older and new media

Finally in order to build an efficient strategy of advertising and communication a firm has to exploit another important marketing tool: the World of Mouth. Advertising is a good way in trying to diffuse a message but it will have more effect if the firm add the possibility for users to elaborate new forms of user-generated content. Keller in his study found that advertising can stimulate consumers to sustain products and in his analysis, on five different industries, he found that online World of Mouth played a significant role in generating offline brand "advocacy" in two (auto and retail) categories. "That is, by disseminating brand messages in media, advertisers could stimulate consumers to talk about, and say good things

[43] Chakraborty, Goutam, Visha Lala, and David Warren. "What Do Customers Consider Important In B2B Websites?" *Journal of Advertising Research* 43, 1 (2003): 50–61

[44] Li, Hairong, and John D. Leckenby._ *Examining the Effectiveness of Internet Advertising Formats.* In *Internet Advertising: Theory and Research*, D. W. Schumann and E. Thorson, eds. Hillsdale, NJ: Lawrence Erlbaum, 2007.

about, their brands[45]. The WOM results a way easier and more efficient to drive a message, it is sure better than the common way to send mail that are, in the large part of the case, neither read by the receivers, in research a group of scholar shows that just a few part of the people read and post to other friends the message, it means a failure of the "viral mavens"[46].

The driving force of the web is the innovativeness of the brands, which are then followed by the others who want to exploit the idea of the first insider in this new media. Companies have to make a decision now, do they want to concentrate all their efforts only on the web, that is the rising media and most exploitable in our age, or they prefer to make a common action that try to exploit both the way, the old one (television, radio and journal) and the new one, in order to obtain the large possible cover. The union of offline and online media is useful for an international social network because in the exploitation of the common media there is the attraction of a large mass of consumers, but the communication trough this ways are weak, while the strength features of the web community is the communication and its fastness that give the possibility to have advantages three times bigger than on the offline stand alone, through a better research with the possibility to show the community ideas and objectives[47]. Enoch and Johnson found, through a their research, that between television and digital media there is not cannibalization but it is just the possibility to obtain a deeper horizon where to find new people who will join the community and express their ideas about products and branding.[48]

---

[45]Keller, Ed. "Unleashing the Power of Word of Mouth: Creating Brand Advocacy to Drive Growth." *Journal of Advertising Research* 47, 4 (2007): 448–452.

[46] Havlena, William, Robert Cardarelli, and Michelle De Montigny._ "Quantifying the Isolated and Synergistic Effects of Exposure Frequency for Television, Print, and Internet Advertising." *Journal of Advertising Research* 47, 3 (2007): 215–221.

[47] Pfeiffer, Markus, and Markus Zinnbauer "Can Old Media Enhance New Media?: How Traditional Advertising Pays off For an Online Social Network." *Journal of Advertising Research* 50, 1 (2010): 42–49.

[48] Enoch, Glenn, and Kelly Johnson "Cracking the Cross-Media Code: How to Use Single-Source Measures to Examine Media Cannibalization and Convergence." *Journal of Advertising Research* 50, 2 (2010): 125–136.

Chapter 2

1.The Sportswear Industry

a. Analysis of the Industry

Across the world buying clothes, shoes, hats and what else is a huge business that count around 1,972.2 billion of US dollar and it shrank by 3,4% in 2008. According to the previsions of Datamonitor in 2013 the whole is forecasted that it is going to value 2,751.2 billion of Us dollars with an increase of the 34,5%.

In 2008 the apparel and footwear industry was the most lucrative sector of the industry with a contribution equal to 67% of the total revenues of this sector (DataMonitor, March 2009)[49]. The large part of the revenues are done in Europe where the 33% of the product are sold, while the Americas results at the third place of purchasing with the 25,4%. The strongest firm in the sector is Dior, that represents how the luxury has relevant influence in this industry, such importance can also be a weak point of sector in this tricky years, indeed the prevision are that in the next years the global apparel will increase its revenues, as said before, but it also has to fight against the crisis and normal renounces that people has to do, above all about luxury items.

But what we have to understand is that when we speak about the sportswear industry we are just considering a part of the whole textile sector, indeed the main company Dior is for sure not a an athletic apparel brand. When we speak about sportswear we mean the union of the textile part and accessories for ball sports (baseball, softball, basketball, soccer, football, volleyball, cricket, hockey, etc), adventure sports (camping, hunting and firearms, skin diving and scuba, water ski-ing, surfboarding and sailboarding, etc), fitness (exercise bikes, home gym, rowing machine, hand/wrist/ankle weights, treadmill, jump rope, stepper), golf (clubs, bags, balls, gloves, carts, etc), racket sports (tennis, squash, badminton, etc), winter sports (downhill and cross-country ski-ing, snowboarding, etc), and other sports such as archery, billiards, indoor games, bowling, in-line skating, martial arts, wheel sports, pogo sticks, and fishing equipment. After that we catch this division inside the wear industries we can also to do another partition, indeed we can split this industry in two parts, in the first we will analyze the clothes and accessories related to sports activities and in the second we will take in light the footwear side, that can be consider as important as the first and sometimes as a driving force for the sector too, above all in the case of the sportswear industry.

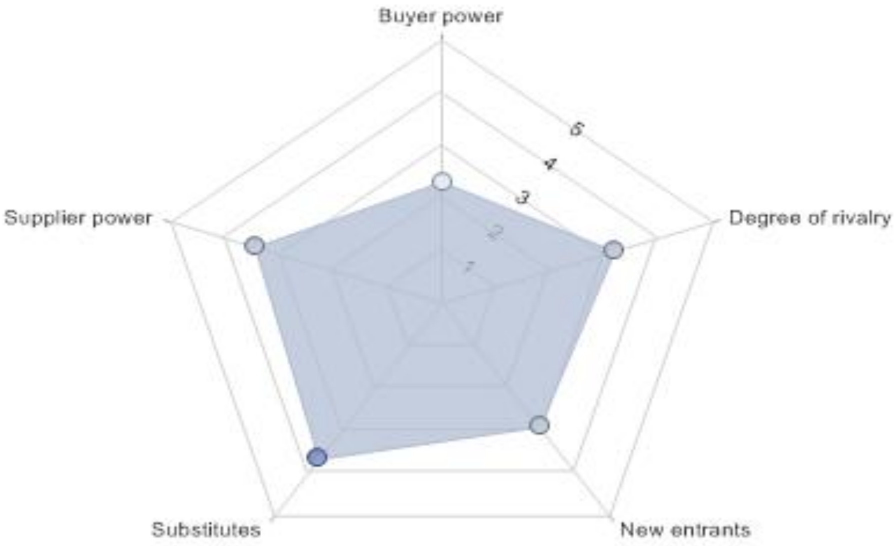
b. Sportswear and Sport Equipment

Starting the analysis of the sportswear sector, strictly considered, we can see that it counts revenues equal to 74,8 billion Us dollars in the 2009 with a constant growth in the last year and a forecast that this market is increasing of a 2% until the 2014. Of these revenues the large part of the profits are from the "ball sports equipment" that assure to the industry revenues for $13,3 billion equal to the 17,8% of the total sector (DataMonitor, May 2010)[50].

Referring to the Porter's five forces we can best understand the right composition of this market,

The global market for sports equipment is fragmented despite the presence of huge brands as Nike, Adidas or Puma, this variety of players is given above all by the possibility to focus on several products for specific activities or on the whole range. Retailing plays an important role and it offers some economies of scale such as bulk buying, but there is also the possibility to enter in the market with a low budget operating on a small scale.

[49] DataMonitor, "*Global Apparel & Textiles*", DataMonitor March 2009
[50] DataMonitor, "*Industry Profile: Global Sports Equipment*", DataMonitor Report May 2010



(DataMonitor, May 2010)

- Buyer Power: when we look at the purchaser we have to understand that we have to look at both multiples retailer and departments stores. The importance of the buyer is that they can drive the success of the retailer too, in fact consumers are faithful to brands not to stores, so it is easy to understand that there are low switching costs and a strengthens of the buyers
- Supplier Power: the power of the manufacturer depends on three factors, research and development, innovation, adoption of new materials, that result more important in the sportswear than in a more general apparel contest, because increasing the performance of the product could mean to improve the ability of the buyer and can drive to an advantage for the discoverer. Added to this point also differentiation can drive people to move from a product to another remaining faithful to the brand.

Another strength power is the possibility to produce abroad (as Nike in Thailand or Adidas in India) in order to have lower expenses, in combination with the possibility to low-cost factory options rise up the power held by these suppliers relative to their buyers. Finally Suppliers are not usually solely dependent on one type of sports equipment for their revenues and can often find alternative markets through diversification (Glenn, 2006)[51]. Overall, supplier power is strong.

- New entrants: interesting are the possibility for new firms in this industry, indeed in this sector a good part of the market is held by specialists, who through the quality and the specific features of their products have the possibility to conquer portion of the market entering in the market on a small scale and with a small investment. The possibility of custom-made sports equipment (facilitate also by internet) gives to new enter a great help, only in part mitigate by the possible problem as retail, or transportation that can give not only difficulties in operations but also in costs. But the biggest difficult to overcome for new enters is the lack of reputation, people could have a lack of faith in trusting firms that have an unknown name and so of uncertain quality. For this reason the threat of new enters results moderate.
- Substitutes: when we speak about the substitutes we have to split the argument. We can consider two kinds of alternatives, the general concept is the substitution of sport activities with other action as reading, listening music, staying at home, or watching television, because if people is not playing sport they are probably not wearing sportswear. The second is more related to the fashion, today is common for people to wear athletic garments also in normal life so substitutes could be other clothes and non-sport brands. Given this double options the threat results to be very strong.
- Rivalry: the market for sportswear and equipment is very fragmented. Firms have a very wide range of article very diversified with the possibility to have more product, quite different too between them under the same brand, and the possibility to switching costs and in time of crisis as today is a big threat. For this reason the strengthen of the rivalry can be considered as middle high.

[51] Glenn Tim, *"Nike's Cheap Labor",* Campaign for Labor Rights 2006

c. Footwear

The footwear market in general is a sector that guarantee something like 196.3 billion of Us dollar, of which the large part (67.7%) is given by sports shoes and common shoes, which are the focus of our analysis. Looking at this number it is easy to understand why we could consider the footwear market as a shared market.

If we want to do a fast analysis to the footwear market as done before we will see a situation like this:

(DataMonitor, June 2010)[52]

- Buyers Power: there are two main kinds of consumers, end-user and footwear retailers. The single final buyer as a limited power given by the high sales volume, but the presence of the great differentiation rise his importance. So we can say that the power of the buyer is quite moderate.
- Supplier Power: large part of the manufacturer of this industry is located in low-cost manufacturing locations (above South-East Asia), this is a good possibility for western companies to switch suppliers from the work low costs guaranteed by

[52] DataMonitor, "*Industry Profile: Global Footwear*", DataMonitor Report June 2010

this far lands or the lower cost of transportation assured in doing the work at home. For this reason the result is that the power of the supplier is moderated too.

- New Entrants: in this case we have to repeat the situation of the equipment and clothes. Given the low costs of the market there is the possibility to easily enter in the market, but big obstacles could be the relations with the retailers, the possibility to reduce costs through bulk purchasing as hard as the lack of reputation that could stop the buyers. But a good way to achieve niches is the specialist footwear. For all this reasons the threats of new entrants is high
- Substitutes: the only threat in being substituted is in the fashion case, that people buys sport shoes only for fashion and they could substitutes them with classical shoes. In all the other cases there is no possibility. The risk of substitutes for our situation is weak
- Rivalry: the market is highly fragmented and the retailer groups play a fundamental role, so the rivalry is quite high. Moreover the fixed costs are not so prohibitive, so smaller companies easily coexist within the market. For those reason the rivalry is strong.

d. Global Diffusion

The last inquiry that we have to do before to analyze which are the main competitors in this market is to put in light which are the area where the sportswear industry has more market and how the sportswear market is built in the major economic areas as US, Europe and China.

Looking at the sportswear in general we have:

Table 3: Global sports equipment market segmentation II: % share, by value, 2009(e)	
Category	**% Share**
Americas	40.0%
Asia-Pacific	31.9%
Europe	28.2%
Total	**100%**
Source: Datamonitor	**DATAMONITOR**

(DataMonitor, May 2010)[53]

And for the footwear industry:

Table 3: Global footwear market segmentation II: % share, by value, 2009(e)	
Category	**% Share**
Americas	43.6%
Europe	39.3%
Asia-Pacific	17.1%
Total	**100%**
Source: Datamonitor	**DATAMONITOR**

(DataMonitor, June 2010)[54]

Where Americas are: North America (United States, Mexico and Canada) and South America comprises Argentina, Brazil, Chile, Colombia, and Venezuela.

Western Europe comprises Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, and the United Kingdom.

Eastern Europe comprises the Czech Republic, Hungary, Poland, Romania, Russia, and Ukraine.

Asia-Pacific comprises Australia, China, India, Japan, Singapore, South Korea, and Taiwan.

In this table results that Americas is the biggest market (given also the large part of people who live in this countries) and the strange situation of Asia-Pacific, which is the second market in sportswear but the third (with around an half of the purchase

[53] DataMonitor, "*Industry Profile: Global Sports Equipment*", DataMonitor Report May 2010

[54] DataMonitor, "*Industry Profile: Global Footwear*", DataMonitor Report June 2010

of sportswear) for the shoes with a decrease of around 13%. This phenomena has an explanation very easy to understand, in Asia there is a huge number of manufacturers and a lot of people buy shoes at low cost firms or at handmade.
Now we can pass to a fast analysis of the main countries.

d.1. Global Diffusion – United States

The Us sports equipment in 2009 counted for 24,608.2 million of revenues in 2009, and it saw in the last 5 years an increase of the 1.6% (period 2004-2009). But the forecast found that this increase is going to be less in the future.
The train field is the fitness equipment that values the 23.5% of the sector, followed by adventure sport equipment (22.5%), position given over all by the expensiveness of these stuff. The particular situation is the position of the ball sports in this short rank, they are at the third place with only a 15.0% of incidence on the sector, position in contrast with the importance of this field in the world. Looking at the 5 forces of Porter results that there is not great differences between the Us trend and the global one, given also by the fact that Us is the most important region of this market. The only little difference is in the supplier power where the possibility for big firms, as Nike or Adidas, to produce abroad is quite a necessity in order to reduces costs.
To resume we could say that the sports equipment market had seen a great deal of forward integration in the last years as sportswear manufacturers as Adidas or Nike, which have successfully branched out in to retail. The Us market is very fragmented even if there is the presence of large players. The power of buyer is limited by the presence of large player and the presence of the larger companies in the management of this retailer. Retail offers the possibility to exploit bulk buying to obtain economies of scale, but despite this possibility the threats of new enters is quite high (DataMonitor, 2010)[55].

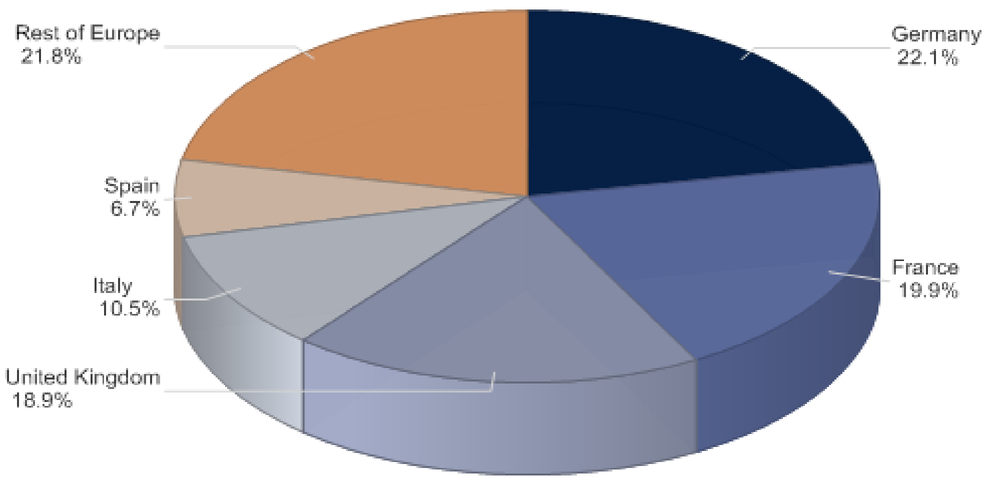
[55] DataMonitor, "*Industry Report: Sports Equipment in US*", DataMonitor Report 2010

d.2. Global Diffusion – Europe

The European market is the third market in the world, it counts revenues for 21.1 billion in the Us dollars, with a growth rate quite constant at the value of 2.2% in the period 2005-2009. The forecast about the increase of the revenues is higher than in US, around the 2.2%, following the value of the precedent years.

In Europe there is a different situation compared to the American one, indeed the training sector of this revenues is the golf equipment and sportswear, that has value equal to the 18.5% of the total sector in the region. In Europe too at the second place we have the sport adventure with revenues equal to the 16.6% of the total, and only at the third the main field in US fitness equipment and finally the ball sport stuff with a 15.5% of the total, value very similar to the American case as demonstration that the low percentage is given by the low cost of the items and not of problem in the sale of them.

In the case of Old World we have to take in consideration another difference as regards the cases of Us and China. This difference is which are the countries where we have higher returns. The first is Germany, followed by France and United Kingdom as shown in the graph below.



(DataMonitor, 2010)

Analyzing the 5 forces scheme we can see a situation very close to the American, also in Europe we have a very fragmented market, but with the presence of giant of the market as Nike, Adidas and Puma. We have economies of scale given by the bulk buying and a quite big power of the buyer, just a little bit diminished by the presence of retailers, in some cases in part held by the companies, that can reduce the power of the purchaser.

Only for new entrants we have a little difference, the transportation costs. Cost of transporting results to be an obstacle, indeed in Europe are higher than in the Us and it could mean a reduction of the revenues and of the success of new companies, attenuating their power of threat (DataMonitor, 2010)[56].

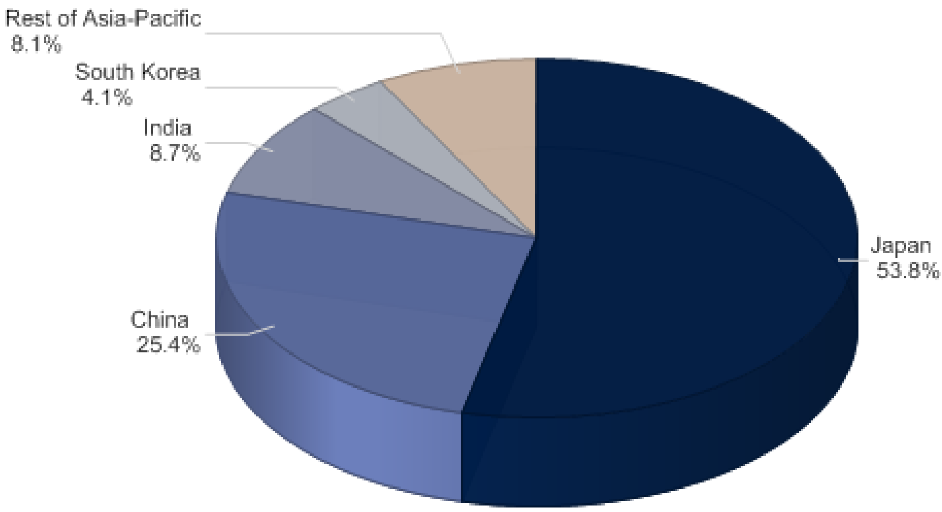
d.3. Global Diffusion – China

The last case that we have is on the main emergent country, China. The country of the rising sun counts revenues in this market for 6,049 billion of Us dollar, with an increase in the last 5 years of a 5,9%, value higher than the other two cases (an high rate if compared to the Japanese case too, where we have a decrease 1%, but less than India which an increase of 7.1%). The forecast for next five years is of a growth rate equal to 4% that means a decrease of rate but however higher than abroad.

In China the training sector and the most influent is the ball sport equipment that is equal to the 38.9% of the total market (also important for political reason tending to favor team sport), at the second place we have racket sport (24.8%) driven by the national sport, the tennis-table, these sector apart only the fitness equipment has a good piece of the market with the 12.4%.

An important situation that has to be analyzed is that China is not the biggest market in Asia-Paicific, at the first place there is Japan that holds more than an half of the region revenues.

[56]DataMonitor, "*Industry Report: Sports Equipment in Europe*", DataMonitor Report 2010



(DataMonitor, 2010)[57]

Analyzing the market of the China through the usual tool of the Porter Forces we will see a situation similar to the other two regions, in which we have a good power of the buyers, maybe with lower switching costs, a supplier power quite strong and the only little difference is in the threats of new entrants, indeed the Chinese market is highly fragmented and for this reason there are more possibilities for new competitors to make a breach in the sector and to obtain a portion of it.

e. Conclusion on Sportswear industry

Just to conclude we have to better understand some trends and some companies' behavior that will have a strong influence on the future. First of all we have to do a consideration about the forecast or to better say we have to do an add. Indeed in the last years, sportswear are not seen anymore as just clothes to wear when doing sports but also to going out with friends or to have comfort and be warm in every moment, and this new field is a secret for the success in the future. Sport clothes are not only for doing exercise they are for everyday and every time, indeed the 80% of the people, interviewed about when they use sport clothes, answered they are used

[57] DataMonitor, "*Industry Report: Sports Equipment in China*", DataMonitor Report 2010

to wear them every time and not only during the sport performance (Cotton Incorporated, 2009)[58]. This change of mind of the purchasers in the last years rose by a change in the concept of sportswear, today basketball jerseys or golfing tees, or footwear are not just boring stuff useful in the competition very sad and monochromatic, today they have become fashion too, designers are trying to make sports apparel as more fashionable as possible, thinking about the right combination of color, style and functionality in order to have a useful and cool product.

Nowadays the sportswear industry and equipment is not only fashion or comfort, it is a profitable marketplace where there are lucrative possibilities and where it is possible finding cases in which governments finance the sports industry in order to attract tourist and local fans (Jonathon Serrano,2009)[59].

And finally we have to take in consideration the target of people hit the more by the companies of the field. Sportswear and equipment is naturally a kind of products that everyone needs and everyone wants to buy because sport does not have limit of age or sex neither of physical differences everybody can do sports so everybody need sport stuff. But despite this basis condition there is a range of people to whom Nike or Adidas pay more attention, this category is guys from 13 to 28 years. The reason why they are considered the best customer and potentially the most loyal customer is that they are active guys, who like to run, dance and playing in organized team also outside organized team and also because at their age the brand could have more appeal. Another difference could be done in gender, in fact male and girls do not exactly have the same attraction for the same products, in the large part of the cases, and while boys are more oriented in buying items for team sports, girls are more interested in walking or cardio training.

Today logos as the three stripes of the Adidas or the swoosh of Nike have become globally recognized and they remind to the consumers strong relationship between these companies and sports. Those companies, given the high fragmentation of the market cannot stay calm and be sure of their power because there always be the risk

---

[58] Cotton Incorporated's 2009 Sports Apparel Study, ***"Athletic Apparel: A Market Opportunity",*** Cotton Incorporated's Retail Monitor

[59] Serrano Jonathon, "*The Sports Apparel Industry",* Article Marketing 2009

of a new rising firm with a new technology that can upset the market, for this reason they have to play a game of advance and be they the innovators.

Another way to increase their power is through merger and acquisition, in fact in the last years we are witnesses of numerous acquisition of which the most famous are: the acquisition of the US stalwart Reebok by the German giant Adidas in 2006, representing a landmark acquisition in the industry, or the acquisition of the brand Umbro and Converse made by the other American leader, Nike (Global Industry Analysis 2010)[60]. But to better understand the market we have to analyze the three giants of it: Nike, Adidas and Puma.

2. Main Competitors

a. Nike Inc.

The first embryo of Nike was in 1964 with the name of Blue Ribbon Sports owned by Bill Bowerman and Phil Knight and its main activity was the distribution of the Japanese OnitsukaTiger shoes in the western Us. In the 1966 the name of the company changed in BRS, and it coinceded with the opening of the first retail store in Eugene, Oregon. The 1971 was the fundamental year for the company, in this days were created the name Nike, from the Greek god of victory, and the swoosh trademark with the introduction of the first apparel item of the company, a T-shirt with the symbol and the name Nike. In the same period ended the agreement with Onitsuka and BRS decided to launch on the market the first kind of Nike footwear and in the following year the company decided to completely change its name from BRS to Nike.

In 1978 Nike created the first kind of air-sole footwear cushioning in collaboration with former NASA employee Frank Rudy, this innovative pair of shoes was

[60] Global Industry Analysts, Inc., *"Sports and Fitness Clothing: A Global Strategic Business Report"*, Global Industry Analysts, Inc. 2010

introduced on the market in the 1979 under the name of Tailwind and in 1982 was launched the first kind of basketball shoes with this technology.

In the following year on the market there were the Nike apparel collection and in the 1988 started the “Just Do It” campaign with the contemporary acquisition of the Cole Hann (footwear, accessories and clothes for men and women). In the 1990 Nike assumed a more global identity, it built up the first headquarter abroad in Amsterdam, in the Netherlands stipulating at the same time an exclusive agreement for the Olympic Games in Barcelona: all medalist on the track had to wear Nike Apparel.

After the acquisition of Cole Hann the strategy of integration continued with the acquisition of Sports Specialties, the largest marketer and distributor of licensed team logo headwear, changing the name of this company in Nike Team Sports, then there was the acquisition of the hockey gear manufacturer Canstar Sports and Bauer. In 2002 it acquired Hurley International, through which acquisition Nike also held the Converse brand. In 2003-2004 the giant from Oregon built the subsidiary Exter Brands Group and acquired Official Starter Properties. In 2007 Nike entered in agreement for the acquisition only cash of the British brand Umbro, one of the leader in soccer wearing. Selling in this years the Exeter Brand Group. In this argumentation about deal to take in light is also the agreement with FootLocker, an American distributors of sportswear and footwear, in order to open in the Us 50 new stores, called House of Hoops, hubs for basketball products where are sold only products Jordan, Nike and Converse.

Famous and successful in the history of Nike are the marketing campaign and advertising that they launched as “Just Do It” campaign, or “V as Victory” or the program Nike Go with the goal to increase program to increase physical activity in America youth.

Important for the success of these campaigns is the strong relationship with its ambassadors, the first of all was the tennis player John Mc Enroe, the biggest success was the union with the basketball player Michael Jordan and the clothes line that rise called Jordan, today a real separate brand, other important union were with the golf player Tiger Woods, or with soccer strikers Ronaldinho and Ronaldo or with the cyclist Lance Armstrong and the launch of the humanitarian campaign LiveStrong.

Another important step for Nike was the association with Apple for the creation of the line Nike+Apple products that started in 2006 with the production of the item Nike+iPod Sport Kit, a wireless system that connects Nike footwear to the iPod Nano. Starting from this success Nike in 2011 signed another similar contract with TomTom for the launch of Nike+ SportWatch GPS.

In 2009, the company announced the reorganization of its Nike Brand into a new model consisting of six geographic areas that reduced management layers and increased focus on core category business areas, driving greater efficiencies and stronger consumer connections. The plan had six new geographies: North America, Western Europe, Eastern/Central Europe, Greater China, Japan and Emerging Markets. The Nike Brand was previously organized by four regions: the US, Asia Pacific, the Americas and EMEA (Europe, Middle East and Africa) (DataMonitor, April 2011)[61].

a.1. SWOT Analysis

Nike is the world leading designer, marketer and distributor of athletic footwear, apparel, equipment and accessories for a wide range of sports and fitness activities.

In may 2010 the revenues of Nike were equal to 19,014 billion of Us dollar, with a little decrease of a 0,8%compared to 2009. As a global firm Nike has different share in the several regions, in the six regions in which it shared is activities we have: North America (40.8% of the total revenues during FY2010), Western Europe (23.7%), Emerging Markets (12.4%), Greater China (10.6%), Central and Eastern Europe (7%), and Japan (5.4%).

---

[61] DataMonitor, *"Company Profile: Nike Inc.",* DataMonitor Report April 2011

Looking at the different divisions we have that in the 2010, the footwear division recorded revenues of $10,333.1 million, an increase of 0.3% over 2009. The apparel division had revenues for $5,036.6 million in 2010, with a decrease of 4%. The equipment division recorded revenues of $1,033.6 million in FY2010, with a decrease of the 6.9% compared to 2009. The other division rose revenues of $2,610.7 million in FY2010, increasing the value of 3.8% .

The company as a strong market innovation that contributed to Nike's market sharing in the global market.

Strengths	**Weaknesses**
Robust market position bolstered by strong brand equity Competent technical innovation in products enhances Nike's competitive advantage and brand equity Low-cost manufacturing base coupled with broad distribution network	High pension liabilities
Opportunities	**Threats**
Association with NFL would consolidate market leadership in the US Brand reorganization initiative Growth in global footwear market	Intense competition Limited control over contract manufacturers Growing counterfeit goods market

- Strengths**:** Nike has a strong market position given also by the strong brand equity, it has a solid market position in most of its product segments. Marketing and innovation play a very important role within the firm and they are the push for the rising market share in the global footwear market. In addition to this power in market share we also have a strong brand equity, testified by the 25th placement in Interbrand's 2010 Top 100 Brands, this scale of importance plus the power of recognition plays a fundamental point for the expansion plans of the firm.

Another successful factor is the policy to employ own staff specialists in the areas of biomechanics, chemistry, exercise physiology, engineering, industrial design, and related fields, for the development of products best suited to athletic needs. Furthermore, "the company employs the services of athletes, either employed with the company or engaged under sports marketing contracts (Mike Shammals, 2011)[62], to evaluate products during the design and development process. Increased emphasis on innovation and research and development allows the company to cater to changing preferences and requirements with easiness, which in turn enhances its competitive advantage and brand equity".

Low-cost manufacturing base coupled with broad distribution network Nike employs several low-cost manufacturing sites for its product manufacturing. Besides, it offers its products through a wide distribution channel across the globe.

- Weaknesses**:** a great problem for Nike is the high pension liabilities, it is the largest employee benefit obligation within Nike. The unfunded pension liabilities for the company in the FY2010 reached to $113 million, a 36.5% increase over the last year. Sizeable unfunded post retirement benefits would force the company to make periodic cash contributions towards bridging the gap, which would reduce cash available for growth plans.

- Opportunities**:** the association with NFL is a good way to consolidate the market leadership in the Us. This sponsorship increases the brand recall among consumers who watch such events and the company's earning share of a 3% too.

The reorganization of the strategy under six geographic areas gives the possibility to have an overall reduction of the 4% of the company workforce. This initiative can increase the focus on core categories business areas and drive greater efficiencies and stronger consumer connections.

Finally a good way to increase the market power is to use the footwear sector as a market driver in order to train all the company as a whole.

- Threats**:** intense competition is one of the greatest threats for Nike, indeed as we said before. Internationally on the market there is a large number of athletic and leisure sportswear company, above the fight is against the other two giants Adidas and Puma, but it has to defend also from the attack of regional and national competitors as could be in Us Dick's Sporting Goods and Finish Line, or to defend

---

[62] Shammals Mike*, "Duke athletes test eye glasses for improvements in vision",* Duke Chronicle, 9 June 2011

its position against cheap competitors as could be the Chinese companies, this competition could put pressure on the prices and have effects on the company's margins.

Another problem could be the limited control over manufacturers, indeed Nike has been criticized several times for violation of labor laws in Asian countries or Latino-America and in 2008 an Australian News found a large number of cases involving forced labor in a Nike's factory in Malaysia. These critics were only the last of long series indeed in 1996 there was a very scandal for the use in their factories in Cambodia and Pakistan of child labor. All these episodes are a sign of the limited control that they have on manufacturers.

The last threats is the presence of the counterfeits products and the use of internet increased the market of fake. The loss due to counterfeit products is estimated around 8.5 billion of Us dollars.

Low quality of counterfeits can have bad consequences on the branded products. But what differentiates Nike from its competitors is the exclusivity and counterfeits reduce it. So fake products do not only decrease revenues but also dilute Nike's brand image (Hemma Vitlani, 2006)[63].

b. Adidas AG

Adidas AG was promoted in Germany by Adolf and Rudi Dassler in 1949, the name Adidas derived from the first-name of the founder Adolf, "Adi", and the first three letters of its surname "Das". The first product that they launched was a pair of football boots with removal studs in 1954. The 1960's was the period of the rise for the German brand, during which they manufactured equipment for various sports. In 1975 the company launched one of the most popular soccer boots of all the time named Copa Mundial.

[63] Vithlani Hemma, *"The Economic Impact of Counterfeiting",* Organisation for Economic Co-operation and Development

The company continued its policy of growing and enter in new markets in the ‘90s. Adidas also became a marketing group, and in 1995 was listed on the Frankfurt and Paris Stock Exchange. In 1997 also Adidas started its policy of acquisition through the purchase of the Salomon Group. This acquisition guaranteed to the German company brands like Salomon, Taylor Made, Mavic and Bonfire, after this acquisition the name of the company changed in Adidas-Salomon.

In the 2001 the company centralized its supply chain and expanded its Canadian operations with the purchase of Arc'teryx Equipment, this acquisition gave another result too, Adidas became specialized in new and outdoor sports. Other important acquisition was in 2003, when the Adidas TaylorMade division acquired, Maxfli, a brand of golf balls and accessories. In the same period the firm settled an important agreement with Intersport International for a stronger sales of its products and at the same time it signed a six year agreement with the China Football team and opened its first Adidas Original store in Seoul.

In 2004 Adidas bought Valley Apparel Company and in the 2005 started the most important acquisition for the group, the acquisition of Reebok International for 59$ per share, transition ended in the 2006. But during this period Adidas sold Solomon to Amer Sports.

Fundamental in the development of Adidas were the sponsorship agreements signed in this period, the more relevant were the ones with the Olympic Games of Beijing, with the NBA (National Basketball Association) as official supplier of uniforms and other products (agreement extended to the WNBA, the women league, too) and the right to be the only distributors in Europe. Important agreement were also signed with the UEFA, Union European Football Associations as global sponsorship for the Euro 2008, 2012 and 2016 and to be the one of the main sponsor at the World Cup in 2006 and 2010. Plus the sponsorship of several football team in the world. Important was the work of Adidas to make stronger is holding on Reebok, several were the agreement signed by Adidas for the distribution rights in several countries and the creation of a joint venture with Vulcabras for the distribution of Reebok in South America (DataMonitor, 2011)[64].

In the 2006 after the selling of Solomon the company assumed the name of Adidas Ag as actually known.

b.1. SWOT Analysis

Adidas AG is one of the giants in the sporting goods industry, it offers its products through three main brands: Adidas, Reebok and Taylor Made-Adidas Golf.

The general headquarter is in Herzogenaurach in Germany and it counts more than 170 subsidiareis in Europe, Us and Asia, each one of this subsidiaries has a focus on its particular market and on manufacturing process.

Retailing segment comprises all business activities relating to the sale of Adidas and Reebok products directly to end consumers; TaylorMade-adidas Golf includes the three brands TaylorMade, adidas Golf and Ashworth. TaylorMade designs, develops and assembles or manufactures high-performance golf clubs, balls and accessories.

In the financial year 2010 Adidas recorded revenues for 15,907.1 million of Us Dollar with an increase of the 15.5% compared to 2009, looking at three segments we have that the wholesale is equal to the 68.2% of the total, retail 19,9% and other business 11.8%.

Looking at the division according to geographic areas we get that Europe is the principal market and it account for the 29.5% of the total, only the Western Europe reached $4,700.5 million, while the European emerging markets accounted for an 11.6%. North America is equal to the 23.4% of the total but in the last year there was a great increase in revenues, 18.8%. Central-South America counts revenues for 10.7% of the whole. And finally the Greater China and other Asian markets that account respectively 8.3% and 16.4% of the total but with a substantially increase in the second of a 19.7% in the last financial year.

[64] DataMonitor, "*Company Profiles: Adidas Ag*", DataMonitor Reports, 2 September 2011

Strengths	Weaknesses
Leveraging strong brand portfolio to establish a robust retail footprint Focus on research and development has facilitated continuous development of new products Strong performance driven by the success of 2010 FIFA World Cup Wide geographical footprint with increasing focus on emerging markets	Dependence on third party manufacturing Unfunded postretirement obligations will impact cash flows adversely
Opportunities	**Threats**
Reorganization aimed at improving efficiency Sponsorship agreements of major sports events enhances the company's visibility Growth in global footwear market could boost top line growth	Increase in counterfeit products may hurt the brand image Intense competition could hurt company's margins Exposure to foreign markets makes adidas susceptible to foreign currency fluctuations

DataMonitor, September 2011

- Strengths**:** a strong point of the company is leveraging strong brand portfolio to establish a robust retail footprint. Adidas is one of the largest maker athletic footwear, apparel and equipment by sales, the leading position of Adidas group is built on its portfolio of strong brands like Adidas, Reebok and TaylorMade.

The company is leveraging its brands to establish a strong retail presence and to increase profit margins by increasing retail sales as a percentage of total sales, as a result of this policy there was a substantially and currently grown of own retail. Company’s own retail business as an high level of brand control, with management of single stores and of retail point until the management of the prices.

Adidas has strong brand portfolio and it raises the possibility of an easier customer recall, the company leverages its brand strength to drive top-line growth and to obtain a competitive advantage over its peers.

Another strength factor is the Adidas Innovation Team for the ongoing development of new technologies and concept in all key product categories. This team is divided in two groups that focus on apparel, footwear and hardware and they focus on particular categories. This work of development is very efficient given the strictly work of research that the company does.

Strong performance of the German company is also assured by some right sponsorship strategy, one over all the 2010 FIFA World Cup, in which Adidas was official sponsor, supplier and licensee. This sponsorship guaranteed to the firm not only a substantial increase of the revenues but made the brand certain of a global visibility that enhanced its brand image and market position.

The last success point of Adidas is the geographic expansion with the focus on emerging market, in this way Adidas have a potential market, Adidas virtually achieved all the countries around the world and the possibility to enter in these new markets gives to it the chance to vagaries the single economy and the chance to expand its market to high growth economies, with the possibility to derive the related synergies of expanded operations and also to reduce the business risk.

- Weaknesses**:** a great boundaries of the Adidas Ag is the great dependence on third party manufacturer, indeed the company to minimize its costs decided to outsource over 95% of production to independent third-party suppliers above all located in Asia, of which the 32% are Chinese, but while the company procures its merchandise from foreign manufacturers it just has a little control over the quality. As consequences there is great alarm for the unsafe products made in China. And it could really hurt the image and the quality consideration of the brand and have consequences on the cash flow of the firm too.

To this great problem we also add the tricky point of the retirement benefits, as for Nike, also increased by the volatility in financial markets that can decline the pension fund asset values (S.J. Frenklen, D. Scott, 2002)[65].

---

[65] Frenkel Stephen J., Scott Duncan, "*Compliance Collaboration, and Codes of Labor Practice: The Adidas Connection*", California Management Review

- <u>Opportunities</u>**:** the reorganization of the sectors is a good way in trying to improve the efficiency. Adidas changed its structure from a vertical integrated brand into a function-related structure, creating a Global Sales function responsible for the commercial activities and a Global Brands function responsible for the commercial activities. In addition the Global Sales organization was split into Wholesale and Retail to have a more appropriate answer to different need of the two business model. In this way there is the chance to implement the integrated distribution of the roadmap to ensure further growth and maximize the potential of the brand in order to increase the influence of the company's brand and enhance its flexibility and speed-to-market.

Another way that can drive an increase in the value of the company is the sponsorship agreement signed across the world, because if today this already is a strength point in the future with the new contracts the visibility and the image of Adidas is destined to be higher, with positive influences on the revenues too.

- <u>Threats</u>**:** for Adidas has value the same argument of Nike, counterfeit products can be a tricky case for the company, the possibility to find this similar products, that have the same aspects of the originals is a great problem for the firm. The risen problems could be of two main kinds, the first one is immediately understandable, if people buys product made by someone else they are paying another company instead of Adidas with a loss in revenues for this last one. The second is less easy to understand but maybe more dangerous, if clients buy those products surely to buy a certificated item, they will be not happy of the law quality that they will receive and it could cause a decrease of the brand's image and finally provoke a loss of the exclusivity right for Adidas.

As the case of Nike another big deal could be the intensity of the competition across the world, small firms have the possibility to achieve the clients better than a multinational as Adidas, or maybe to better answer to their question at a lower cost. This problem is very visible in the case of emerging markets, in particular in Asia, where a lot of new local brands are rising and can push the competition at a level that could be some consequences on the prices.

The last threat is the fluctuation of the company's equity upon changes in foreign currency exchange rate. It could mean a loss in the case of selling or closure of foreign subsidiary when the foreign currency is weaker than when the company invested in the country (DataMonitor, September 2010).

c. Puma

Puma Ag Rudolf Dassler Sport was established with the name Gebruder Dassler Schuhfabrik by the same two brothers co-founder of Adidas, Rudi and Adi Dassler in 1924.

In 1948 Rudolf Dassler became the real founder of the company naming it as Puma Schuhfabrik, and in the same year it put in the market the first pair of football shoes called Puma Atom.

The 1959 is an year of another change, Puma became a limited partnership and its name changed in Puma-Sportschuhfabriken Rudolf Dassler, to change again in 1986 becoming a stock corporation and to be publicly offered on the Munich and Frankfurt stock exchanges.

The 90's were years of great changes for the firm, in this period there was the first step of the Puma's acquisition policy and agreement. In 1991 started a co-operation with Pittards, a leather manufacturing company. In 1993 Proventus/Artimos became the majority shareholder of the company, then in 1996 Puma earned the licensee in North America and established a subsidiary there. In 1997 was established a subsidiary in Italy and a joint venture in Chile.

In the same year the Monarchy/Recency Enterprises, an Us film and production company, acquired the Proventus and so became the majority shareholder of Puma too. The next year Puma acquired LogoAthletic, an American Branded License Sports Company and then obtained its licensee in UK and opened its own first retail store in Santa Monica, California.

In 2000 Puma started a partnership with Porsche and Sparco in order to produce fireproof footwear for racecar fans and, to increase its presence in car-sports, became sponsor of the Jordan GrandPix and acquired Scandinavia's Treton Group, gaining the possibility of a better distribution in the Scandinavian market (Puma.com, 2011)[66].

Following the success of Santa Monica Puma also opened other stores around the world as Rome, London, Tokyo, Milan, Boston, Frankfurt, Seattle and Melbourne.

In the 2002 Puma entered in the Asian market creating a subsidiary in Japan and at the same time Monarchy/Regency sold its shareholdings in Puma to a broad base of institutional investors and two years later Mayfar, an asset management company increased its shares in Puma to 25%.

At the same time Charmant a Japanese spectacle frame manufacturing was allowed to produce Puma's new range of eyewear. In the 2007 there was another change in the firm's holding, the Mayfair Beteiligungsfondsgesellschaf sold its 25.14% stakes in Puma to Sapardis, a subsidiary of the French holding PPR (Pinault-Printemps-Redoute) (Murphy, Marsh, 2007). Puma continued its policy of subsidiaries' creation building two of them in Romania and in Croatia. In January 2009 Puma acquired the 100% of the corporate merchandising firm Brandon Company AB, and became the majority shareholder of Dobotex too (Socha, 2011).

In April were also signed a license agreement with the MYWA for the creation of the Puma watches and with the French Mobile Communication company Sagem Wireless to launch the Puma Mobile Phone.

In the 2010 Puma entered in the golf market too, through the agreement to acquire the Cobra Golf from Acushnet Company, the golf business of Fortune Brands Inc.

And in the October of the same year it announced to totally acquire the long-term Chinese joint venture Liberty China Holding (DataMonitor, December 2010)[67].

[66] Puma.com, "About Us"

[67] DataMonitor, "*Company Profile: PUMA AG Rudolf Dassler Sport*", DataMonitor Reports 31 December 2010

Important in this year was the agreement with UNEP (United Nation Environment Program) to support biodiversity in the world and in particular in Africa.

Relevant is the policy of sponsorship made up by Puma, the brand of the feline always tried to reach some niches sports as rugby, racecar or running, trying to be the leader for the furniture of equipments, but it has also a consistent presence in popular sports as soccer, Puma decided to make partnership with team of certain geographic areas, above all African team, and it did not try to be partner of the main national and club team (DataMonitor, December 2010).

c.1. SWOT Analysis

Puma is a company that provide footwear, sportswear and accessories under three brands: Puma, Cobra Golf and Treton, for sport such as soccer, running, motorsport, cricket, sailing and golf. The distribution of Puma is in more than 120 countries and it operates in the Us, Europe, Asia and Africa and the headquarter is in the same city of the Adidas one in Herzogenaurach, Germany.

In the 2009 Puma recorded 3,431.8 million of Us Dollars in revenues with a decrease of 40.9% compared to 2008.

The company's subsidiaries include: Puma Sports Pvt Ltd.; Puma Canada; Puma & Tretorn North America; Puma Chile S.A; Puma New Zealand Limited, Puma Belgium B.V, Puma Sports Ltda, Puma Australia Pty. Ltd, Austria Puma Dassler GmbH and Puma Denmark A/S.

Before starting to list the SWOT peculiarity of Puma we have to highlight a particular situation of this firm, different regards the other two. Puma is a giant of this market but it is at the same time the weaker one compared to other two firms, its market share is less influent than the others (lower than Reebok too, an Adidas' controlled) and for this reason their characteristic could appear so far from the position of Nike and Adidas (DataMonitor, December 2010).

Strengths	Weaknesses
Innovation and importance of the R&D department New Market segment and partnership in new sport niches Presence in the Asia-Pacific area with the possibility to have lower costs Good presence on the web	Size is a big problem for the firm that could provocate a lack of cash too Competitors have a great advantage in brand loyalty difficult to overcome Decrease of exports rate can cause a loss of money for the international transition
Opportunities	**Threats**
Use of subsidiaries to exploit the tax advantages and changes in the economy Increase of the partnership with niches sports Use of other brands	Political and social changes can force to move out from some countries Low control on Asian manufacturer Counterfeits could have devasting consequences in Puma's strategy

- Strengths: the main strengths point of Puma is its R&D sector, it results to be one of the most important aspects inside the firm. The possibility to have some different features regards the others firms, it is good for the trying to cover the distance with the two leaders. A clear example was the introduction of the "Cell Technology", a discover that changed the attention of the footwear industry on developing technologies and a good try in pushing in the market something of innovative in order to have the advantage of the first mover.

Another advantage of Puma is entering to new market segments like Cricket and other niches sports. Puma has already established its leadership in the Cricket sector and in Australia and South Africa, country cricket-lovers, and in this way it is going to obtain benefits in case of an increase of the sport's popularity.

The last winning point of Puma is common to the others giant of the market, the lower costs that obtain in producing abroad in particular in countries of the Asia-Pacific where the labor is less expensive and the raw materials too.

e-Commerce for Puma is a way very well exploited Puma results to be one of the best company in selling their product through the web (Walter-Partner, 2008)[68].

- Weakness: for sure the main disadvantage for Puma is the size, in comparison with the other leaders of the market. It means that Puma has less cash in hand and if considered also the fact that the firms, unlike its competitors, does not have great financial resources, could results difficult for the firm invest hugely amount to enter in a market when it is required.

Brand image could be a limitation for the firm, brand loyalty is one of the biggest factors that can affect the development of the company, Nike and Adidas have already established their names in the market and they already have loyal customers and they have already established close relationship and strict contacts with them. (Majnet, M, Muhlig, C & Osterwalder, 2008)[69].

A final consideration has to be done on the increase of import and export rates that could have a strong impact on the management of the outsourced production. In the case of an increase of the rate in a country where Puma already decided to work could be a big difficult to manufacturer the product respecting the cost effectively.

- Opportunities: related to the last point of the weakness, we also have to say that the policy of Puma could be successful. If the feline company will continue its policy of building subsidiaries around the world, it could have the possibility to exploit the tax benefits and the synergies that will rise given the fluctuations of the countries situation.

But a biggest opportunity for Puma is in the consideration that customers have of the company. The German brand is commonly valued as the brand closer to niches sports than others and in the case that one of this sports could become a global phenomenon Puma could be recognized as the supporting brand of the movement.

[68] Walter-Partner, "*Puma – The first, real virtual sports article company,* Walter-Partner, 4 July 2008

[69] Majnet, M, Muhlig, C & Osterwalder, E, "*Brand Management: The Resurgence of Puma AG"*, 2008, Ziehmann-Consult

Other opportunities for Puma could raise giving more power to other brands of the of the firm, and augmenting their number too, through new acquisition, in order to increase its brand image and the revenues in other different ways.

- Threats: the possibility to operate in emerging market can also provoke certain problem as in the case of political or social changes, in its history Puma has already suffered this experience when it had to move out from Pakistan to China for the war in Afghanistan.

Other two problems are commons with the other two firms, indeed Puma could have some difficulties in the control of manufacturer abroad and in place so far from the headquarter, and the problem of the counterfeits that could be more destructive in this because the German case needs increase its revenues and its brand image.

Chapter 3

Analysis of the main competitors' strategies

After having analyzed on the one hand the features and use of social networks, and on the other hand, the sportswear industry and its leaders, we are now moving to the next step, which is about understanding the relationship between those topics and how these three giants use those new media and their strategies in order to build their networks.

As far as the sportswear industry is concerned, we will see how different the market leaders' schemes are, and how much diversified their presence on the web is.

We will find cases in which the companies prefer using common Social Networks, such as Facebook or Twitter, while other companies are focused on the creation of their own web-sites where they have the possibility to create their own web community.

At this point, let us have a deeper insight of the three biggest companies.

a. Nike

As we have been previously stating, one of the main success factors for a firm in the sportswear industry is innovation and the ability of being a step forward in this field, if compared to the competitors.

This kind of innovation does not have to be considered only from a "technological" viewpoint; in fact, there are also several ways through which newcomers can make a breach in the market or the giant of the sector can strengthen its position. Nike knows this very well and for this reason it is always a step forward, the company has managed to lead through innovation, it has been successful in playing the marketing game and being leader thanks to its ambassadors or its campaigns.

As proof of this, in 2006 Nike was the first brand to understand that people wanted something new, and with the soccer World Cup in Germany very close to begin, this feeling had increased, so the company decided to launch its new idea: the “Joga Bonito” campaign (which in Portuguese stands for “Play Beautiful”).

This campaign can be divided in two parts: the first one is the website *Joga.com* , while the other one is the web channel *Joga.Tv*. The former was a soccer-themed social media network, while the latter was an online TV where it was possible to find weekly programs about the World Cup and the teams, with a special focus on Nike players and a lot of videos where the players showed all their tricks (Wentz, 2006)[70].

Why had Nike decided to launch it? The answer was given by Adam Roth, the U.S. advertising director at Nike, who said that the “properties were meant to take advantage of kids' insatiable appetite for soccer and help us to go beyond traditional media and to use it as a distribution platform."(Klassen, 2006)[71]. The possibility to do that was given by the partnership with Google, where the IT colossus created for Nike a real social network where people had the opportunity to upload photos and video, write blogs about soccer lifestyle and, above all, to get in touch with other friends and create user groups. In order to do everything users needed a Google Id, and only after having got one of them, they could have joined *Joga.com* and share information in a safe way. In the case of *Joga.TV*, where videos were showed, users were allowed to subscribe to the contents and also had the opportunity to post their favorable videos on YouTube and share them with the web.

The platform was a huge success and according to the research of Hitwise (Hitwise 2007), the web site occupied the eighth place in the soccer-related Web-site ranking. The biggest conquest of the group was about the target of its users, the 70% of JogaBonito were actually boys between 18 and 24 years, which was useful also for

[70] Wentz Laurel, *“Nike rolls out global soccer campaign”,* Advertising Age, 2/27/2006, Vol. 77, Issue 9

[71] Klaassen, Abbey, “*Media Morph: Joga.com/JogaTV”,* Advertising Age, 5/29/2006, Vol. 77, Issue 22

creating a community outside the web, which reached its peak with the creation of a futsal tournament, where users had the possibility of playing one against the other.
Had the success been huge and people reacted so well, why is this Social Network not working anymore? The reason is as simple as astonishing: there was a lack in the safety system, a lot of accounts were violated, the secrecy of the users' activity was not safe anymore, so users started to migrate to other safer communities, and Nike and Google were obliged to close the website.
Anyway, thanks to this experience, the swoosh brand understood the importance of this new media, the vice-president for global brand marketing, Trevor Edward, said: *"That (Joga Bonito campaign) goes way beyond somebody saying, 'Oh, yeah, I saw a commercial' …Gone are the days where you can put an advertising out and hope people see it. Anyone who doesn't understand the change in the landscape does so at their own peril."* (Gregory, 2006)[72], so starting from this experience Nike decided to develop new ideas, the most successful of which has been the Nike+ community.
First of all we have to understand what is this Nike+ frame, and the explanation of this system is given by the homepage, the first video that appears on the page is that of a girl, Annie, who explains how it works; Nike+, she says, is composed of two parts, the first one consists in "monitoring the exercises with Nike+" and the second one is called "Nike+ Online". But let us see them more in depth:

- <u>Monitoring exercises with Nike+:</u> the Nike+ system was created in the 2006 from the collaboration between Nike and Apple, it is a system that enables a Nike shoe (or any footwear set up with a Nike+ tracking device) to "talk to" a runner trough his iPod Nano, wirelessly transmitting a runner's stats to the iPod, with the possibility to download the stats on the laptop using the Apple software iTunes, once the training has finished. As simply said by Nick Law, Chief Creative Officer of Nike, they "designed an experience that combined the simple intuitiveness of Apple with the dynamism of Nike" (Law, 2007)[73].

[72] Gregory Sean, *"Global Game",* Time.com, May 14 2006
[73] Law Nick, Personal Interview for the ceremony for the Creativity Awards in 2007

- Nike+ Online: “Where everything comes together” or “with Nike+ you are member of the world largest running club”, those are the two sentences that Annie, the girl of the promoting video, says to introduce the concept of Nike+ Online. Looking merely at the mechanical concept, we can say that it is a website where there are multiple functions and desktop widgets, where athletes can track their own progresses and goals and hook up with a larger community of other runners to compare performance and also set up competition or just sports-meeting among them. Moreover, on the website it is possible to find a breadth of season-based marketing initiatives created by R/GA agency or other Nike’s partner, featuring different events and various Nike ambassadors.

One of the strength points of the sites was its simplicity, indeed Nike+ has a simple interface, sharing options and beefed-up community content, on the website the personalization of the runners’ “goals” plays a relevant role and users are also shared according to how much they run (Morrisey, 2009)[74]. Fundamental for the website is also the strict collaboration with the commerce, offering shoes suggestion, administering online questionnaires about the features of the “perfect shoe” for running and giving the possibility to the users to create their personal shoes through the NikeId system, that allows runners to draw, on the basis of an already created shoe, their most favorable combination of colors and features for their ideal shoe, in just 60 seconds (Oser, 2005)[75].

Naturally, at the beginning, Nike+ had some technical difficulties in adapting to emerging Internet trends around social network, but the developers were keen on following the needs and the path drawn by users and today the website is a huge success.

In 2008, after two years passes from the site’s launch, *nikeplus.com* has built a legion of fans. In the August of that year, 800,000 runners logged in and signed up

[74] Morrissey, Brian, “*Nike Plus Starts to Open up to Web”,* Adweek, 7/20/2009, Vol. 50 Issue 28, p8-8, 2/3p

[75] Oser Kris, “*Nike Id”,* Advertising Age; 11/7/2005, Vol. 76 Issue 45

to run a 10km race sponsored by Nike, simultaneously in 25 cities, from Chicago to Sao Paulo (Greene, 2008)[76].

People feel themselves to be in a real group, better known as community, where there is the possibility to make friends and achieve sports' goals. A clear evidence was given by Robyn Winters, assistant manager at a North Face store, one of Nike's competitors, who said on Nike+ that he is part of a group of 90 runners "who challenges each other to go faster and farther" (Nikeplus.com,2011).

Nike had acknowledged the main errors that can push a Social Network to failure, and for this reason, its strategy in creating Nike+ was quite different from the other companies. The firm from Oregon did not try to create a virtual community through a build-it-and-they-will-come, an approach centered on a brand or specific product; on the contrary, the project simply started as a clever way to combine music and running. Stefan Olander, global director of Nike Consumer, said about this that "it was never about how can we convert some percentage of users (to buy Nike shoes) (Olander,2008)[77].

This great success changed Nike's strategy about innovation; Nike has started to give a price to customers themselves and not anymore as just sneakers' buyers. Users are members of a running club and staying in this group, keeping in touch with the other runners, they will be more motivated consumers of Nike (Shiers, 2011)[78]. Referring to this new policy Olander said: "In the past, the product was the end point of the consumer experience, now it's the starting point."

About this, Law stated that the biggest result for Nike was having reinvented the running sport: before their revolution, jogging was just a formerly and isolated fitness activity for health-conscious athletes, to practice alone or in small groups. "But since the creation of Nike+, running is fun, social, digitally-enhanced sport", people can run and at the same time listen to their favorite music, have a help from their iPod, have the tracks of their training, obtain a feedback and afterwards your

[76] Greene Jay, "How Nike's Social Network Sells to Runners", Bloomberg Busineweek November 6th 2008

[77] Olander Stefan interview for Bloomberg, 2009

[78] Shiers, *"Cool Runnings"* Commercial Motor, 7/14/2011, Vol. 215 Issue 5442, p32-37, 6p

runs are no longer forgotten, because they are still on your Nike+ account, where you can check your progress, compare your results with thousands of other people, ask for an help and find new friends for your trainings (Law, 2008). The community of Nike+ has run more than 730 million of km until September, and it is made of people of different ages, countries, ability and social class, which are all now Nike+ runners.

The concept that appears clear from the statement of the American company is that its running Social Network is not just a marketing and advertising campaign trying to push a customer in doing its purchase, Nike+ continues to engage the consumers after the transaction has finished, keeping the runners motivated and connected, with each other and with the swoosh brand. Nike changed the game, now people know the experiences of other people and not only what the firm wants them to know.

The final goal of Nike is not to use Nike+ as a substitute of the other social infrastructures, it will be instead part of the web's larger infrastructure, where people are allowed to share running information through others existing social networks as Facebook or Twitter, and other services where there is the possibility to have other friends who will join the running community.

As a clear signal of this, a Nike Running fan page is also on Facebook and it is possible to follow the posts of Nike+ runners on Twitter too, and, above all, the launch of the new community for basketball player on Facebook, through the possibility of creating a simulated league with friends. Related to this openness, there is also the possibility to open the connection to people who own a Garmin deviation and the possibility to use the thousands of Twitter applications.

To understand the benefits that the company is obtaining from the Nike+ some analysts have done numerous researches to understand the impact on how the popularity of the website is increasing Nike's affair. A Princeton market research firm accounted Nike for 48% of all running-shoe sales in the U.S. in 2006. In 2008, its share was 61% and the significant amount was given by the growth of Nike+ (Powell, 2008)[79].

b. Adidas

After having discussed the Nike case, it is time to pass to its greatest competitor, Adidas. The German company started a completely different policy in how to use Social Networks for its cause.

Adidas first used social networks in 2007, when the company started to roll out a global digital drive across social networks, above all MySpace and Pzico to support the launch of its MicroBounce running shoes (Jones, 2007)[80].

Adidas endorsed Glue Studios to develop a heavyweight online drive, in order to introduce consumers to the shoes. The initiative consists in a number of advertisements, inviting internet users to play with characters that represented the technology of the Adidas' shoes.

Adidas understood the power of the social networks, maybe before other companies, indeed the company of the Dassler family, understood that those websites could easily reach youth and sports focused people, and for this reason, Adidas decided to create a promotional campaign on MySpace.com. The German giant understood which was the best path to take, and it realized that creating only a micro-site, or only a viral program, or using just an add on the pages was not a winner strategy, so it had to use all this three operations together to create a positive association (Wassemann, 2007). Through this strategy, Adidas tried to answer to the needs of its purchasers, as the request of Heidi Browning, from Los Angeles, that asked for "a brand that could be her friend" (Elkin,2007)[81]. To give an answer to this customers' expectation Adidas created the MySpace page for two soccer shoes,

---

[79] Powell Matt, "*Nike+",* SportOnesource.com 2008

[80] Jones Gareth, "*Adidas plots social-network push for shoe",* Marketing, 8/1/2007, p5-5, 1/6p, 1 Color Photograph 2007

[81] Elkin Tobi, "*Study Seeks Value In Brand Chatter On Social Networks",* Media Post Publication 2007

the “Predator” and the “F50 Tunit” and started to run ads on MySpace, in order to direct visitors to a microsite. This strategy proved to be successful because for each 100$ that Adidas has spent in this campaign it influenced 400,000 people and 1.2 million users were put as “definitely buyer” (Wassemann, 2007)[82]

Nowadays the scene of the social networks has sensibly changed, now Facebook is one of the most used networks and it is normal that multinational company have to deal with its functions, if Adidas wants to sell its products it knows that it needs an advantage on competitors and this new websites can help increasing its visibility and its proximity to customers.

For this reason the German company decided to base all its Adidas all Original campaign using Facebook as the main media.

Adidas all Originals is a sportswear division of the firm that consists in the revitalization of some items very similar to the clothes and trends of the 70’s and give people the possibility to customize them as much as they are willing to (A.D. for Creativity, 2006)[83]. The idea within the campaign is fundamental for the company: the clothing-line would be a kind of encouragement to free-thinking, liberty and the need to enjoy our lives, typical spirits of the 70’s, “they are not ads that just look pretty, but a call for all freedom seekers to create a dynamic movement and play a part in the evolution of Adidas Originals," said Dave Thomas, Adidas Marketing Director Hong Kong (Asia's Media & Marketing Newspaper, 2007)[84], and in doing this Adidas started to promote cool events, parties, meetings and all activities where people could meet and stay together. For this reason, it decided to use the most common social networks, in particular Facebook, where all the interested people could gather and where to share all the kinds of information, from the location of the parties to the favorite sport or favorite music, naturally passing through comments on the clothing line or other suggestions on how to increase the brand image of Adidas. In the case of the campaign “Celebrating 60

[82] Wasserman, Todd ,*”Toll:Social Networking”*, Brandweek, Vol. 48, Issue 28, 2007

[83] A.D., “*Adidas Originals Pimps its Marketing Stride.“,* Creativity; Apr2006, Vol. 14 Issue 4, p15-15,

[84] Asia's Media & Marketing Newspaper, *“Adidas encourages free thinking for new originals campaign*”, Asia's Media & Marketing Newspape, 2007

years of Soles and Stripes - be original", the marketers have focused on promoting their campaign trough Facebook and the video portal YouTube. The reason for this is quite easy to understand: the target people that Adidas wants to reach are already on these Networks, so Adidas has the opportunity to build a community of Adidas Original fans, giving them the possibility to share their experiences and to get in touch in order to identify those moments of social life with the brand of the three stripes.

Finally, in order to attract people to the page, Adidas shows popular people, from sports and music, who have the final goal to be ambassadors of the Adidas lifestyle, wearing all Original-clothes (Sassen, 2009)[85].

For a company as Adidas there are four main tools that they can use to participate to Facebook and to reach customers and fans (Sassen, 2009)[86], and they have to be managed very accurately: the profile/page, the creation of groups, the use of applications and the management of events.

This instruments will drive users in doing some operations and actions that Adidas wants them to do, in order to have a better focus on customers' ideas and needs:

- <u>Sharing of news and comments:</u> on the profile of Adidas Originals there is a newsfeed, in which events are shown, promotions and applications posted by Adidas's staff. Every new announcement of the firm has to be published on the fan-sites. In this way fans will be informed about all the news of Adidas Original, by simply checking their Facebook page, avoiding to go on the official page. All the reactions on an announcement in the profile of Adidas Original will be published on their own profiles and it will be visible in the highlights of their friends' profiles. In this way there will be the possibility that not only fans of the page, but their friends as well, will pay attention to the new announcements. People can express their reaction to the news in three ways: they can write a comment, where they explain their opinion in few words, those comments can be both positive or negative.

[85] Sassen Saskia, "*Reason for Adidas to participate in Facebook*", World Press, 2009

[86] Sassen Saskia, "*Overview about the components of the profile of Adidas Original at Facebook*", World Press, 2009

Another opportunity is to click on the “Like” button, and this always means something positive, and finally, there is the voluntary sharing on the profile of the link in order to suggest the page seen before to friends, and this is also a positive way. Finally an important role for Adidas is to support the conversation about the brand, products or arrangements in kind of giving new announcements to their fans.

- Sharing Product Descriptions: Adidas does not want all the activities to be done on Facebook, and for this reason it has created several links between the social network and its own website, where there is the possibility for customers to find the catalogue of all the products of Adidas Original. But the cooperation between this two websites is not finished yet, indeed there is the possibility for people to post their favorite products on their own Facebook profiles and share them with their friends. If a friend wants to give a look to the product, by clicking on the image he is directly connected to Adidas.com/Original and in this way he can also check the catalogue and maybe post his favorite items. (Sassen, 2009)[87].

Your Area: this is an external page which can be reached from the profile of Adidas Original. The function of this page is to appeal to the local audience and offer a deeper focus to the countries’ activities, because it gives the possibility to choose between several regions and for each one there will be a page with specific news, with information about local content, events and promo. In this page it is important the part where the special products of the week are presented and who are their ambassadors. The Your Area has also the final goal to help you in finding the local stores closer to you and it is an helpful tool for the shops to target their specific fans. Naturally the final goal of Adidas, in the implementation of such strategy, is to convince more users to join the Adidas community.
Below there is a chart of how the campaign worked in the 2009, in the second graph we will see an increase in the number of fans, given the announcement of the launch of the line Adidas Original Star Wars on the Facebook page:

[87] Sassen Saskia, “Sharing function at Facebook”, WorldPress, 2009

But at the end of this strategy's analysis we have to list the main advantages and disadvantages in the use of Facebook made by Adidas:

<u>Advantages:</u> Adidas uses Facebook for its marketing activities, in this way it can definitely boost its branding presence. The campaign can generate the consumer insight, when they listen to the audience. Adidas can use this knowledge for its market research and later for launching new products. Moreover, on Facebook there will be a real dialogue with customers. When the company posts announcements at their news feed, fans can react, for instance, with comments and the company has also the opportunity to answer them.

<u>Disadvantages:</u> in cases where you have advantages there are most of the time also disadvantages. The company does not know how many people are converting into a sale. And also the identity has to be managed and monitored. Moreover Adidas must be the leader in creating groups and events. That means that they have to communicate a lot of times with the fans.

Maybe trying to avoid these disadvantages that could rise in using Facebook as principal media, Adidas decided to implement a system quite similar to the Nike+, the name of this tool is known as MiCoach. The idea is very similar to the Nike's one but it consists of three parts (and not only two as the Nike's case), the first one is the choice of the training circuit that the athlete wants to do, the second part is the sport-activity and the third one is the upload of stats and the comparison with other users on the network. People can find on the website *Adidas.com/MiCoach* several kinds of training and they can choose their favorite one and upload it on their MiCoach deviation, this stuff will follow the users in his activity and it will work for athletes as just personal trainer could do, it will give to the athletes stats on their circuit, the loss of calories and the heartbeat while the users listen to their favorite music. Finally there is the third part, where users have to upload on the websites their stats and look how they are working, comparing their results with the ideal effort displayed by the site. (Hernandez, 2010)[88]. Here there is the only difference with the American rival: the way to compare our results with other athletes is not directly on this website, but we have to publish results on our Facebook profiles, and here people can get the differences and comment our stats too.
Moreover, this strategy of Adidas results to be connected with Facebook. But this relationship has a reason, indeed this website was launched less than a year ago, and for this reason, the number of users is not high enough and people still prefer to use other older systems as Nike+, so Adidas has decided to exploit the visibility of the new platform on Facebook too, in order to try to catch the larger number of possible users.

c. Puma

The last strategy that we have to analyze is the Puma case. As we have said before, Puma is the third giant of the market but, however, it seems to have a considerable

[88] Hernandez G., *"Adidas launches interactive training system",* Carribean Business, 2010

distance compared to the two other firms which we have discussed before. For this reason Puma has to look for all the possible ways to gnaw the spread.

In the use of social networks Puma reflects this behavior and indeed it uses a middle strategy that collocates itself right in between the Nike's and Adidas' strategies.

Puma Social is a movement created in fall 2010, the goal of this campaign, as stated by the website itself, "is to celebrate everyone who does of the night fun and of the life in group a real sport" (Puma, 2011). It is a platform directed to young people and sportsman of everyday, who thrive in the nightlife and prefer playing darts, pool, and foosball with friends at the bar rather than working out at the gym, to all the athletes who enjoy the thrill of competition in a fun and social environment or, to use the main sentence of the page: "Here's to the afterhours athlete".

The campaign has the final goal to promote cool parties where people have the possibility to have fun with friends. But users have to come prepared to kit up, the Puma Social is all about getting amongst the action. The floor is decked out with all your favorite vintage social sports games - think Ping Pong, Foosball, Darts, Pool, PlayStations and a RedBull skate ramp. Basically any game you can play with a drink in your hand and joining your friends' irony.

Sometimes the parties are done in secrets locations that can be found only buying a Puma item during the week.

The idea to create parties with cool people is quite similar to the Adidas' one, it is directed to those who want to enjoy being with other people and who enjoy wearing clothes branded Puma, but the great difference is in how Puma tries to catch the attention of the possible customers.

Puma Social campaign is a good example of how to utilize a cross channel marketing in order to drive brand awareness, build a community and increase sales (Seidner, 2011)[89].

Puma Social is one of the first branded social aggregators, on the platform it is possible to find all the typical functions of the common Social Networks as publishing links or news, sharing photos or videos, tagging and other similar

---

[89] Seidner Victoria, "*Cross Channel Marketing – Puma Social",* Stuzo 2011

actions. Puma social gives also the possibility to refresh the profiles through the video-blog functions.
Someone could consider it as an alternative to a Facebook's page, but this could be a huge mistake. Indeed Puma's idea is to give people the chance to import or export feeds from other social networks as Facebook, YouTube, Twitter and FriendFeed in order to keep in touch with other web-members. Puma Social works in collaboration with other media too in order to increase the number of potential users and to give the idea of a community open to everyone of all ages, sexes, sportive or not.
Looking at a deeper analysis of Puma's network, we can see that Puma social is not a separate website or a micro-site, it is part of the overall Puma site, having the same color and outline. The idea that the website wants to convey about itself is immediately explained: indeed the first sentence that you can read is "Here's to the afterhours athletes" written in neon lights, which we typically find in a bar or pub; all the site has a funny-competition spirit well wrapped in the sentence: "It could be against your brother in ping pong, against your roommate in cheese eating or even between socialites and their jail time. Life Scoreboard allows you to score anything and everything, because life's more fun when you're keeping score."
In the first page there is also the possibility to link to the other networks, as we have said before, in order to increase the traffic on its channel and give people the possibility to be only followers and not necessarily driving users. It is an important point that has to be remarked, because it gives the possibility to follow the events through several channels and to reach the online shop, which has a prominent position in this campaign, not only through the official network, increasing the simplicity of reaching the online shop and being suggested several models of different kinds of clothes, shoes or equipment.
The relationship with the other social networks is what differentiates the Puma's strategies from other strategies as the Nike's one. The Facebook page of the feline brand has the same importance of its own social network and it has a graphic very similar to the Social's page. Facebook's application can always be taken out to the official page to increase the possibility that people join the community branded

Puma and to better communicate the Puma's message. (Seidner, 2010). Important are also the links with the other tools as Twitter and Flickr, where we can also find other Puma communities.

According to Puma's managers, such as Roger Harrison, marketing director, it is a great strategy because "you can engage more people, making word of mouth more measurable. Puma tends to measure noise on the internet in terms of who is saying what about the brand. Actually events and PR are the most powerful tools in delivering a brand's message" (Harrison, 2010)[90]

Chapter 4

People's evaluation of the three strategies

The strategies of the three multinationals we have been mentioning are in many parts just a prototype of what their final goal will be; some of those have just started few months ago, in particular, this is true for the Puma case. For this reason, how they want to acquire users and change them from simple buyers of their products to loyal customers are merely schemes, nobody knowing whether they will work or not.

In order to better understand if the paths that the companies have undergone are proving to be efficient, I decided to create a survey whose goal is that of capturing what is the opinion of the people.

In managing it, I decided to follow the scheme developed by prof. Mack Shelley (Shelley, 2001)[91].

a. Shelley's 9 step Process

The professor of the Harvard University recognizes 9 step to follow when we do a survey:

<u>1- Formulate the survey keeping in mind your overall substantive and analytical needs</u>:

the first thing that we have to consider is what is the final goal that we want to achieve, what we want to understand by using this tool. The main objective is to

---

[90] AllBusiness, *"Roger Harrison of Puma UK has a multi-layered approach to consumer engagement"*, Haymart Business Comunication 2010

understand the feelings of the people towards the campaign of Nike, Puma and Adidas through social Networks, trying to get the potential trends too.

At the same time, we will have other secondary goals that will help us understanding what is the best way to follow. We want to understand if the interviewed prefers to join the community on common networks as Facebook or Twitter, or be part of them on external websites created by a company. We will also analyze if this feeling for the branded community is due to the passion for the companies themselves or to an interest in the community and understanding if those communities are already well known or they are still just niche groups of people influenced by the sport practiced or their region.

In doing all those researches, it will be very important for our survey to take care of the sample that will answer to our questions, in order to have people that are going to give plausible answers. But the composition of the sample will be better analyzed in the third point.

2- Determine specifically what mode of collecting the data will be used:

Being of crucial importance to reach a large number of people, I will use a quite wide range of people in a short time period. The kind of research that I will undertake already helps us in getting information. Indeed, I am looking for people who can be defined as "friendly" in using social networks and the 2.0 communication in general.

So the main modes for the data collection will be two, the first is the Social networks' mail: sending the questions by this way, it will be easy to reach people who already know what being part of a social community means. So they will have more knowledge about being part of web-communities and they will already have experience about existing communities created on Social networks and maybe also external ones on branded websites.

The second way is to use the normal e-mail boxes, since interviewing people that we already know are using social networks, will mean not obtaining a general idea of the phenomenon, so we have to try to catch also the ideas of the people who are

---

[91] Shelley, M., *"How To Do a Survey",* Harvard University 2001

not registered in this aggregator but who are also not completely strangers with the 2.0 communication at the same time.

The final reason behind the choice of those two tools is that they help reaching young people, because, as we have seen in the first chapter, the main users of new technologies and web tools are young and we want to focus on them more than others.

3- Determine an appropriate sampling plan:

At this point we have to precisely determine who are the people that will compose our sample. The people that we want to achieve are young guys and girls, possibly sportive, and who have certain knowledge about the social network world or better about the 2.0 world. In this way I will be sure that they could give an objective answer to the questions that I will propose.

The sample size is a tricky point, obviously in this kind of research there is always the risk that people will not answer to questions, so I will need the largest possible number of people in order to try to catch the largest number of opinions and to have a better projection of the population. The minimum number that I fixed is around 50-60 people, of course I will be trying to obtain information from more people. I don’t want to fix a response rate, the expectations for the answer rate will be quite high.

The sample that I try to take into consideration would be very representative of the population hit by those brands’ strategy, indeed I will interview people between 18 and 30 years from main countries of Europe and the rest of the world.

4- Develop the questionnaire (the survey instrument)

After that we have finished all this “theoretical” part, it is time to move to the practical one, indeed now I have to develop the questionnaire and give a structure to the questions in order to have the best fit to our research.

Shelley in his work suggests to take care of the overall plan of research, which I have explained before, in order to develop questions that will respect the structure of the research plan.

Fundamental is that questions have to be posed in a right way, not generating confusion in the interviewed.

5- If you are using telephone or personal interviews, be sure the interviewers are carefully trained:

This will not be the case of our questionnaire, because interview will be done through e-mail and it means that there will not be influence of the interviewer.

6- Conduct an early pre-test of the survey, whenever possible:

Before publishing the questionnaires and giving everyone the possibility to answer to all those questions, I will do a pre-test, in order to understand the real efficiency of the test and to give the possibility to people to give some suggestion about errors or other imprecision that could contaminate the results of the test.

It is very important the choice of this first respondent, since I need a heterogeneous group of people that will help me creating the best fit to the questionnaire. For this reason, I have chosen sportive guys signed in a social network, a no-sportive girl registered in social networks and finally a no-sportive guy who was not member of social networks but with experiences in the 2.0 world, in order to have the opinion of all the possible types of interviewed that I will contact and a very clear example for everyone.

7- Execute the survey in the field, and be ready to deal with problems:

Naturally, in the pre-test some problems arose about the development of the questionnaire, the first one being the length of the instrument. At the beginning, my questionnaire counted something like thirty-five - thirty-six questions, and all the interviewed started protesting against the length of the questionnaire, so I understood that even if the questions were easy and fast, people would be afraid of the number, so I decided to cut the number to thirty, including the general question about nationality and age.

Another problem that I had to solve was understanding which questions resulted unnecessary and which were fundamental in order to make a first cut without changing the flow of the questionnaire.

I opted for deleting the questions that more than others were useless and too tricky for a sincere answer. I had to consider that the majority of the people had never heard of Nike+ or Puma Social before, so I had to pose the questions in the easiest way I could, in order to help people understanding what we were talking about and not hold them in the shadow too long, finally offering them the possibility of being able to answer to all the questions.

8- Edit and process the data:

Now people have finished the questionnaire and all the data are ready to be analyzed and what we have to do is just take the results and try to develop them in order to obtain a code response that can give a reasonable and useable way for developing the results and to minimize the errors that could arise.

9- Analyze the data:

The last step is the choice about how we want to analyze the data. The final goal that we want to achieve is to measure the relationship between variables: I want to understand what is the relation between Facebook and Adidas or between brand-lovers and communities created by companies. The best way seems to be the use of a chi-square test, which is a useful tool to measure the relation between two variables and understand if the sample of respondents could be a good approximation of the population.

b. The questionnaires

After all this argumentation it is time to show the questions and to analyze them.
The software that I decided to use is eSurveyspro.com a website that gives me the opportunity to develop all the questions and to build up the perfect scheme to provide the respondents with the best and easiest way to answer to our questions, but let me show you the questionnaire:

The use of the Social Networks in the Sportswear industry

You have to answer to all the questions with * for passing to the next page

1. Do you practice any sport?
*

- ◯ Yes
- ◯ No

2. If the answer to the previous question is yes, how intense is your sport activity?

- ◯ Daily
- ◯ Weekly
- ◯ Monthly
- ◯ Often

3. What is your favorite sport?
(multiple choice allowed)
*

- ☐ Soccer
- ☐ Basketball
- ☐ Running
- ☐ Gym
- ☐ Others
- ☐ None

4. Do you wear athletic apparel only for training or for casual too? *

- ◯ Both
- ◯ Only for training

5. Why do you like wearing it?
Because it is…
(multiple choice allowed)

- ☐ Comfortable
- ☐ Fashionable
- ☐ Warmth
- ☐ Popular apparel
- ☐ More casual
- ☐ Less expensive
- ☐ Others

6. Why don't you like it?
Because it is..
(multiple choice allowed)

- ☐ Not comfortable
- ☐ Too informal
- ☐ Too warm
- ☐ Very unpopular apparel
- ☐ Poor design
- ☐ Low Quality
- ☐ Others

Quit | Next

Page 1

The use of the Social Networks in the Sportswear industry
You have to answer to all the questions with * for passing to the next page

7. Are you registered in any Social Network? *

- ○ Yes
- ○ No

8. If the previous answer is yes, which ones?
(multiple choice allowed)

- ☐ Facebook
- ☐ Twitter
- ☐ MySpace
- ☐ Google+
- ☐ Tumblr
- ☐ Others

9. How often do you connect to these Social Networks? *

	Never	Few times in a month	1 time in a week	Few times in a week	2–3 hours everyday	More than 5 hours in a day
Facebook	○	○	○	○	○	○
Twitter	○	○	○	○	○	○
MySpace	○	○	○	○	○	○
Google+	○	○	○	○	○	○
Tumblr	○	○	○	○	○	○
Others	○	○	○	○	○	○

10. Why have you registered in a Social Network?
(multiple choice allowed)
*

- [ ] Reading/writing product reviews
- [ ] To find new friends
- [ ] To understand new trends
- [ ] To be part of cool communities with my same interests
- [ ] Following threads on online brand community forums
- [ ] Rating products and/or brands
- [ ] Joining a brand profile on social network site
- [ ] Because all my friend were registered
- [ ] Nothing in particular
- [ ] Others

11. According to your opinion, how should be the ideal Social Network?
(multiple choice allowed)
*

- [ ] Managed by users
- [ ] Managed by companies
- [ ] It must be created by an important brand
- [ ] It must be safe
- [ ] I don't have any idea
- [ ] Others

12. How important is the brand in your purchasing choice? *

- ○ No important
- ○ Not very important
- ○ Enough important
- ○ Very Important

13. Which are your favorites Sportswear Brand?
(multiple choice allowed)
*

- [ ] Nike
- [ ] Adidas
- [ ] Puma
- [ ] Reebok
- [ ] Fila
- [ ] Asics
- [ ] Mizuno
- [ ] Diadora
- [ ] And1
- [ ] Others
- [ ] I do not have one

14. What do you think about the following sportswear brands?
(multiple choice allowed)
*

	Fashionable brand	Comfortable products	Very cheap	Too expensive	High quality	Low quality	Innovative products	I do not know	Others
Nike	☐	☐	☐	☐	☐	☐	☐	☐	☐
Adidas	☐	☐	☐	☐	☐	☐	☐	☐	☐
Puma	☐	☐	☐	☐	☐	☐	☐	☐	☐

15. What are the best products for each brand? *

	Shoes	T-Shirt	Jumpsuits	Jackets	Uniform	Sweatshirt	Others	I do not have any idea
Nike	☐	☐	☐	☐	☐	☐	☐	☐
Puma	☐	☐	☐	☐	☐	☐	☐	☐
Adidas	☐	☐	☐	☐	☐	☐	☐	☐

Quit | Back | Next

Page 2

The use of the Social Networks in the Sportswear industry

You have to answer to all the questions with * for passing to the next page

16. Have you ever visited the official websites of these three brands? *

	Never	Once	Occasionally	Often
Nike	○	○	○	○
Adidas	○	○	○	○
Puma	○	○	○	○

17. Could you give a vote to the website?

	Never saw it	Very bad	Bad	Good	Very Good	Excellent
Nike	○	○	○	○	○	○
Puma	○	○	○	○	○	○
Adidas	○	○	○	○	○	○

18. How important is for Nike, Puma or Adidas to have their Social Network? *

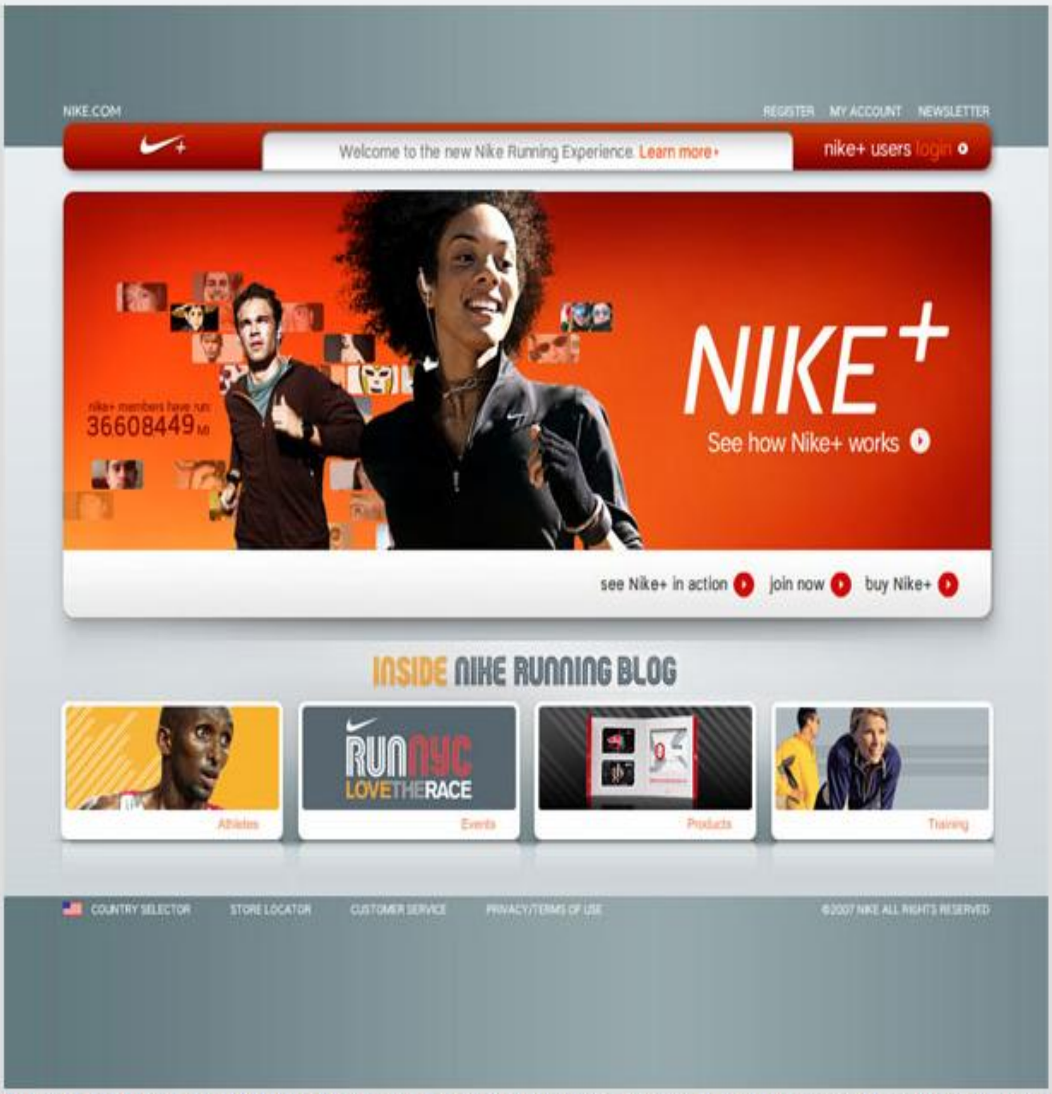
○ No important
○ No more important than other tools
○ Enough important
○ Very important
○ Fundamental

19. Do you know what is Nike+? *

◉ Yes
○ No

20. How do you know?
(multiple choice allowed)

- [x] Some friends of mine told me about it
- [ ] I read an article/saw a service about it
- [ ] I checked it once
- [ ] Others



Nike+ is the Nike's Social Network that have the goal to create a runner community branded Nike. Here you have the possibility to report your stats and compare or comment them with other users and to manage community events

21. What do you think of it?
(multiple choice allowed)
*

- [ ] I am registered in
- [ ] It is a useful tool
- [x] Nike is a guarantee about the security of the community
- [ ] It assures more closeness to the brand
- [ ] A website created by a brand is not as helpful as Facebook
- [ ] Others

22. Do you know what is Adidas Original? *

- ( ) Yes
- (•) No

23. How do you know?
(multiple choice allowed)

- [ ] Some friends of mine told me about it
- [ ] I read an article/saw a service about it
- [ ] I checked it once
- [ ] Others

The Facebook page of Adidas Original is the principal tool of the company in trying to aggregate people with same interests and to promote parties and events branded Adidas

24. What do you think of it?
(multiple choice allowed)
*

- ☐ It is useful because I can easily check all the news from my Facebook
- ☐ It is only another advertising campaign that overload my Facebook page
- ☐ It is a cool community and I would follow it also on external websites
- ☐ Others
- ☐ I prefer an external website completely dedicated to this community

25. Do you know what is Puma Social? *

◯ Yes ◯ No

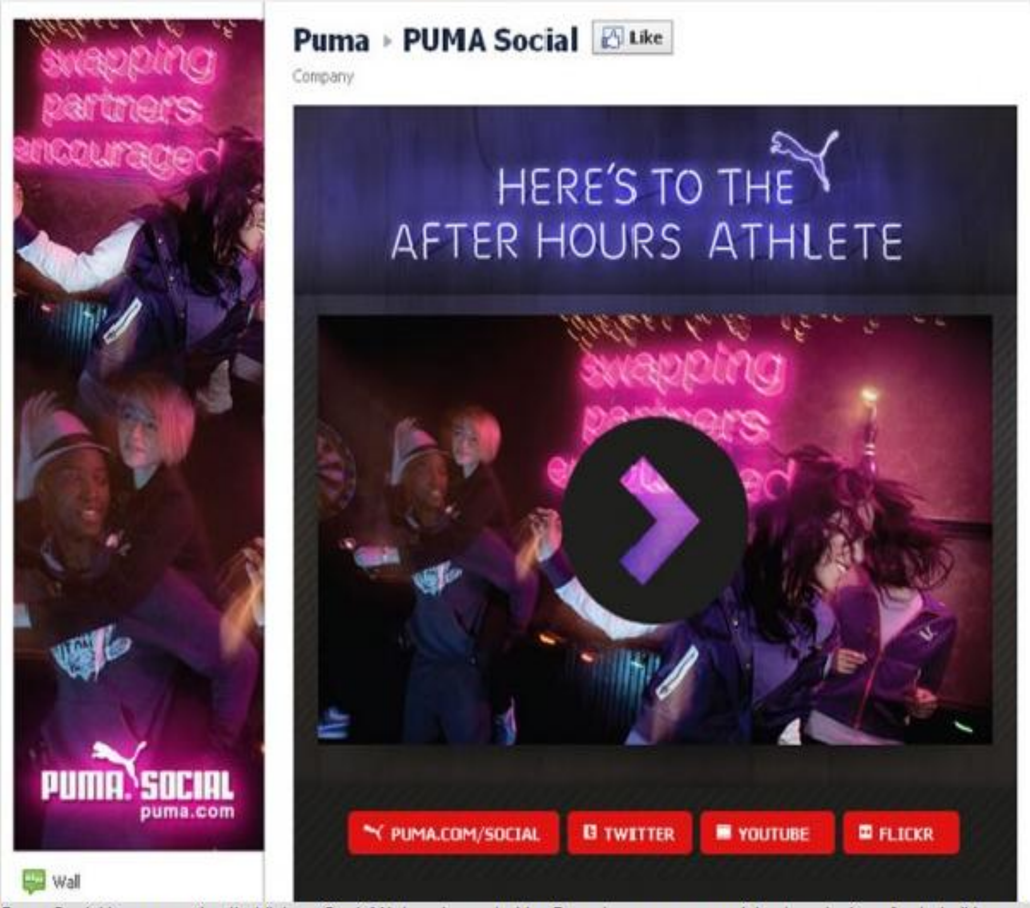
26. How do you know?
(multiple choice allowed)

☐ Some friends of mine told me about it

☐ I read an article/saw a service about it

☐ I checked it once

☐ Others



Puma Social is a campaign that links a Social Network created by Puma to commons social networks in order to build up a community ready to participate to parties and events created by Puma

27. What do you think of it?
(multiple choice allowed)
*

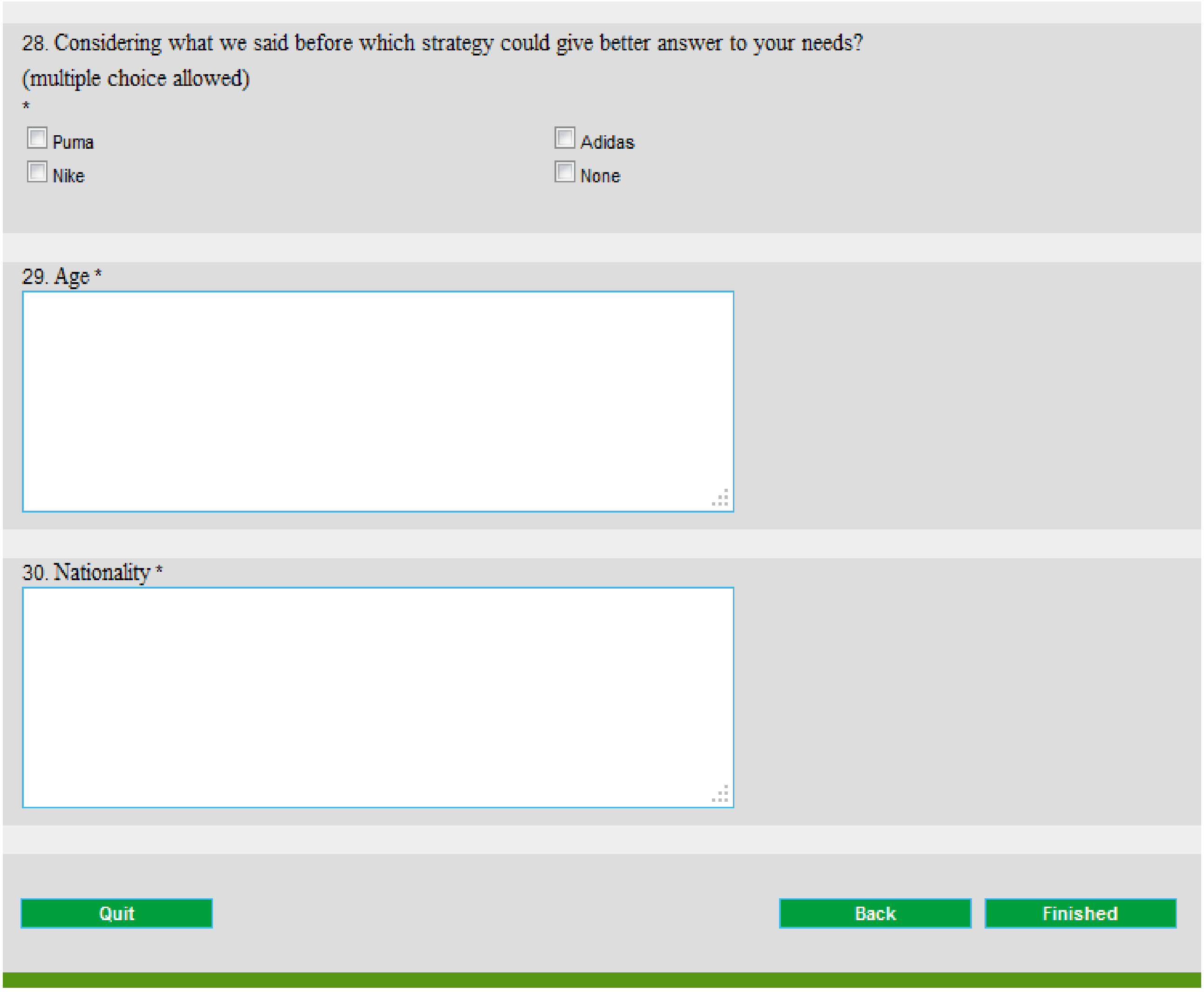
☐ I can easily check news on Facebook and obtain further information on the Puma's page

☐ I like it but my attention will be more focused on the Facebook page than the Puma's one

☐ A website created by a brand is not as helpful as Facebook

☐ I think it is too confusing, I would not be able to find information

☐ Others


28. Considering what we said before which strategy could give better answer to your needs? (multiple choice allowed) *

- [ ] Puma
- [ ] Adidas
- [ ] Nike
- [ ] None

29. Age *

30. Nationality *

Quit | Back | Finished

c. Results obtained

After that we have achieved the requested number of respondents, it is now time to find our results. In our analysis of the conclusions we will divide the work in two parts: in the first part we will execute an evaluation on each answer in order to understand what is the opinion of the people.

In the second part we will run an analysis of the relation between answers in order to understand what are the main reasons that push people to prefer a particular strategy to another or to be particularly indifferent to those problems.

Finally, I will write a summary reporting what has emerged from this work and what are the main opinions and trends of the people.

Questions analysis:

General questions:

The first six questions that we have submitted to respondents are of general matter, the first question is about the attitude of the respondents: here we have found that the large part of the interviewed (almost 70%) practices sports and only the 30% are “lazy” people, obtaining perfectly the kind of sample we were looking for.

Of those active people, the intensity of their training results to be very variegated: in fact, the large part of them (60%) has a weekly activity and the 30% is daily active. This could also mean that they practice team sports and it will mean a stronger need and, in the vast majority of the cases, more knowledge of sportswear and equipment.

Another factor that shows their participation is question 3, where they express their favorite sports, team-games: basketball and soccer account for the 42% of the total and only gym is the “solitaire sport” that reached a percentage of 17.65% and which can compete with other sports.

In question 4, the argument is still general but it is concerned about the relationship with the athletic apparel. The 46% of the people prefers wearing it also as casual apparel and the rest prefers not to use it out of the gym.

The main reason that respondents adduce in their choice of wearing them every day is the comfort that they can guarantee, the 56%. At the second place, there is the casual style that they have, with 18% of the preferences.

Moreover, the main features that convince people to wear sportswear only for training are their informality (51.02%), that they are very unpopular between friends (18%) and the poverty of their design (16.36%).

Questions on Social Networks

With question 7, questions about the relationship between respondents and the social network world begin. From this answers, it results that the 97% of the people is registered to a Social Network.

From the following question we understand that Facebook is the king of this "market", around the 54% of the respondents is registered in it. After this one, the most popular websites are the new creation of the server Google, Google+ , and at the third place, there is a social network very famous in America, but that seems not to have the same appeal in Europe: Twitter.

The frequency of the connections to the Social Networks is another point that highlights the predominance of Facebook:

9. How often do you connect to these Social Networks?

	Never	Few times in a month	1 time in a week	Few times in a week	2–3 hours everyday	More than 5 hours in a day
Facebook	3% (2)	0% (0)	0% (0)	26% (14)	52% (28)	16% (9)
Twitter	75% (40)	9% (5)	1% (1)	9% (5)	1% (1)	1% (1)
MySpace	88% (47)	7% (4)	0% (0)	1% (1)	1% (1)	0% (0)
Google+	75% (40)	13% (7)	5% (3)	5% (3)	0% (0)	0% (0)
Tumblr	94% (50)	0% (0)	1% (1)	1% (1)	1% (1)	0% (0)
Others	81% (43)	5% (3)	0% (0)	9% (5)	1% (1)	1% (1)

Indeed something like the 68% of the people connect to this Sns more than 2 hours a day, while, at the same time, it is also shown that the number of people registered in Google + don't spend too much time on it.

But what are the reasons that push people to register themselves to Social Networks? The main force is the people, 32% of the respondent said that they decided to sign because all of their friends were already part of the community. The second main reason is the fact that they want to be part of cool communities with their same interests and finally the will find new friends (15.5% and 14.8%). This answer could be very interesting for firms that want to create their own social network, because it helps to understand the main reasons that attract people, but, above all, it shows that the discussion about brands or products cannot be a driving force in catching people, indeed only the 4% of the respondents said that it could be a reason.

Following this analysis, we also get that the first feature for the ideal social network should be the security of the system (43.7%), but also the possibility that this community could be managed by users (29%), sign of a need of more independence in discussion and posts.

Branding questions

The next questions try to analyze the relationship between the interviewed and the brands. The first question is for understanding how important is the brand in their choice. It results to have a mitigate influence, indeed the answer chosen by the 42% of the people reveals that brands have enough importance, while the 34% don't consider it very important. When asked to give a preference on sportswear brands, Adidas seems to be the first of the class, with the 32% of the preferences, followed by its biggest competitor, Nike, 26%, and finally Puma, with a 11%.

13) looking at the preference in brands, Adidas, despite the market situation, results to be the leader, with 32% followed by the biggest enemy, Nike, 26% and Puma, very far from them, with just 11%.

The evaluation of the brands designs a quite clear field:

14. What do you think about the following sportswear brands? (multiple choice allowed)

	Fashionable brand	Comfortable products	Very cheap	Too expensive	High quality	Low quality	Innovative products	I do not know	Others
Nike	20% (30)	21% (31)	0% (0)	18% (27)	18% (27)	0% (0)	15% (23)	2% (3)	2% (4)
Adidas	26% (33)	26% (32)	3% (4)	6% (8)	19% (24)	0% (1)	10% (13)	3% (4)	3% (4)
Puma	19% (18)	24% (22)	7% (7)	6% (6)	10% (10)	2% (2)	7% (7)	16% (15)	4% (4)

In which the only data that results to be strange is that people do not have a clear idea of Puma.

The final question about companies is about what are their best products: here people are quite sure, Nike's shoes are the best products, the 40% of people signed it. Also in this question the results about Puma are strange, more than 20% of the interviewed stated that they don't really have a clear idea about Puma's product, demonstration of the distance between the feline group and the other two companies

Branded Social Network and Websites

Companies' websites result to be not very famous, only Nike.com can account a good portion of people who checked it, however no one of these could state that they are loyal followers of the site. But even if the followers are not numerous, people who checked it were well impressed and consider the website more than good.

The final question about branded Social Networks shows that people consider them a useful tool, only the 6% states that they could be useless.

Nike+

As far as the Nike+ campaign is concerned, we have comfortable numbers for the swoosh brand, indeed the 41% of the interviewed already knew about it, the main channel by which people have known it were articles or Tv services.

The final judgment on the campaign is that it is a useful tool (26%) that can help improving the quality and the relationship between the customers and the company (25%). But this answer reveals also the mistrust of some people who don't consider external websites as helpful as Facebook (24%).

Adidas all Original

Adidas all Original results to be less famous of the Nike+ campaign but it can anyway count on a quite good visibility with a good 33%. One of the main way through which people have heard about it, was checking the Facebook page (19%), a number which is bigger than those for the other two companies, but also in this case the main reasons are articles and services (22%).

The opinion of the people about the strategy seems to be favorable about the use of Facebook, indeed the 33% of the respondents said that the possibility to check news and comments from their Facebook is a very useful solution. But at the same time, someone else considers this possibility as a problem, for the overloading of their profile due to the Adidas news (27%). Another scaring factor for the strategy is that part of the people would prefer it on external websites.

<u>Puma Social</u>

At the end it is time to evaluate the Puma Social case, it seems to be the less known between the three strategies, indeed only the 10% of the respondents knew about it and its final goal. Also in this case articles and services have done a good promoting campaign, being the biggest source to know it.
The idea on the campaign is not too encouraging for the German firm, indeed the 21% of the respondents states not to feel that an external website could be as helpful as Facebook. But we also have to say that the 16% of the people likes this strategy, because it can use Facebook to check news and then have further information on the community.

The final question is about the consideration of the respondents, if what they think about those strategies could help them in answering to their needs.
The results are that a considerable part of the population does not like the ideas of the three giants, the 32% considers those strategies to be useless.
The only company that can really smile is Nike, indeed the 34% of the respondents states that Nike+ is a strategy that could help them, the 27% prefers Adidas and only the 6% Puma
The last two questions are personal question about the age and the nationality of the respondents.
Here we can see the age of the people, the mean age is of 23 years and the range is between 18 and 30 years.
Regarding the nationality of the interviewed, the majority of them is Italian, although there are also other European respondents, above all from France, Spain and England. The presence of extra-Europeans is also good, in particular from Canada and Venezuela. So we respected the two criteria that we established at the beginning about the composition of the sample.

d. Analysis of the relationship

After that we have seen the percentage of the answers, it is time to draw relationships among them, in order to obtain data that can help in understanding the dynamic of the user-consumer choice.

The method that I will use is the statistical system of the Chi-squared test.

The Chi-Squared test also called χ^2 test, "is a statistical test that make a comparison between two independent groups, developing a two-way contingency table to display the frequency of occurrence of items of interests and items not of interest for each group"[92](Brenson, Levine, Krehbiel).

All the data case respect the assumptions to enable the systems.

The main relationships that we want to understand are:

1. If people who practice sports are more attracted by Nike+
2. Relationship between people who prefer Social Network managed by users and preferences for Nike+ and Puma Social
   - If respondents who say that is important for firms have an external social networks have preferences for Nike+ and Puma Social
3. The importance of the brand in the users/consumer choice
4. Relationship between intense users of Facebook and preference for Adidas strategy
5. If people who consider Adidas campaign only as an advertising campaign prefer not to be part of it
6. People who say that it is important for firms to have an external social networks and Nike+ and Puma Social
   - People who said that external website was not helpful as Facebook and who like Adidas

1- If people who practice sports are more attracted by Nike+

[92] Brenson, Levine, Krehbiel, *"Basic Business Statistics",* Pearson Education Inc. 2009

The first point that we want to analyze is the importance that the sportive life has on the decision about the social network, the real question that we want to answer is: "Would sportive people prefer a sportive Social Network as Nike+".
From our questionnaire we obtain this table:

	Preferences for Nike +	Other or no Preferences	Tot
Respondents who practice sports	14	31	45
Others	7	10	17
Tot	21	41	62

The 31% of the sportive respondents show a preference for Nike+ policy, while the 41% of no-sportive likes Nike. What emerges from this data is that the Social network of the American company is not only for people who like an active life, it seems that also users who do not have a constant sport activity look at Nike+ as a good tool, maybe to help them in starting sports activity. The judgment seems to reinforce the statement of Nike when they say that "Nike+ community could be instead of your trainer with any problem" (Nikeplus.com). It could appear as an another successful opportunity for the American brand in the development of their strategy on this social network, but it could also be a problem for Nike, because Nike+ is focused to sportive guys who want to improve their performances. For this reason it could seem quite problematic that Nike+ appears to be more gladly to inactive than sportive.

2- People who prefer Social Network managed by users and preferences for Nike+ and Puma Social

Nike+ and Puma Social, as we have said before, are two Social networks that have as a final goal to give more space to the users and to their ideas, providing them with the possibility of being part of the community, posting comments or links, creating events and forum and also with the possibility of managing tools and applications. This is one of the main features and it is important to understand if this feature encourages people when choosing to be part of those network. In the question about how the ideal Social Network is, a good percentage (40%) said they would prefer a social network managed by users, but now we have to understand if this power is felt within the Puma's and Nike's strategies.

	Preferences for Nike+ and Puma Social	**Other or no preferences**	**Tot**
Preferences for Sns Managed by Users	10	15	25
Other preferences	12	22	34
Tot	22	37	59

In this analysis we found that the 40% of the respondents who liked the idea of the users as manager of the Sns, expresses a preference for Nike+ and Puma Social: it is an encouraging number but it is a sign that those companies have to improve this feature if they want to use it as a driving force in attracting new members. This is because a good percentage has understood the goal of the campaign but another large part of respondents do not consider it as a driving force, indeed the 44% of the people who wanted Sns managed by users did not express preferences in those strategies, but above all the 16% of those answers said they liked Adidas, which is far away to increase users' power.

Related to this argument, we have to do a further research: we have to understand if the platform has a influence or not. In few words, understand whether people prefer campaigns managed through normal Social Network as Facebook or Twitter or they would prefer a specific platform for the community expressly created for them.

	Preferences for Nike+ and Puma Social	Other or no preferences	Tot
Preference for Sns build on external websites	15	16	31
Others preferences	6	21	27
Tot	21	37	58

From this table, it clearly results that just a small part of the respondents who prefer an external website recognizes in Puma Social and in Nike + the possibility to escape from common Social Network. Indeed the 48% of them appreciates this characteristic in those project, while the rest of them do not recognize those characteristics or maybe they did not consider them as a driving force to change their mind in favor of the branded websites. The reasons could be multiple; surely in the case of Puma Social, while it is true that Puma Social is an external website, it is also true that its main feature is the strict connection with Facebook and Twitter. That does not give them the possibility to see a quite clear split between the websites network. Indeed we have to say that 30% of the respondents who want an external website expressed preference for Nike+ while only the 7% of them are in favor of Puma Social.

3. The importance of the brand in the choice of the strategy

Very important in understanding the preferences of customers about the strategies is the influence that the brand has in their normal choice of purchasing.

An half of the population interviewed states that it gives importance to brands when they have to make their choice and they would prefer a famous firm with a good brand equity to less famous companies.

But this datum said only if the brand of Nike, Adidas and Puma have weight in the common customers' choice. For this reason I decided to make a further investigation, using the Chi-squared test, to better understand if this importance of the branding has some reflections in the choice of branded external websites as Nike+ and Puma Social.

	Preferences for Nike+ and Puma Social	Other or no preferences	Tot
Who consider the brand important in their choice	11	18	29
Who don't give importance to branding	10	21	31
Tot	21	39	60

Looking at the table before we saw that the 38% of the people who said that the brand has, at least, enough importance in their choice is attracted by the Nike's and Puma's strategy. This datum alone does not mean too much for us, we also have to understand what those who do not consider the brand important in their choice about new strategies think. In this case we have found that the 32% of them is attracted by the campaigns of the innovative brands. This could be an important factor for the two firms, it means that the driving force is not the fact that these Social networks were created by Nike or Puma, people like them for their contents, for the people who are connected with and for all the idea around the website

4- Intense Users of Facebook and Adidas strategy

The next clarification we want to do is about the Adidas campaign. The three stripes company decided to commit all its presence on the new media through the most known social network: Facebook. What we want to understand now is if the users that spend more than 2 hours on this social network are more attracted by the Adidas community, or this is not a good variable that can give more fundament in implementing this strategy.

	Preferences for Adidas	Others or no Preferences	Tot
Intense Users of Fb	16	25	41
Normal or no Users of Fb	3	13	16
Tot	19	38	57

The 39% of Facebook intense users showed a preference for the Adidas strategy, the main reasons that they have given to explain this are: the possibility to check the news and the main discussion from their Facebook and with no need to go on external website and to register themselves in.

The encouraging data for Adidas is that only the 19% of the intense users does not like this strategy, it means that Facebook users like Adidas' idea and it has a good appeal on them.

5. If people who consider Adidas campaign as only an advertising campaign prefer don't be part of it

Now it is time to switch our attention to the negative aspects of the campaign, what we have to understand now is if Facebook strategy, as the Adidas one, is more successful and how people perceive it. The rising question is: people understand the easiness that could derive by Facebook campaign or they just consider it as an advertising campaign with the only goal to overload the Facebook page.

	Preferences for Adidas	Others or no Preferences	Tot
People who consider Adidas campaign as only an ad campaign on Fb	3	11	14
Others	15	32	47
Tot	18	43	61

Analyzing the dimension of the people who consider Adidas useless in satisfying users' needs, we found that on 61 respondents only 14 have stated that the campaign on Facebook seems to be a loss of time or space on the page-profile, but of these 14 only the 21% of them recognizes Adidas as a campaign which has other goals than only promoting the brand and its products. It is at the same time a little failure and an obstacle for the all Original campaign, it means that there is a range of people who are not favorable to this use of Facebook and so it will be very difficult to carry the message of the community to them. To better understand this statistic we can also consider that the 32% of the people who do not consider the Facebook campaign useless appreciates the Adidas strategy.

6. If people who express favorable judgment about the use of Facebook in the campaign would prefer Adidas to the others

The preceding analysis displayed the case of negative opinions about Facebook, in this part we have to take in light the people who have a good opinion of campaigns on common Social Networks. In the questionnaire, one of the choices about the characteristics of All Original campaign was if people considered positively this strategy because in this way they can easily check the news from their Facebook.

	Preferences for Adidas	Others or no Preferences	Tot
Easily check on my FB and more focus on Fb	10	10	20
Others	6	30	36
Tot	16	40	56

Half of the respondents who like the idea to control everything from their Facebook gave a positive opinion about Adidas strategy, this is a good strength point of the policy, it results to be a good point on which it is possible to build the marketing strategy. The strength of this point is also testified by the fact that the 63% of the people who consider Facebook as a good way to implement the strategy prefers Adidas. This gives also an idea of the importance that the Social Network created by Zuckenberg could have.

Another way to understand the weight of Facebook is to go again for the "negative way", so analyze the people who do not consider external websites to be helpful and who like the Adidas strategy.

	Preferences for Adidas	Others or no Preferences	Tot
Who don't consider external website helpful as Facebook	9	14	23
Other considerations	15	20	35
Tot	24	34	58

The relationship between those statements is not strict as it could appear, indeed only the 39% who do not consider external website helpful as Facebook will prefer Adidas' strategy to others. While the large part of the respondents who have a lack of faith to external website does not consider it a big problem and still prefers Nike+ or Puma Social, or at least it does not prefer to express a preference on the choice of the best strategy. But the strange datum is the fact that the large part of the people who prefers Adidas to others does not have particular consideration about the differences between external websites or commons.

e. Summary

After that we have analyzed all the percentages and the relationship between them, we have to make a summary and try to express a consideration about the three strategies.

I will divide the summary in several parts, the argumentation will be split in a part about the influence of the social network, if people prefer a common website or an external one. Then we will try to understand if the strategy and use done by the firms proved to be useful.

Adidas

The first consideration that we have to do is about what people prefer. Facebook is the “leader” of the “social network market”. It can count the 97% of the respondents registered in, from this data we also know that 71% of them consider themselves as intense users, spending more than 2 hours on this platform. For this reason, Facebook seems to be an important way to reach large population through an easy way. Looking at these data the strategy of exploiting this channel appears the most natural and efficient, as Adidas considered, but looking at our data we can better understand how true this is. In our Chi-square test we have found that intense users prefer the Adidas solution, indeed the 39% of them likes it, the motivation that they gave are that it reduces the timing to check answers, they say it is easy to check mail and do not need time to log in external websites, there is the possibility to post links to their friends and to co-operate with the Adidas page as it was a “friend”.

Where do we get this conclusion? The conclusion appears natural if we consider the relationship between the number of people who like the use of this Social network and the possibility to easy check news, discussion and links. People recognized in good part this characteristic to Facebook (36%), of these, half of them recognizes in Adidas this feature and would prefer its idea to the competitors’ ones.

Another point that has to be taken into consideration is if people would prefer joining Adidas community because they do not feel comfortable with other platforms external to the American one. Indeed from the questionnaires it resulted that 40% of respondents have a lack of faith in the efficiency and utility of external websites. This datum is disastrous for the brands that decided to manage an own brand but could have some good prospective for Adidas who decided to build all its campaign on commons Social Networks.

Of those respondents who do not have faith in the external website the 40% seems to have preferred the Adidas strategy instead of the others, it is a good number but it does not mean a great advantage for the firm maybe because people do not feel this huge difference.

The last consideration about the Adidas strategy is the difficulties that can arise in the use of Facebook. Analyzing this way we have to take into account the people who expressed a negative judgment about this kind of campaign. They do not believe it is useful and consider it more as one of the normal advertising campaigns that overload the profile than a community that carries a message behind the simply purchasing. What we found here is if this feeling of a part of the population is a quite big obstacle to the Adidas strategy. In order to understand it, we analyzed what is the percentage of the people who has this sensation and still prefers Adidas. The first consideration is encouraging for the German company, indeed only the 23% of the respondents has this idea about Facebook campaign, but what is not good for the firm is that, of these people, the 79% sees it as a huge obstacle that drives them to decide not to join the Adidas policy.

The final judgment about the Adidas strategy is that Facebook is a good way, it gives the possibility to achieve people that would be difficult to catch through external websites and it confers the power to increase the visibility of the brand. What seems to be tricky for the firm is that a too strict relationship with this social network could cause some problems, indeed the success of the Adidas' strategy strictly depends on the Facebook reputation and it has the risk to be considered as one of the multiple advertising of the web or, worst, one of the numerous spam that infect the social network.

Nike and Puma

After the considerations about Adidas, we have to highlight some aspects of Nike's and Puma's strategy. At the beginning, I put together those strategies because the main thing that we want to understand is the utility that the use of a branded social network could give. The first consideration that we have to do is about the preferences of the people, what I would investigate is about the preferences of the people on social networks, whether they are favorable to an external one or not. The 54% of the people has a good judgment on external social networks different from the commons. Of this part of population, the 48% prefers the Nike and Puma strategy to the alternative, it is an interrogative point because it is a good percentage but not enough to be completely satisfying. In this case we also have to make a further split, because it is true that both companies have an own social network, but there is a difference between them too. Assuming that people are favorable to external websites, do they prefer them totally external or with links to other firms?

	Preferences for Nike+	**Preferences for Puma Social**	**Tot**
Preference for Sns that are not the commons	14	3	17

From this further table we get that people prefer the Nike+ idea to the Puma's one. It means that people would prefer a strategy that does not have too much links and relationships with the common Social Networks, instead of one who uses the external platform as a starting point or an holder for links on more well known external websites.

This data could be seen as a success for the Nike+ strategy, but we also have to consider a further step: the importance that people give to a brand, in few words how important is the brand in the choice of the products, of the branded parties and finally in the choice of the web-network; in this way we will have clearer idea about the precedent results. Brand, as we have seen before, results to be important for almost half of the respondents (48%), of these, the 38% is more attracted by branded network and given the bigger brand equity of Nike it seems obvious that it will attract more users. This is also highlighted by the survey, that shows a preference, among people who give importance to the brand, for Nike (38%) very far from the preferences for Puma (14%).

The last consideration that we have to do concerns the Nike idea: what we want to understand is if the focus on niches could give in some ways benefits to the companies or not. In the case of Nike+ we have a social network not for everyone but only for people who practice run, of all kinds, professional runners, amateur, who practice it as a secondary sport or who want just an help in starting it. What we want to understand is if active people feel this social network is useful or not. The percentage that we obtain is that the 31% of sportive users appreciates Nike+. It is a good number but it shows that Nike has to do more to be appreciated by all the sportive and running community.

A further conclusion on the two campaigns is that the strategy to go out of the common Social Network is well accepted by the mass of respondents, but for Puma there could be a problem in doing it. The brand equity and the importance of the company has reflections on the will of the user to join one community or the other. This is a good point for Nike but not for Puma who could see all its efforts wasted by the spread with competitors, so it is plausible the idea chosen by the German brand to hold a strict linkage with Facebook and Twitter in order to attract large part of the people.

The only advise that both companies have to take in mind is that people seem not to feel that this new communities give more importance to them despite their preference for communities managed by the users, so they have to try to increase the freedom of their social network to attract more users.

Conclusions

Our work is arrived at the end and now we have to get our conclusions. At the start of the work we have prefixed as objectives the analysis of the main competitors' strategies, the best way to follow and what are their points of weaknesses and strengths.

The way that we have followed to understand those dynamics is the use of a survey that want to show us the opinions of the people about this topics.

We have found a very variegated thought from the respondents. In managing our research seems that there is not a real winner but in any case we have obtained some interesting results.

First of all the strategy to exploit the Social Networks media seems to be a good idea. Large part of the population are registered in and the most of them define themselves as intense users of the 2.0 communication and they give to platform as Facebook or Twitter enough space in their life.

Looking at the core of our analysis we can definitely say what are the results.

For the Adidas case seems that the idea of the German company to care all its strategy trough Facebook can assure a good potential for the company. Indeed Facebook as the most used social network and it assures the possibility to achieve large portion of people, that will be also motivated in checking the news of the Adidas profile given the facility and the rapidity in going to the page. The major problems that can rise in using this strategy are the risk of being too much dependent on Facebook: if people start to migrate from this social network the easiness and the rapidity will be pointless. Another problem, still connected to Facebook, is the huge number of advertising campaigns that run on this platform and the risk that people do not perceive the real message that the three stripes company want to carry them and they would consider it as just another advertising campaign where there is no space for users' ideas.

Adidas has understood it, it is enjoining the success of the Facebook platform but it is wisely starting others campaigns, more similar to the competitors' strategy, that can assure to it a continuity in the company's project even if Facebook will decrease its popularity.

Completely different are the results for the Nike's campaign. The company decided to go out from the common social networks and it created an external social network for sportive people, in this case for runners, where they have the possibilities to freely share information, statistics and suggesting training and events interesting for them.

The data given by Nike+ show a huge success of the platform confirmed by the respondents' answers, people seems to like the idea of the swoosh brand, they consider it as a very useful tool that can help them in their training or in meeting people with their same passions. Significant for Nike is the fact that the respondents who have those sensations are not only sportive people but also who consider it as a good way for starting practice. The reason seems also to be in the brand equity of the company, some people would join it only to be part of a community branded Nike and not because they consider the movement as cool or useful.

But also for Nike we have to report some negative judgments on their strategy. The main critic against this strategy is about the freedom of the users. One of the reason that force people in preferring an external platform to Facebook is the possibility users to have more space for their ideas and the possibility to manage the communities. From the answers appears that this people do not recognize this characteristic in the project of Nike, so maybe the company has to increase this characteristic if it wants to attract more people.

The final case is the Puma's one. The case of this brand is quite different from the others and not only for the dissimilar strategy compared to others but for the differences within the company. Even if Puma is the third company in the industry its brand equity is very low if compared to Nike and Adidas. This problem results also from our survey, the questions about Puma were the most skipped and large part of the interviewed answered that they not have familiarity with this brand and do not know too much about the company.

The Puma Social campaign results the less popular between the three, but however data for Puma are not so bad, people seem to appreciate its idea to exploit a branded platform that also has a strict connection with popular Social Networks. Respondents appreciate it, the main reason of this success is the possibility for them to check news on Facebook or Twitter then find further information on the Puma's social network.

But for Puma has value the same problem that we exposed for Nike, the lack of independence in the management for the users. But the biggest problem for this campaign is for sure its visibility. Puma has to take well its odds because the difference with others is sensible and people would prefer campaign of more popular brands given the lack of faith in the Puma's community. This could be at the same time a double problem for the company, at first because the number of loyal customers will not increase and above all because this campaign would be a completely waste of money and energy for the brand. For those reasons seems to be reasonable the choice to exploit both the ways, a branded social network and profiles on popular platform, in this way the company have major possibilities to increase its visibility and to attract more customers.

Unfortunately we have to admit that in this research we could not focalize our attention in understanding which would be the best way to follow and who have major percentages to grab the loyalty of the customers, but however we have established solid fundament on which build new researches in the future about this topic.

References

Paper References

- A.D., "*Adidas Originals Pimps its Marketing Stride.",* Creativity; Apr2006, Vol. 14 Issue 4, p15-15
- AllBusiness, *"Roger Harrison of Puma UK has a multi-layered approach to consumer engagement",* Haymart Business Comunication 2010
- Amichai Y., Hamburger and E. Ben-Artzi, "*Loneliness and Internet use*", Computers in Human Behavior 19 (2003) 71–80
- Androle S. J., "*Business impact of Web 2.0 Technologies*", Association for Computing Machinery
- Armstrong, A. and Hagel, J. (1996), *"The real value of online communities", Harvard* Business Review, Vol. 74, No. 3 pp. 134-140
- Asia's Media & Marketing Newspaper, *"Adidas encourages free thinking for new originals campaign*", Asia's Media & Marketing Newspape, 2007
- Atkin, D. (2004). "*The cutting of brands: When customers become true believers".* New York: Portfolio.
- Berthon P, Leyland F. and Watson R.T., "*The World Wide Web As an Advertising Medium: Toward an Understanding of Conversion Efficiency."* Journal of Advertising Research 36, 1 (1996): 43–54.
- Bickart, B. and Schindler, R. (2001), "*Internet forum as influencial sources of consumer information"*, Journal of Interactive Marketing, Vol. 15, No. 3, pp. 31-40
- Boyd, D. and Ellison, N.B. (2007). "Social Network Sites: Definition, History, and Scholarship," *Journal of Computer-Mediated Communication*, 13 (1), 210-230.

- Brenson M., Levine D. and Krehbiel T., "*Basic Business Statistics",* Pearson Education Inc. 2009
- Bughin J. and Chui M., "*How Web 2.0 pays off: The growth dividend enjoyed by networked enterprises*", McKinsey Quarterly; 2011, Issue 2, p17-21
- Chadwick, S. (2006) Client-driven change. *"The impact of changes in client needs on the research industry"*. International Journal of Market Research, 48, 4, pp. 391–414
- Chafkin M., "*Anything Could Happen*", Bylaner, 2007
- Chakraborty, Goutam, Visha-Lala, and David Warren. "*What Do Customers Consider Important In B2B Websites?*" Journal of Advertising Research 43, 1 (2003): 50–61
- Cooke M. and N. Buckley, "Web *2.0, social networks and the future of market research*" International Journal of Market Research Vol. 50 Issue 2
- Correa T., Amber W. H. and Gil de Zúñiga H., "*Who interacts on the Web?: The intersection of users' personality and social media use*", Center for Journalism & Communication Research, School of Journalism, University of Texas at Austin, USA
- Cotton Incorporated's 2009 Sports Apparel Study**, "***Athletic Apparel: A Market Opportunity",* Cotton Incorporated's Retail Monitor
- Cova B. and White T., "*Counter-brand and alter-brand communities: the impact of Web 2.0 on tribal marketing approaches*", Journal of Marketing Management Vol. 26, Nos. 3-4, March 2010, 256-270
- DataMonitor, "*Company Profiles: Adidas Ag*", DataMonitor Reports, 2 September 2011
- DataMonitor, *"Company Profile: Nike Inc.",* DataMonitor Report April 2011
- DataMonitor, "*Company Profile: PUMA AG Rudolf Dassler Sport*", DataMonitor Reports 31 December 2010
- DataMonitor, "*Global Apparel & Textiles*", DataMonitor March 2009

- DataMonitor, "*Industry Profile: Global Footwear*", DataMonitor Report June 2010
- DataMonitor, "*Industry Profile: Global Sports Equipment*", DataMonitor Report May 2010
- DataMonitor, "*Industry Report: Sports Equipment in China*", DataMonitor Report 2010
- DataMonitor, "*Industry Report: Sports Equipment in Europe*", DataMonitor Report 2010
- DataMonitor, "*Industry Report: Sports Equipment in US*", DataMonitor Report 2010
- DataMonitor, "*Puma to acquire Liberty China Holding",* DataMonitor Report 2010
- Dreze X., and Fred Z., "*TestingWeb Site Design and Promotional Content*." Journal of Advertising Research 37, 2:77–91, 1997
- Enoch G. and Johnson K., "*Cracking the Cross-Media Code: How to Use Single-Source Measures to Examine Media Cannibalization and Convergence*." Journal of Advertising Research 50, 125–136, 2010
- Ewen R. B., "*Personality: A topical approach".* Mahweh, NJ: Erlbaum 1998
- Fono, D. and Raynes-Goldie, K., " *Hyperfriendship and beyond: Friends and social norms on LiveJournal*". In M. Consalvo & C. Haythornthwaite (Eds.), *Internet Research Annual Volume 4: Selected Papers from the AOIR Conference (pp. 91-103),* Peter Lang, 2006
- Frenkel Stephen J., Scott Duncan, "*Compliance Collaboration, and Codes of Labor Practice: The Adidas Connection*", California Management Review
- Gillette Felix, *"The Rise and Inglorious Fall of Myspace***",** Bloomberg Businessweek, Issue 4235, p52-59, 6/27/2011
- Glenn Tim, *"Nike's Cheap Labor",* Campaign for Labor Rights 2006

- Global Industry Analysts, Inc., *"Sports and Fitness Clothing: A Global Strategic Business Report",* Global Industry Analysts, Inc. 2010
- Gori, M. and Witten, I.. "*The Bubble of Web Visibility*," Communications of the ACM (48:3), pp. 115-117, 2005
- Gossieaux, Francois, and Edward Moran. "*The Hyper-Social Organization: Eclipse Your Competition Using Social Media".* New York: McGraw- Hill, 2010.
- Greene Jay, "How Nike's Social Network Sells to Runners", Bloomberg Busineweek November 6th 2008
- Gregory S., *"Global Game",* Time.com, May 14 2006
- Hargittai, E. and Hsieh, Y.P., "*From Dabblers to Omnivores: A Typology of Social Network Site Usage*" In *A Networked Self*. Edited by Z. Papacharissi. London: Routledge, 2010
- Havlena W., Cardarelli R. and De Montigny M., "*Quantifying the Isolated and Synergistic Effects of Exposure Frequency for Television, Print, and Internet Advertising*." *Journal of Advertising Research* 47, 3: 215–22, 2007
- Hernandez G., "*Adidas launches interactive training system",* Carribean Business, 2010
- Jones G., "*Adidas plots social-network push for shoe",* Marketing, 8/1/2007, p5-5, 1/6p, 2007
- Zsolt K., Zubcsek P. P., and Sarvary M., "*Network Effects and Personal Influences: The Diffusion of an Online Social Network*", Journal of Marketing Research (JMR)
- Keller E. "Unleashing the Power of Word of Mouth: Creating Brand Advocacy to Drive Growth." *Journal of Advertising Research* 47, 4 (2007): 448–452
- Klaassen A., "*Media Morph: Joga.com/JogaTV",* Advertising Age, 5/29/2006, Vol. 77, Issue 22

- Kozinets, R., “*On netnography: initial reflections on consumer research investigations of Cyberculture*”, Advances in Consumer Research, Vol. 25, pp. 366-371, 1998
- Law N., Personal Interview for the ceremony for the Creativity Awards in 2007
- Lee, S., Hwang, T. and Lee, H-L., “*Corporate blogging strategies of the Fortune 500 companies*”, Management Decision, Vol. 44, No. 3, pp. 315-334, 2006
- Lenhart A.,”*Adults and social network websites*”, January 14, 2009, Pew Internet and American Life Project
- Hairong L. and Leckenby J.D., “*Examining the Effectiveness of Internet Advertising Formats.* In *Internet Advertising: Theory and Research”*, D. W. Schumann and E. Thorson, eds. Hillsdale, NJ: Lawrence Erlbaum, 2007
- Lusch, R.F. and Vargo, S.L., “*The Service-Dominant Logic of marketing: Dialog, debate, and directions”.* Armonk, NY: M.E. Sharpe, 2006
- Majnet M., Muhlig C. and Osterwalder E., “*Brand Management: The Resurgence of Puma AG”*, Ziehmann-Consult, 2008
- McMillan, Sally J. , Jang-Sun Hwang, and Guiohk Lee. “*Effects of Structural and Perceptual Factors on Attitudes Toward the Website*.” Journal of Advertising Research 43, 4: 400–409, 2003
- Miles Socha, “*Puma Sets Full Takeover of Dobotex”,* WWD 2011
- Mora E. and Gossieaux F., *“Marketing in Hyper-Social World The Tribalization of Business Study and Characteristics of Successful Oniine Communities*”, World Advertising Research Center Limited, 2010
- Morrissey B., “*Nike Plus Starts to Open up to Web”,* AdWeek, 7/20/2009, Vol. 50 Issue 28, p8-8, 2/3p, 2009
- Morrison D.E., “*The Search for a Method: Focus Groups and the Development of Mass Communication*” Luton: University of Luton Press, 1198
- Muniz, A. and O’Guinn, T. C., “*Brand community*”, Journal of Consumer Research, Vol. 27, No. 4 (March), pp. 412-432, 2001

- Murphy & Marsh, *"PPR Takes Stake in Puma",* FindArticles.com, 2008
- Olander Stefan interview for Bloomberg, 2009
- Oser Kris, "*Nike Id",* Advertising Age; 11/7/2005, Vol. 76 Issue 45, 2005
- Pfeiffer, Markus, and Markus Zinnbauer "*Can Old Media Enhance New Media?: How Traditional Advertising Pays off For an Online Social Network*." Journal of Advertising Research 50, 1: 42–49, 2010
- Powell Matt, "*Nike+",* SportOnesource.com, 2008
- Sassen S., "*Overview about the components of the profile of Adidas Original at Facebook*", World Press, 2009
- Sassen S., "*Reason for Adidas to participate in Facebook*", World Press, 2009
- Sassen S., "Sharing function at Facebook", WorldPress, 2009
- Scott A., personal communication, June 14, 2007
- Seidner V., "*Cross Channel Marketing – Puma Social",* Stuzo 2011
- Serrano Jonathon, "*The Sports Apparel Industry",* Article Marketing 2009
- Shammals M*., "Duke athletes test eye glasses for improvements in vision",* Duke Chronicle, 9 June 2011
- Shelley M*., "How To Do a Survey",* Harvard University 2001
- Shiers*,"Cool Runnings"* Commercial Motor, 7/14/2011, Vol. 215 Issue 5442, p32-37, 6p
- Trusov M., Bucklin R.E., and KoEn P., "*Effects of Word-of-Mouth versus Traditional Marketing: Findings from an Internet Social Networking Site*." Journal of Marketing 73 September: 90-102, 2009
- Vargo, S.L. and Lusch, R.E., "Evolving to a new dominant logic for *marketmg". Journal of Marketing, 68(1),* 1-18 2004
- Vithlani H., "*The Economic Impact of Counterfeiting",* Organisation for Economic Co-operation and Development 2006

- Walter-Partner, “*Puma – The first, real virtual sports article company,* Walter-Partner, 4 July 2008
- Wasserman T., *”Toll:Social Networking”*, Brandweek, Vol. 48, Issue 28, 2007
- Webb M. (2004) “*On social software*” Interconnected April 2004.
- Weinreich A., personal communication, July 11, 2007
- Wellman B., "*Structural Analysis: From Method and Metaphor to Theory and Substance.*" Pp. 19-61 in Social Structures: A Network Approach, edited by Barry Wellman and S.D. Berkowitz. Cambridge: Cambridge University Press, 1988
- Wentz L., *“Nike rolls out global soccer campaign”,* Advertising Age, 2/27/2006, Vol. 77, Issue 9
- Zywica J. and Danowski J., “*The faces of Facebookers: Investigating social enhancement and social compensation hypotheses; predicting Facebook and offline popularity from sociability, self-esteem, and extroversion/introversion; and mapping the meanings of popularity with Semantic Networks*” n, 1-34. In *Journal of Computer Mediated Communication 14*, 2008

Web References

- Adidas.com
- BusinessWeek.com
- DataMonitor.com
- Facebook.com
- FindArticles.com
- Flickr.com
- Interconnected.org
- LinkedIn.com

- LiveJournal.com
- MySpace.com
- Nikeplus.com
- Nike.com/it
- Puma.com
- Puma.com/Social
- Rize.com
- Sportonesource.com
- Twitter.com
- Youtube.com

Acknowledgement

I would like to express my gratitude to all those who gave me the possibility to complete this thesis.

Foremost, I would like to express my sincere gratitude to my supervisor Prof. Alberto Marcati for the continuous support of my study and research, for his patience, motivation and immense knowledge. His guidance helped me in all the time of research and writing of this thesis.

Another special thank goes to my co-advisor Prof. Luca Pirolo for the help that he gave to me and above for the free hand that he allowed to me.

Besides my supervisor I owe a thank to Prof. Gianpaolo Scalia Tomba for his well-timed help in the statistic analysis and suggestions on how to develop them.

Last but not least I would like to thank all the people who supported and suffered me: first of all my family, without them nothing would be happened, they are the fundament for all my successes and satisfactions. A second special thank goes to the only person who asked me to be avoided by this acknowledgement but more than the others helped me in doing this work, thanks Mary.

I also have to thank my classmates and flat mates with whom I spent the best hours of my university experience in particular I have to thank Ignazio for his helpfulness in critical situations too, Andrea don't worry you were so important too.

The last thank is for my friends from Marigliano who always had great faith in my works and always sustained me.