**BRAND ARCHITECTURE REPORT:** Nike and Puma

**Overview:**

The report compares two Brands, Nike and Puma in terms of Brand Architecture and Brand Equity. It summarizes the valuable differences between the two brands on the grounds of factors such as product attributes, product benefits, financial and brand value and consumer awareness about its products. This will help us to analyze and frame our marketing decisions and investment plans. Both the Brands are actively operating in the area of Sports essentials such as Shoes, Apparels, Monitoring devices and many more. The report will also help to analyze the customer perception based on brand architecture, about two brands who deal in similar kind of products.

**Brand Architecture:**

The following are the Brand Pyramids of above mentioned Brands:

NIKE:

PUMA:

**Brand Comparison:**

Both the brands have been successfully competing in similar markets. Both the brands deal in similar kind of product catalogues, but differ in type of marketing strategies to push sales of their products. Nike is more involved in aggressive marketing and sticks to short term plans. Puma on the other hand, deploys long term discounting plans and deliver desirable products on price-value proposition. Nike believes in fast expansion and increasing the feasibility for consumers to reach out for the brand. Puma expands gradually and thus plays safely, to avoid the repercussions of the altering market.

Nike concentrates only in sports derived products, fit only for physical activities. Although Puma has a significant share in the similar market, but it also has products in the areas such as casual lifestyle and everyday use.

Thus, Nike Plays more ruthlessly, trying to make an impact in a very short interval of time whereas Puma relies more on long term measures to reach its revenue targets.

**Brand Value:**

Sportswear giant Nike has maintained and strengthened its position as the world’s most valuable apparel brand, according to the latest report by Brand Finance. Nike’s brand value has increased by 16% since last year to US$32.4 billion on the back of healthy sales growth in China, Europe, the Middle East and Africa during the course of the year. Richard Haigh, Managing Director of Brand Finance, commented:

“Nike’s bold marketing makes it stand out in a busy marketplace of sportswear apparel brands. In a time when customers look for experiences and emotional connection, Nike’s offering comes with unambiguous messages and values that people can rally behind.”

Shares of Puma are up 74% over the past year, compared with 25% for Nike. Puma’s price-to-earnings ratio of 46 almost makes Nike (35) look cheap. This year, Puma makes the Forbes Fab 40 for the first time, ranking sixth in the business category with brand value—what the name alone is worth—of $4 billion.

**Sources Utilised:**

As referenced in the footnotes:

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