**MARKETING EXPERIMENT REPORT**

**Introduction:**

The report aims to develop a marketing experiment report for Football Shoes by Nike, India. The marketing campaign will be a TV based commercial advertising highlighting the Importance of believing in oneself and sacrificing for achieving something in life. The advertisement is like a motivating call for several of individuals out there, who are sacrificing comfort and easy ending lifestyle to pursue their willingness to build a better life for themselves. It will be a before and after design experiment. Developing an experiment with full factorial method would imply a condition to deal with higher number of variables which is quite uncertain in this case.

**Experiment Design:**

The experiment consists of advertising Campaign as an independent variable while the sales of the Company is a dependent variable. We will try to understand the impact of the advertising on the sales of football shoes produced by Nike.

The experiment will be launched in the city of Kolkata, West Bengal. The Control market city will be in Bengaluru, Karnataka. Since both the cities have similar appeal for the sport and also the demographic population of the both the cities is close to 84.3 lakhs, they are well suited for the experiment. Both the markets reveal similar kind of data because of the resemblance in lifestyle and economic condition of people.

The sample size for the experiment will consists of the segment of the population which lies between 18-29 years of age. The sample has been chosen based on the underlying fact of activeness shown in the sport, and thus deriving the need for the product. Keeping in mind the requirements of the sample size, according to census data we can infer that 8.5% of the total population in Bengaluru, whereas in Kolkata, it is approximately 8% of the entire population. This makes the sample size of 7,00,000 people.

Since it’s a before and after design experiment, sales for both the test and control cities will be recorded for a 2 -month average from Jan-Feb. And the experiment will be launched for two months starting from April-May. The change in the sales will be used to record the Net lift generated. The experiment month has been chosen because in those two months no football leagues are organised, thus eradicating the fourth rule of causation by external factors.

Rest, all the three rules have been readily applied. The Ad campaign is supposed to boost up the sales. The Ad campaign features Athletes such as Sunil Chetri, who have made it big in spite of tough living conditions thus enhancing the message.

For a single Football Shoe, following is the breakdown:

|  |  |
| --- | --- |
| Description of the Cost | Price in $ |
| Factory FOB Cost | 25 |
| Sea Freight and Insurance | 1 |
| Duty( 10% of the FOB cost) | 2.5 |
| Total Landed Cost (57% of the Revenue) 28.5 | |
| Mark Up (43% of the Revenue) | 21.5 |
| Whole Sale Price | 50 |
| Retail Mark Up (100% of the Revenue) | 50 |
| Suggested Retail Price 100 | |

**Anticipated Issues:**

The experiment is being conducted in the summer Months from April to May accounting for all external factors that may cause disruption in the sales. The only issue is the counter competitor campaigns which may affect the sale of the product. The Ad campaign is just in time with the exam schedules all across the country, aligning in with the spirit of motivating the target segment of the market.

Also the Summer Holidays, are a month after which although will definitely not be a cause of the sale, but will positively have an impact on it.

The experiment will still demonstrate the impact of TV advertising on sales. The seasonality and external factors notwithstanding, the experiment will provide a fair guideline on whether to go ahead with the nationwide marketing campaign. The lift in sales would also provide a concrete idea on the appropriate amount of spending on the campaign.

**Experiment 2.0:**

The above experiment can also be done using web advertising. With the growing digital marketing technologies, a digital Ad campaign can be carried out on E-Commerce giants such as MYNTRA & AMAZON. The Ad campaign will also have a lucid effect because it will be followed by the Amazon’s Summer Sale Offers and also on Myntra. This Ad campaign can help achieve sale values, which will further benefit the company during Holiday Sales.

This experiment is somewhat more beneficial than the above mentioned method, because of its variable Investment benefits on advertising campaigns and the ability to demonstrate the dependency of Sales values on multiple factors.

Also the web Advertising is way cheaper than TV Ad Campaigns, thus a preferable choice.

Although it might not account for a handful of consumers, who are yet to experience the digital benefits and the offerings of the growing technology.

**References:**

As mentioned in the footnotes of the document.