

Adidas vs Nike Competitive Analysis Project Draft

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DSC680

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Topic

The project is a competitive analysis of the two most popular footwear companies in the world, Adidas, and Nike. The objective of this project is to compare Nike and Adidas products, brands, reviews, and ratings to determine which footwear company is better than the other.

Business Problem

Adidas and Nike are immensely popular footwear companies worldwide. Nike has a superior advantage over Adidas. The Nike shoes look more expensive than Adidas shoes. Nike has a better management when compared to Adidas's management. Nike's footwear is made of better quality material versus the material used for Adidas's footwear.

The competitive analysis of Nike and Adidas must be conducted to see which brand has the highest rating and number of reviews.

Background/History

Bill Bowerman created the Blue Ribbon Sports in 1964 (Britannica, n.d.). The Blue Ribbon Sports retail store was opened in 1966 (Britannica, n.d.). The first Nike shoe was introduced in 1972 (Britannica, n.d.). The Blue Ribbon Sports was changed to Nike Inc. about two years afterwards. The swoosh logo became immensely popular throughout the world. Nike extended its footwear products and company into other footwear companies including Bauer, Cole Haan, Converse, and Umbro.

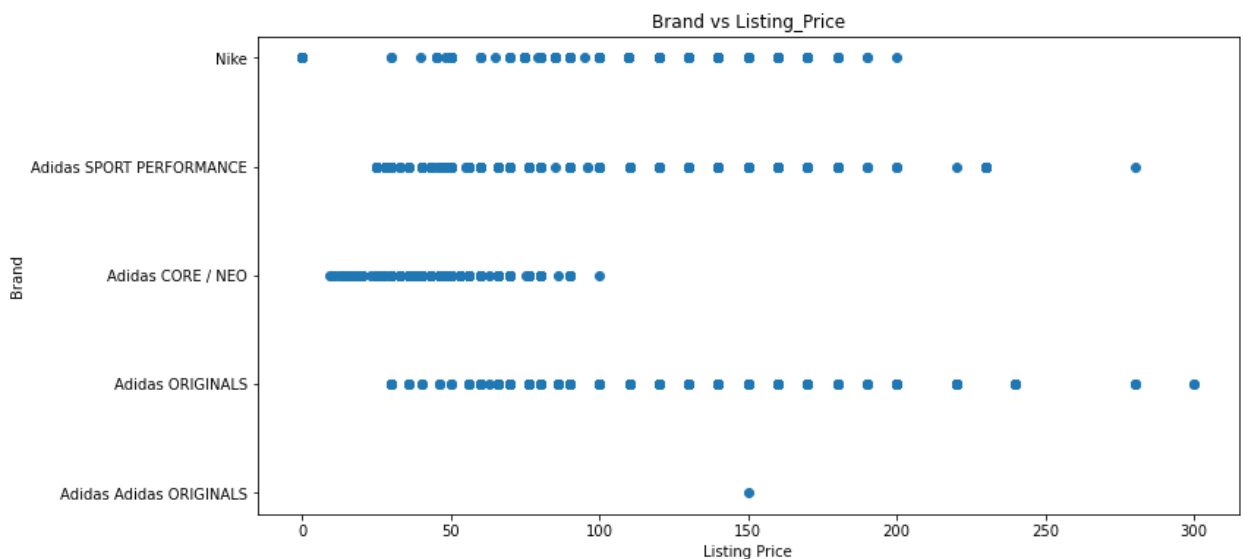
Nike is the largest footwear company in the world and their revenue was \$44.53 billion in 2021 (Glebova, 2022). Adidas revenue was \$25 billion in 2021 (Glebova, 2022). Nike releases their latest projects because of their large revenue and endless profits. Nike's revenue allowed them to create an athlete's lab to assist athletes in obtaining enhance performance. Nike has power over 25% of the global athletic footwear market (Glebova, 2022).

Adidas is an exceptionally large footwear company, but not as big as Nike. Adidas is larger than other global footwear companies. Adidas is the second largest footwear industry in the world. Adidas shoes are traditionally less expensive than Nike.

Data Explanation

The product information of these two enormous firms, who together own a substantial amount of data, is included in this dataset. The dataset features include the Product Name, Product ID, Listing Price, Sale Price, Discount, Brand, Description, Rating, Reviews, and Last Visited. The dataset contains 3,267 rows of data. The ratings, reviews, and last visited involves the customers' responses to the company's brands. The consumers are male and female adults.

I prepared the data by importing the dataset into the Jupyter Python Jupyter notebook. The dataset was cleaned using isnull, notnull, and duplicate codes. I confirmed the dimensions of the dataset by utilizing the shape, index, info, count, describe, counting the values in the attributes, The dtypes were displayed for object, integer, and float determination. The Nike brand has a higher listing price when compared the Adidas brands. The Adidas Adidas ORIGINALS brand had the lowest listing price.



Methods

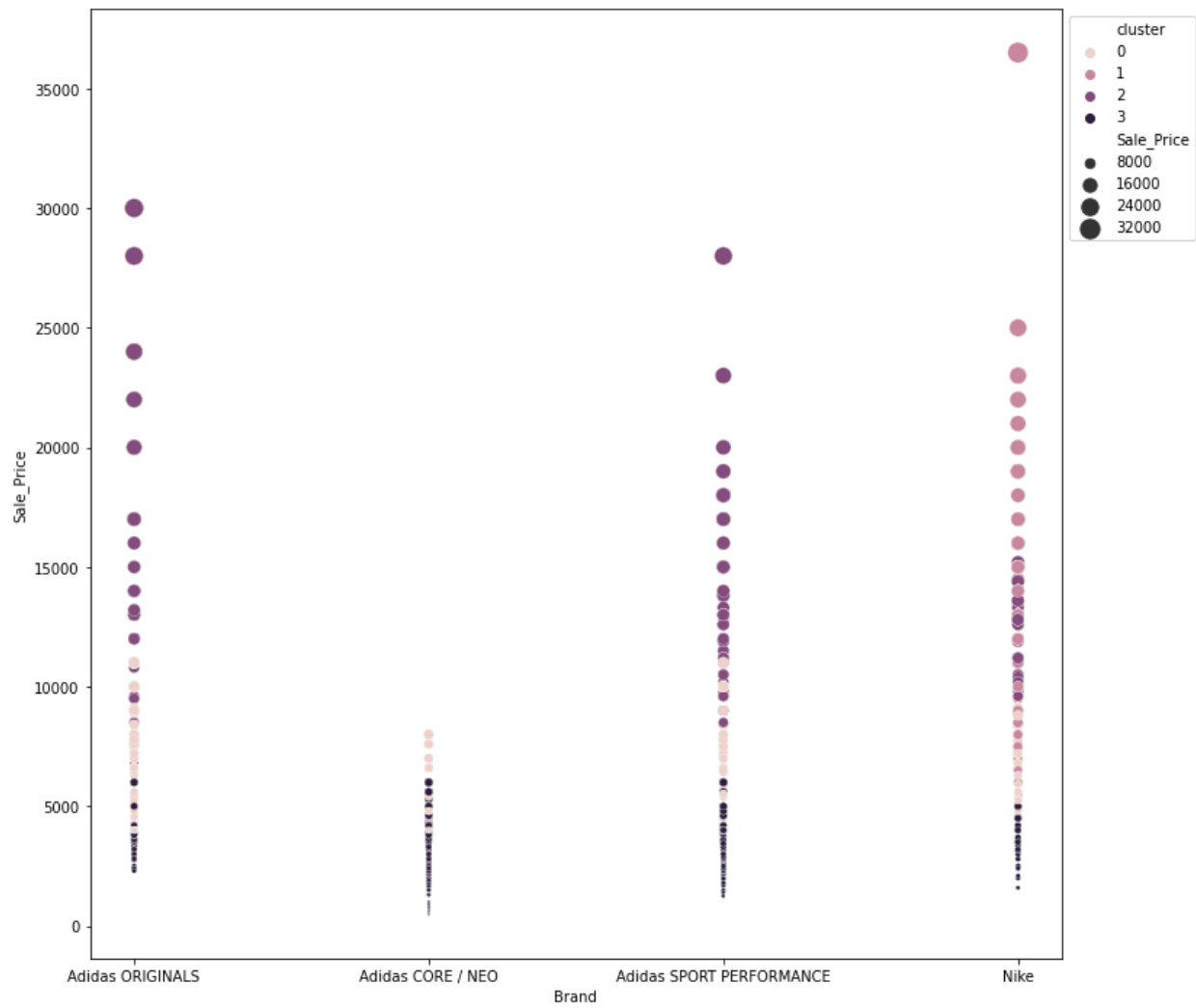
The competition between the Nike and Adidas products needed to be targeted to consider which footwear company was the most competitive. The brands were analyzed by their listing price, the number of brands, the brands' sale price, each brand's rating, the brands' reviews, correlations, and pair plotting the values. The attributes of the Adidas and Nike dataset were placed within bar graphs and scatter plots to display their comparisons and relationships to one another. KMeans was used for clustering the brand with the sale price and clustering the brand with the consumer ratings. The sale price and top two hundred sale price were combined into their own cluster.

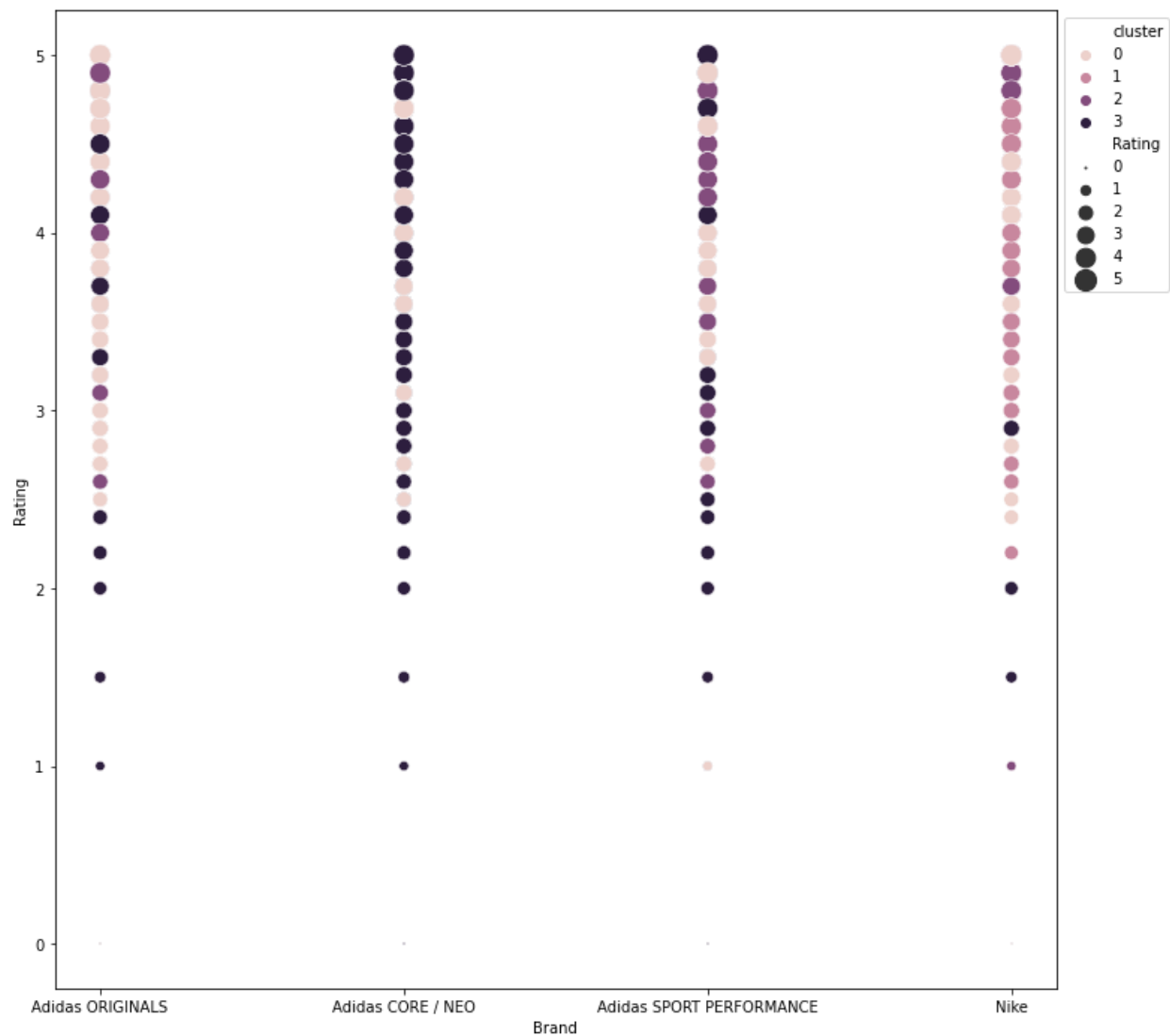
The rating and top two hundred sale price product were placed within a joint cluster.

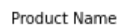
Analysis of the Clusters

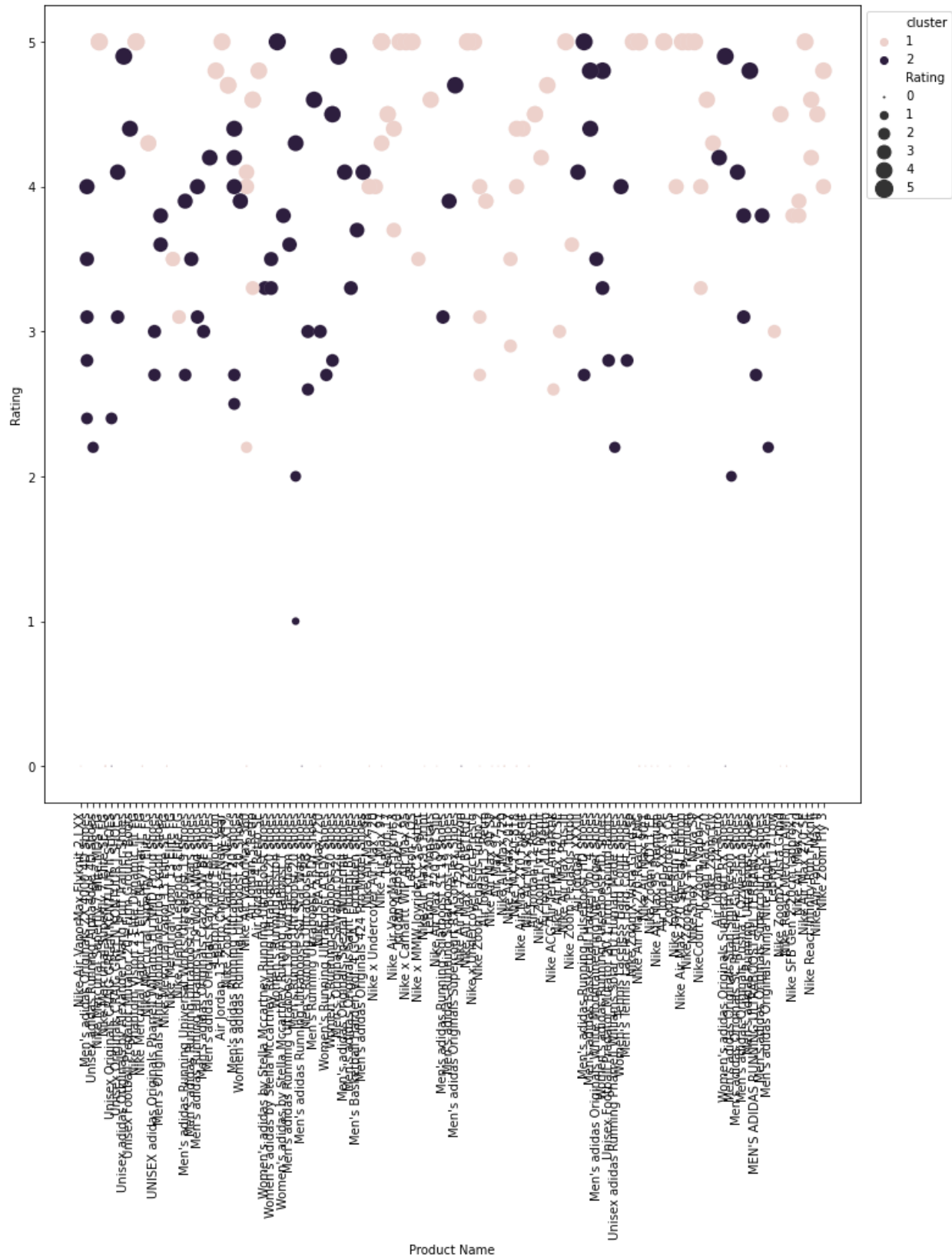
Adidas Originals brand within the brand and sale price cluster, appeared to have the highest sale price of \$30,000 versus the other Adidas brands and Nike. The brand with the lowest sale's price of \$8,000 was Adidas Core/NEO. Nike's brand had the second lowest sale price at approximately \$25,000, and the Adidas Sport Performance brand sales' price was approximately \$20,000. The rating and brand cluster has higher consumer ratings than Nike's brand. Nike's brand consumer ratings are close to the number of Adidas brands' consumer ratings.

The top two hundred Products and their sale prices were clustered together, and the top two hundred brands and ratings were clustered together. There were man products to analyze while reviewing the graphs, and some of the product names were almost laying on top of each other.









Conclusion

I thought the Nike brand was more of a competitive brand versus the Adidas brands because of Nike's footwear quality and popularity. The Adidas brands had higher ratings and sale prices versus the Nike brand. The brands' sale price data is very vital within the clusters and graphs. The ratings exceedingly important attributes that were dispersed among the products and brands within the clusters. Based on the results, the sale prices are ideas that consumers mostly think of while searching throughout the footwear brands.

The consumers' ratings of the brand products depend on their personal inclinations.

Assumptions and Limitations

The dataset was exceptionally large and filled with some data that was unnecessary for the dataset. The Product ID, Visited Time, and the Description attributes were not necessary attributes for the dataset. Each brand had outliers that made the analysis clusters' graphs confusing.

Challenges

While reviewing the clustering graphs, the outliers made the Nike brand appear to have the highest sale price versus the other brands. There was a challenge during the exploratory data analysis phase where an Adidas brand name went from being an attribute to a value. I used the proper code to fix that issue.

Future Uses/Additional Applications

The results of the project can be used by any consumer who want to select the best brand of footwear; based on the listing prices, sales prices, current discounts, reviews, and ratings. The

reviews and ratings of each brand will help other consumers choose the best footwear based on their footwear preferences and prices.

Implementation Plan

Adidas and Nike can apply these results to their products and brands. They can use the results to find various approaches on increasing their consumer base. Increasing their consumer base will allow the companies to profit more from their brands, based on product quality, pricing, reviews, and ratings.

Ethical Assessment

The prices of brands can impact a consumers' shopping experience within an e-commerce setting. The consumers want to ensure they are receiving quality footwear that matches its listing or sales price. Discounts will motivate consumers to buy more shoes, as well as other customer reviews and ratings of those products. At least with discounts, the footwear is being purchased. The company's need to ensure that the discounts are available, so the customers will not be frustrated from an unusable discount. They may lose interest in purchasing the footwear.

References

Britannica, T. Editors of Encyclopedia (2014). *Beaverton. Encyclopedia Britannica*. Retrieved from <https://www.britannica.com/place/Beaverton> Britannica, T. Editors of Encyclopedia, on September 18, 2022.

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