

The big picture

According to FIFA, more than half of the world's population aged over 4 years watched the 2018 Football World Cup. The global popularity of football is matched only by the enthusiasm of fans for replica sports clothing and shoes. And in the world of football shoes, Nike and Adidas dominate the world market.



Figure 1. The football shoe market is dominated by Nike and Adidas.

Credit: simonkr, Getty Images

So what makes these two brands so famous? Why are international marketing strategies important for both Nike and Adidas? Which brand is more successful and why? Watch the video below to analyse the aggressive marketing strategy used by Adidas.

How the Adidas Marketing Strategy Outplayed Nikes Brand ...



Video 1. Adidas's aggressive marketing strategy.

Theory of Knowledge

Market research is based on evidence. Businesses invest in marketing at international levels to increase viability and visibility and to achieve one of their main objectives: to increase sales revenue.

- How does culture impact international marketing?
- Does what appears to be 'good evidence' vary from culture to culture?

The video gives an overview of why multinationals invest on such a large scale. Why do you think businesses such as Nike, Samsung, Huawei and Adidas spend millions of dollars on their advertising campaigns? Has acquiring Reebok helped Adidas increase its market share? Is collaborating with influencers and celebrities helpful in gaining an edge over competitors? What advantages do businesses gain by allowing their products to feature in sports? What are the costs involved?

Due to their popularity, sporting events are guaranteed to attract audiences from all around the globe. This allows companies with mass-market products to promote their brands on a global scale. Why is having an edge over competitors and being innovative important in enabling global brands to increase their market share?

International marketing is the process of marketing goods and services in more than one country. The outcomes of international marketing are everywhere. Look around you. How many of the goods you can see have come from another country? What about the device on which you are reading this book? Or the clothes you are wearing?

International marketing creates global opportunities for companies. If it is done well, it can lead to massive sales revenues. On the other hand, mistakes can damage brands and increase costs. Before deciding to market internationally, businesses should look into many factors, such as differences in culture, language and legal systems. This subtopic will focus on the methods of entry into international markets, and the opportunities and threats that a business may face on entering an international market. It will also examine the effect of culture and globalisation on international marketing.

Concept

Change

If a business is market oriented, it means that it designs, makes and delivers products according to customers' needs and wants. Extensive and ongoing market research will be at the centre of all its decision making. This means that businesses need to carry out good quality market research and be flexible to respond to the changing external environment.

As the Greek philosopher Heraclitus said, 'Change is the only constant'. The most important factors responsible for change in the business environment and strategy are sociocultural factors, technological factors, political and legal factors, economic factors, and demographic factors. These relate to the STEEPLE factors studies in Section 1.1.5 ([/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/tool-swotsteeple-analysis-id-36504](https://study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/tool-swotsteeple-analysis-id-36504)).

The process of globalisation makes it possible for products such as sportswear to be liked by consumers in different countries. While studying this subtopic, consider the following questions:

- How is international marketing of products and services contributing to making cultures more similar?
- To what extent does the local culture influence the marketing approach adopted by a company that aims to sell its products?