

**Footlockers**

**[Name]**

**[University]**

The Mid Term

**Introduction:**

Footlockers was established in 1989 as shoe and apparel retailer. Footlockers is the world leading sports footwear and apparel Retailer Company that is based in US. The company has 3,400 specialty stores around the world that sell athletic shoes and apparel to the customers. The retail company has 1,830 chain stores that sell Nike footwear in US. The company follows the strategy of direct-to-customers and Athletic stores sales to reach its target customers. Athletic stores segment of Footlockers sells to the customers through 1,800 stores located in more than 20 countries around the globe. The company has store banners under the name of Lady Foot Locker, SIX: 02, Kids footwear Footaction, Champs Sports, Runners point and Sidestep. Footlocker's direct to customer business model sells to customers through online stores under the same banners and mobile apps. Eastbay.com and footlockers.com are the catalogue retailers in direct-to-customer sales. Athletic store segment account for 88% sales of the Footlockers. The company's sales depends more on the Nike merchandise that supplied 73% of its merchandise to Footlockers in 2015. Whereas, Adidas is the other key supplier that supplied 16% to the FL stores globally. Footlockers follows the strategy of expanding and growth through new lines of stores and kids footlocker and Champs Sports are the examples that were established in 2015 to target more diverse international market. The following report contains the information about the Footlocker as the buyer of the footwear and sports apparel and its relationship with its customers. The company targets the diverse range of customers from kids to women and men, runners, sports lovers and athletes.

**A. Customer profile a. company name, address, and website:**

Footlockers has a diverse customer's type that include kids, women and men from age 12-40. The customer segment also includes the people having love for sports and who wants to spend an active life.

**B. Business Type:** Retail Merchandiser.**C. Buyer's name, telephone number, and e-mail address:**

Footlocker is the buyer of the large sports and footwear producing companies that include Nike, Adidas, Under the Armor, and Puma etc. Footlockers is based in US and its headquarter can be contacted at the following address:

330 West 34th Street

New York, NY 10001

(212) 720-3700.

Email address of the company is: [www.footlocker-inc.com](http://www.footlocker-inc.com)

**D. People who influence buying decisions:**

The buying decisions of the products of FL may be affected by the competitor's offers.

They may offer the same products at low prices keeping their margins low. Also, if a customer buys one particular it is difficult to make him shift to the other brands. FL faces this situation and that is the reason the sale of other brands like Adidas, puma and other competitors products is very low comparing to Nike.

**E. Buying hours and best time to see buyer:**

The FL stores are operative from morning to night and stores are opened seven days a week. The online orders can be placed 24/7.

**E. Receptionist's name g. buyer's personality type 4:**

The sales team deals with the customers at the store and welcome them with warm smile and give best customer service.

The type of buyers that company deals with at stores are Amiable and assertive.

**5. Demonstrations:**

**Amiable:** They are very loyal to the brands and make decisions quickly to buy the product.

**Assertive:** Goal oriented and want more information about a product. However, when they make decision about buying after information they find out they remain loyal with the product.

**6. Competitive analysis:**

The competitive advantage is the unique business model of the company. This model allows the Footlocker to buy large quantities from the manufacturers as big as the Nike that is the world leading Footwear and Apparel manufacturer Nike. The company buys from retailers at discounted prices and sell the products at the competitive market prices. This allows the company to earn profits with good margins that are better than the competitors. Moreover, the company is also pioneer in introducing a mobile app and developing full fledged online retail stores under each store banner and in FY 2015 the company observed 8.8% growth in the online sales of the Footlockers products. Footlockers has a strong market share of 32% and is the world leading athletic retailer. Being innovative and pioneer in introducing the technology in store is also a competitive edge for the company. Footlocker has partnered with the second major supplier Adidas

to create the interactive store within the stores. The company has used the advanced technology in the traditional store setting that set it apart from the other competitors. The Company has interactive technology that includes the touch screen displays, 3D images and product facts and features and the customers' reviews about a particular product. This empowers the customer to know more about the product they want to buy.

#### **7. Customer benefit plan:**

The customer benefit plan of the Footlockers offers the following benefits to its customers.

- a. Need:** To meet the expectations of the women segment of the market who want to live an active life. This line of retailing store cater the needs of the women involved in the running, walking, training and fitness.

**Features:** The key feature is the comfortable shoes and costumes with innovative designs, high quality and reliability. The Nike products offer newer designs and more support to the customers.

**Advantages:** high quality and comfortable products with strong brand image and positioning.

**Benefits:** The footwear will cater the young women who want to spend an active and healthy life and they involve themselves in the physical activities that make them healthier and physically fit. Nike is the considered the most reliable company for sportswear and apparel and is the major supplier of the Footlocker. The brand image and the positioning of Nike is the biggest advantage and benefit for the FL women

segment.

**b. Need:** The Footlockers has targeted another major segment after analyzing the needs of that particular market segment. The Kids Footlocker is the pioneer in identifying the youngest customers who present a very large chunk of the market. The youngsters are more energetic and involved in physical activities not only academically but also after school activities. They are more informed and have a knack for the popular brands.

**c. Features:**

The Kids Footlockers are the specialty stores that offer the kids with a wide range of the products with biggest brand tags such as Adidas and Nike. Adidas with celebrity endorsement product promotions have developed a unique image of the products in the youngsters and they desire to use the products that are used by their stars.

**Advantage:** The advantage that product offers to the customer is the brand image, innovative technology and comfort ability.

**Benefits:**

The adidas products offer more consistent designs and comfort ability and support to the customers. The feature of the comfort ability attracts the customers not only in the youngest segment but also the people between the age ranges of 40-60. The customers will benefit greatly from the consistency in the quality and design.

**b. Suggested purchase order and justification:**

The purchase order is the document that is issued by a buyer to the seller that contains the information regarding the product type, quantities, agreed prices and other product

## MARKETING

related attributes. This document help in controlling the purchasing of the products from the suppliers. Footlockers is a retail store that deals with in the sports footwear and apparel and all the big companies in sports footwear and apparel industry are suppliers of the Footlockers. That is why, Footlockers places the order with the Nike, Adidas, Under Armor, Puma and other suppliers. The sale of Footlockers was derived by the demand of its products so in order to meet the exceeding demand of the customers the company will place higher quantity orders to the customers.

### **8. Marketing plan:**

Footlockers in order to meet the existing demand current and potential customers the following strategies and marketing mix will help the company to reach the targeted segment successfully.

#### **Strategy:**

The company follows the strategy of the growth by growth and expanded its business in the diverse chain stores. The company not only issues the franchising license but also acquire the small companies that help in the business growth. Footlockers new subsidiaries ventures include the Kids Footlocker and Champ Stores that offer not only the footwear and apparel but also supports equipment to the customers (Rekuc, 2000). .

#### **Marketing Mix:**

The marketing mix of the Footlockers is as follows:

**Product:** The Company sells sports footwear and apparel brands to the targeted customers that include kids, women and men.

**Place:** Footlockers reach the customers through athletic store and online stores under

all store banners. The company has traditional store outlets with interactive technology presentations for customers making its unique and attractive.

**Promotion:** The Company has developed profiles on twitter, Facebook, Linked In and Google+ to reach the targeted market. It also used the traditional Medias of advertisement to attract the target market. The company spent \$ million in advertising campaign.

**Price:** Footlockers offer the products at the prevailing market prices offered by the competitors.

#### **9. Business proposition:**

Footlockers is the retail merchandizing company. The company is the buyer of sports footwear and apparel of the leading brands of the world. Footlocker is the world leader in sports footwear retailing industry. The company earned the profit with 10% growth at \$7 billion. The direct-to-consumer revenue also grew by 21% in the same fiscal year. The net income reaches at \$ 540 million that was 21% higher from last FY.

#### **10. Persuasion techniques:**

The persuasion techniques that Footlockers use is the prestige and suggestive proposition. The technique of prestige helps the company to develop trust of the customers by visualizing the celebrities in the advertisement and when the customers use the interactive technology touch screen the ads displayed by the screen pursue the customers. The technique of suggestive proposition is used when the new store line is opened and the store suggest to buy (Hausman, 2000).

#### **11. Negotiation strategy:**



**Walk away-price:** The Company uses the technique of the walk away with its seller. Nike sells a huge quantity of its products through Footlockers stores chain and they agreed to the discounts prices asked by FL. If Nike will not offer good discounts FL can walk away.

**Aim High:** The other technique FL uses in the negotiation process with the sellers is the aim high. They have the mutual goal of higher sales volume that boost their sales. So both the company set the common sales goal according to their individual interest. That is why buyer may offer low price and seller will interest in selling high prices, at the end the position is win-win (Mohr, Webb, & Harris, 2001).

#### **12. Anticipated objections:**

FL may face the denial or rejection from the sellers or the customers as well during the sales process. It could be direct or indirect denial or reversal or boomerang. The customers may simply refuse to buy the product from you because there are other stores too. So in order to deal with the situation show concern and give the best of the services to get approval. The seller may also reject to sell the product, FL persuade him by telling it is the world's largest retail merchandiser and also the seller of competitors products. The store image and reputation will positively affect the sale of your brand.

#### **13. Closing techniques:**

The closing techniques that the company uses in the stores for the customers is the choosing alternatives. The store offer a wide range of world class footwear like Nike and Adidas. The customer have equally good alternatives available for them. If they do not want to buy Nike, they can buy Adidas, Under Armor etc.

The other closing technique that is very effectively being used by the company is the

Puppy dog close. By using the interactive touch screen, customers can view the products in 3D images, variety of colors and with all product features making the product more attractive for them (Linoff & Berry, 2011).

**14. Selling Technique:**

The selling techniques that FL uses to sale its product is innovative and according to the marketing prevailing demands. Most of the customers feel it easy and convenient to buy through online stores so the technique to directly sale the products to the customers is earning the company huge profits and online segment of buyers is growing at fast pace.

**References:**

- Linoff, G. S., & Berry, M. J. (2011). *Data mining techniques: for marketing, sales, and customer relationship management*. John Wiley & Sons.
- Hoffman, R. (2000). *U.S. Patent Application No. 09/736,036*.
- Fernandes, J. M., Khan, M. A., & Brown, K. (2009). *U.S. Patent No. 7,494,055*. Washington, DC: U.S. Patent and Trademark Office.
- Hausman, A. (2000). A multi-method investigation of consumer motivations in impulse buying behavior. *Journal of consumer marketing*, 17(5), 403-426.
- Mohr, L. A., Webb, D. J., & Harris, K. E. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior. *Journal of Consumer affairs*, 35(1), 45-72.
- Rekuc, R. J. (2000). *U.S. Patent No. D419,766*. Washington, DC: U.S. Patent and Trademark Office.

# The Mid Term