

**Brand Architecture Report - Nike vs. Adidas**

This brand architecture report focuses on Nike and Adidas, the two largest and most successful sports apparel and sneaker companies in the world.<sup>2</sup> These two sports apparel companies have been around for decades (Adidas, 1949, Nike, 1964) selling shoes, t-shirts, and other sports products but have different philosophies and brand personalities. This report will focus on each company and provide an outline of how each company varies in its brand core, personality, benefits, attributes that lends itself to consumers developing different relationships with each of these companies.

**Nike Brand Architecture**

Brand Core/ Brand Essence	Inspirational
Brand Personality	Confident, community-focused, professional, forward-thinking, athletic
Emotional Benefits	Feeling of accomplishment, inspired to be with others when achieving athletic success
Product Benefits	Variety of products and brands underneath Nike umbrella, high-quality products, Better performance and endurance, comfort, long-lasting products for price
Product Attributes	Recycled materials including fly-knit, Dri-fit workout materials, sports equipment

**Adidas Brand Architecture**

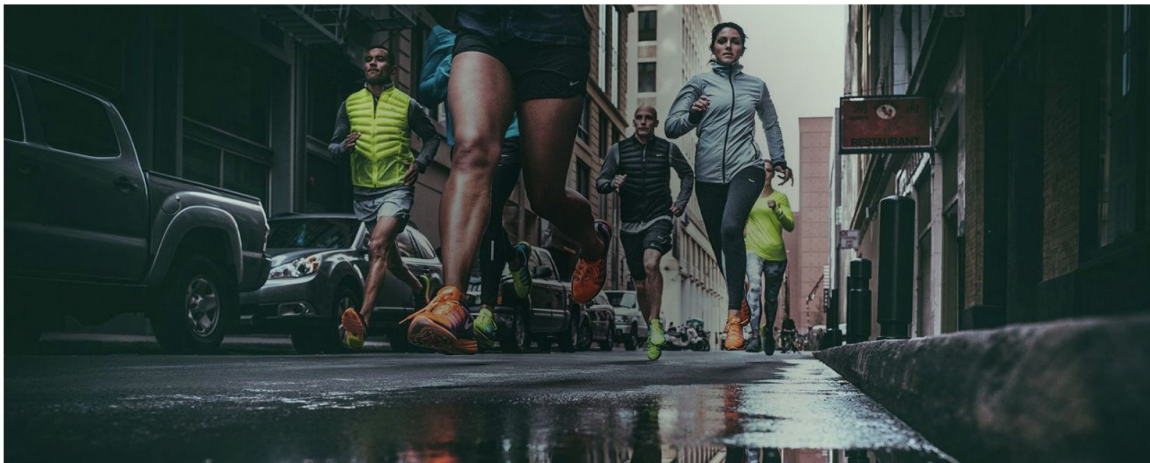
Brand Core/ Brand Essence	Innovative
Brand Personality	Hip, creative, inclusive, collaborative, fashionable, trendy, cultured
Emotional Benefits	Feel unique when wearing Adidas products, sense of nostalgia
Product Benefits	Variety of products to choose from, comfort, high customization and unique products
Product Attributes	Recycled materials, leather, colorful products, competitive pricing and more affordable

## **Brand Comparison**

At its core business, Nike and Adidas are very similar, yet when taking a look at their brands, there are a few key differences in what they showcase to its consumers and fans alike. After completing my brand architecture, I looked up Nike's mission and it is to "bring inspiration and innovation to every athlete\* in the world."<sup>1</sup>

While Nike has plenty of non-performance products, its brand personality and essence has and always will be centered around the athlete and products related to performance. When looking at some of its most recent advertisements, their storytelling focuses closely on "Playing For the World" and another spot titled, "You Can't Stop Us," showcasing some of its biggest athletes including LeBron James, Tiger Woods and Venus and Serena Williams. If you visit their website, a lot of their external marketing and photos also tends to focus on athletes working out and getting better through sport, and doing it in a community with like-minded people.

## **WHAT IS NIKE'S MISSION?**



Our mission is,

**To bring inspiration and innovation to every athlete\* in the world.**

\*If you have a body, you are an athlete.

To learn more about how we deliver on that mission, please visit [About Nike](#).

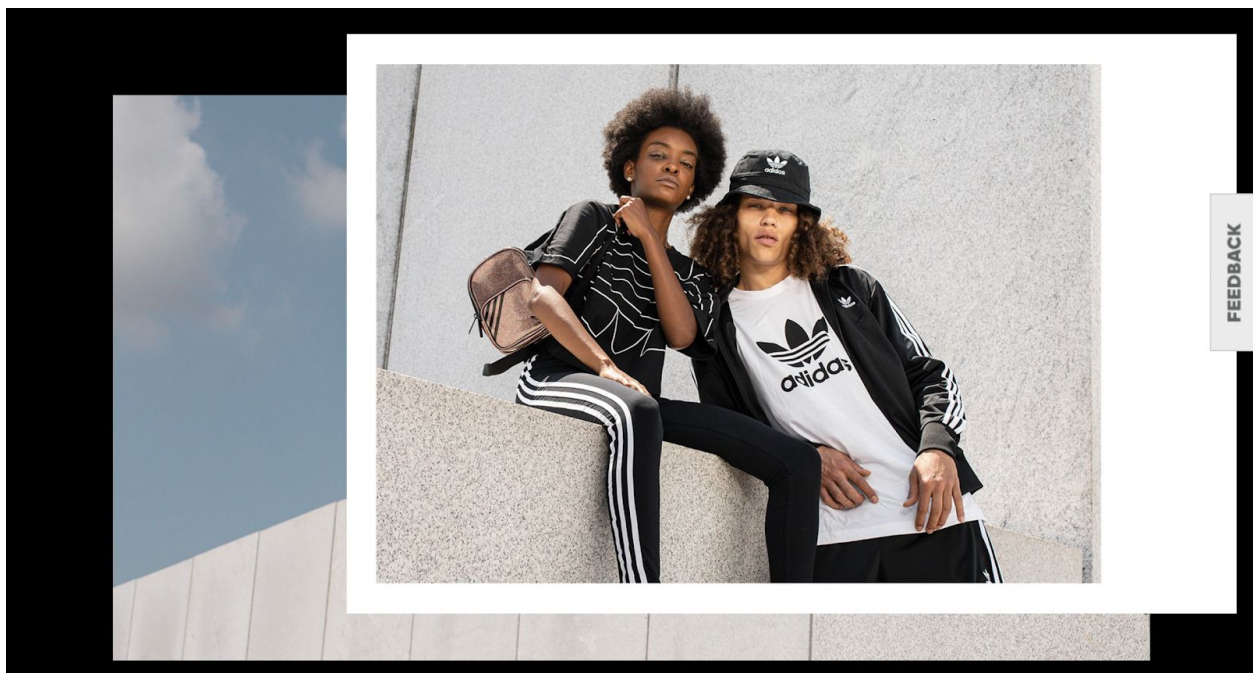
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On the contrary, Adidas' brand seems to be centered on culture, fashion and finding ways to connect to consumers through its sports brand. While they sell a lot of athletic products through signature athletes like NBA players Damian Lillard and James Harden, some of its biggest collaborations have come through working with artists including Kanye West and the YEEZY Line, Pharrell and his Superstar Line and other fashion designers.<sup>2</sup>

A lot of younger people tend to wear Adidas products not for performance, but for style purposes and to connect with cultural influencers who also wear Adidas products.<sup>3</sup> If you take a quick look at their home page, you'll see the first image that appears is this photo of two models in Adidas jumpsuits not performing any athletic activities. The gear they are wearing is an ode to the past but also future with its unique, creative and fresh designs.



Overall, Nike has more share of the sports apparel market and its audience is not sensitive to price because the high-quality of products makes it worth buying. From shoes, workout equipment to t-shirts, Nike consumers will pay a higher margin for products compared to consumers looking for products from the likes of Adidas. Another huge reason can be attributed to secondary markets where Nike products are consistently bought at a four-figure price range and higher for coveted shoes and also, the limited supply of certain special releases.<sup>4</sup>

Adidas' focus is on the volume of its lower-priced products but also, its popularity with non-sport apparel and collaborators, especially in Europe and other emerging markets around the world. While some consumers may certainly pay for Adidas' special collaboration products, Adidas' core products are relatively easier to find and buy through its ecommerce and brick and mortar experience.

## **Brand Value**

Nike has the most valuable sports apparel company in the world, valued at 32 billion, according to Brand Finance. Rival Adidas, meanwhile, has bitten into some of Nike's North American market, with brand value rising by 17% to US\$16.7 billion. Nevertheless, the gap between the two remains colossal as Nike's brand value is nearly double that of Adidas.<sup>5</sup>

These financial values represent numerical figures used in the Interbrand analysis, and Nike's larger share of the market and brand value in the sports apparel and sneaker industry can be attributed to their umbrella brands including Jordan, Converse and Hurley's sales, as well as the strength in markets including China and the strong relationship it has with the National Basketball Association, the National Football League and Major League Baseball, three of the largest professional sports leagues in the world that have major influence on their fans, markets and product distribution that of course, includes Nike products.

Adidas has been gaining traction on Nike as it relates to its North America sales and consistently produces high-quality, affordable and sometimes special release sneakers with collaborators and sponsors, making them too a strong, viable brand that is coveted and appreciated in their own unique way.

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### **Sources**

<sup>1</sup><https://www.nike.com/help/a/nikeinc-mission>

<sup>2</sup><https://www.forbes.com/sites/callyrussell/2019/08/22/adidas-or-nike-which-retail-giant-is-winning-the-sneakers-war/#567ef49b12b7>

<sup>3</sup><https://footwearnews.com/2016/focus/athletic-outdoor/adidas-originals-future-ad-campaign-ima-n-shumpert-watch-187122/>

<sup>4</sup><https://www.qq.com/story/nike-ben-and-jerrys-chunky-dunky-huh>

<sup>5</sup><https://brandfinance.com/news/press-releases/nike-just-did-it-again-as-worlds-most-valuable-apparel-brand/>