




Brand Finance[®] Brand Stories

Nike vs Adidas vs Puma –

“Can they kick it... yes
they can”



'Can they kick it... yes, they can'

Nike vs Adidas vs Puma

The sports industry is booming. With rising budgets helping to promote elite athletes and teams to even the remotest markets in the world, the potential customer base is truly global.

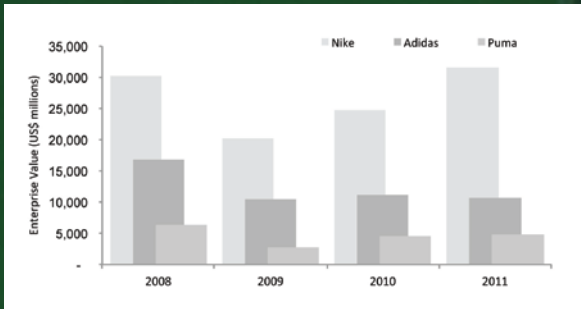
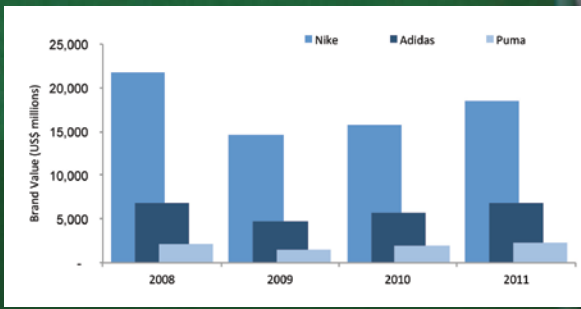
Nike remains the most valuable brand in the apparel industry in the BrandFinance® Global 500, increasing in both brand value and ranking (31st), rising two places since the previous year.

2009 was an eventful year for Nike. The Oregon-based company became the official sponsor of the Vancouver Winter Olympics but faced a difficult decision when Tiger Woods, the long-reigning, golf world no. 1 and long-term Nike spokesperson, took a leave of absence from the sport after being exposed by multiple media outlets as a serial adulterer. This heavily impacted his commercial appeal, with several sponsors – including Accenture, the US professional services firm - withdrawing their endorsement contracts. Nike, however, stood by their man. Hoping that he would once again regain his title and winning ways, the company released a bold TV commercial that incorporated his late father's voice, attempting to redeem his status as a family-friendly, aspirational sporting icon. The TV spot, shown before Woods' return to play in the

US Masters' tournament, depicted the sportsman staring into the camera, being asked whether he has learnt anything from his mistakes. The commercial polarised audiences, but more importantly for Nike, Woods lost the World No. 1 ranking in October 2010 and has continued on a winless streak ever since.

Adidas is Nike's main competitor, and despite setting its sights to overtake the overall market leader, Adidas has this year failed to beat Nike in the Global 500, ranking 139th. Its brand value has also increased from last year to US\$6.8 billion. In 2010 Adidas, who has for many years been the official kit sponsor for Olympic Games for Team Great Britain, announced that they would team up with British designer Stella McCartney to make the kit as stylish as possible.

Another event which brought the two companies directly against each other was the FIFA World Cup 2010, held in South Africa. While nine of the 32 teams wore kit made by Nike, 12 wore Adidas. Despite Adidas being the official sponsor of the event, Nike employed various ambush marketing techniques, particularly online, to drive awareness of its brand. When Nike launched its World Cup advert, featuring Wayne Rooney and Cristiano Ronaldo it



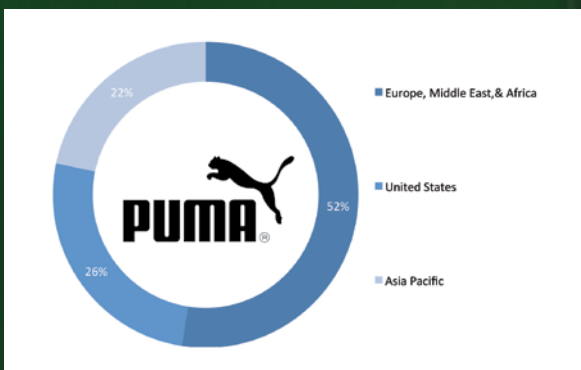
was viewed more than 14 million times in less than a month. When official sponsor Adidas produced its own Star Wars themed World Cup video featuring David Beckham it had 2.8 million views in its first week.

Puma is still a small player relative to Adidas and Nike. Its brand value fell to US\$1.5 billion in 2009, but has crept up in recent years, and in 2011, has reached its highest Global 500 brand value figure ever of US\$2.3 billion.

Part of Puma's rise is attributable to their decision, taken in 2003, to sponsor a 16-year-old Jamaican athlete called Usain Bolt. That sponsorship has enabled Puma to associate itself with a series of phenomenal athletic performances that have captivated global audiences. When Bolt virtually sauntered to record-breaking 100 and 200 meter world records in 2009 wearing Puma, the media value for the company alone was over US\$105 million.

In 2010 Puma made history when Bolt signed the biggest sponsorship deal ever recorded in athletics. Although the exact figures for the deal were not released, it was said to be comparable to that of Cristiano Ronaldo's four year contract with Nike that was worth US\$32.5 million. Unsurprisingly Puma have announced that Bolt will play a vital role in the marketing of the company in the run up to London 2012.

While placing at 492nd in the Global 500 this year, Puma has the ingredients and heritage to increase its brand value and rise up the table. Selecting the right rising athletic and sports stars, clearly differentiating themselves against Nike and Adidas, capitalising on their sporting heritage and treading a delicate path between product innovation and continuing their success of producing more style-driven, non-performance-related product lines will all play a part.



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