**Adidas**

**Introduction**

In 1924 the Adidas Company was founded which was further registered in 1949 and Adolf Dassier was the founder. The company is based on the industry of apparel and accessories. The company is headquartered in Herzogenaurach, Germany Portland, USA. The company is executed and controlled by the Chairman Igor Landau and CEO Herbert Hanier. The company is providing its services all over the world. The products manufactured and produced by the company are footwear, sports equipment, toiletries and sportswear etc other than that company is also engaged in the production of shirts, watches, eyewear and bags etc. Adidas Company is considered to be the second biggest sportswear manufacturer in the world.

**External Factor Evaluation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **External Strategic Factor** | **Weight** | **Rating** | **Weighted Score** | **Comments** |
| **OPPORTUNITIES** |  |  |  |  |
| Mobile media used for advertisement | 0.1 | 3 | 0.3 | There is an opportunity for the company to advertise their products now by using the mobile media in order to target its customers. |
| Trends of the people targeted  | 0.11 | 4 | 0.44 | The company can target the market by various aspects most commonly by knowing the trends of the people in the whole world especially in the North America.  |
| Digital media in use | 0.03 | 2 | 0.06 | Digital media provides the company better transactional experience than that of the television or print media.  |
| Product innovation | 0.12 | 3 | 0.36 | The company can improve its profitability ratio by enhancing the product line with innovative ideas.  |
| Higher & appropriate product  | 0.03 | 4 | 0.12 | The higher technology can be used by the company in order to improve the sale due to higher and appropriate productions.  |
| Psychological handling of customers | 0.04 | 2 | 0.08 | The company can target its customers psychologically and grasp their attention and interest towards their respective products.  |
| Product Development | 0.14 | 2 | 0.28 | The development of the product line can be improved by emphasizing and focusing on the variations in the fashion and the company had its joint venture with the Stella McCartney who establishes the concept branded wears among the females.  |
| Involvement of the company n worldwide affairs | 0.05 | 3 | 0.15 | The involvement of the company in the world wide affairs most probably like Olympics, world cups etc can improve the sales of the company.  |
| **THREATS** |  |  |  |  |
| Competitor Companies | 0.04 | 4 | 0.16 | The companies like nike and puma are the major threat for the company because they are the strong manufacturers of sports goods and commodities. |
| Rise in oil prices | 0.06 | 3 | 0.18 | The rise in the oil pricing is also the factor of decline because of which price for production also increases as well as the transportation expenses.  |
| Weak distribution channel | 0.05 | 3 | 0.15 | The company has very weak distribution channels as compared to its competitors that are puma and nike and it has diverse relationship with the many of the outlet brands.  |
| No major competitive edge | 0.07 | 2 | 0.14 | For the company Adidas, it has no competitive advantages to boost its sales.  |
| Low in revenue generation | 0.07 | 3 | 0.21 | The performance of the Adidas Company is not much efficient as compared to Nike as its employees revenues are 39 % better than Adidas.  |
| Affordability | 0.04 | 3 | 0.12 |  The products of the company are very common now and their original products are very expensive that atre not affordable by most of the people. |
| Competitors action | 0.03 | 3 | 0.09 | The strongest competitor of the company that is nike is putting more emphasize on the product line relating the footwear which is helpful in enhancing the market.  |
| Negative branding and illegal activities | 0.02 | 3 | 0.06 | The illegal activities performed by different sorts of brands are making negative image and impact on the company.  |
| **Total Weighted Score** | **1** |  | **2.75** |  |

**Conclusion**

Based on the above calculations it has been concluded that the company’s Total Weighted Score is 2.75which shows that somehow company has been successful in utilizing its opportunities and minimizing the threats around it.

**References**

* Freeman, M (1999). “taylor, Adidas merge reasuffles”. The San Union -Tribune: p.C.1.
* www.adidas-group.com, Accessed on June 28, 2012.