



**JUST DO IT.**

# *Evolution of the Swoosh*

*"It is one of the most recognized symbols in the world- The Swoosh. Simple. Fluid. Fast."*



# *Nike's Mission Statement*

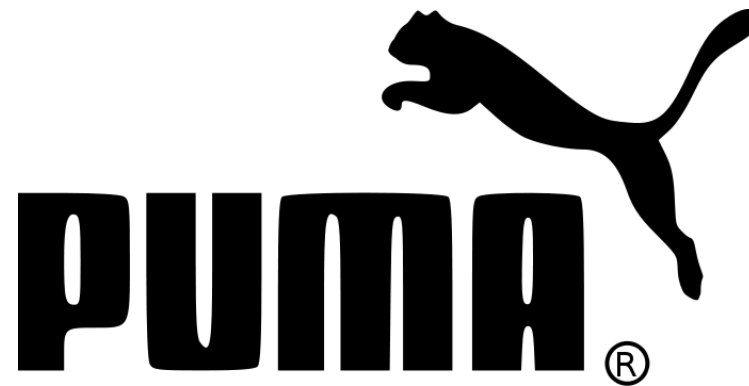
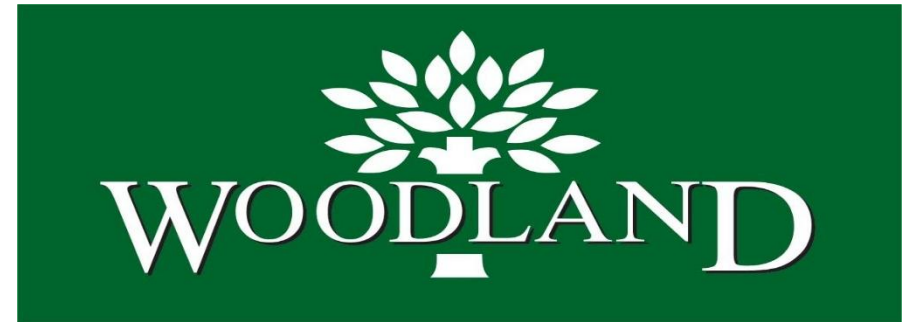
- *“To bring inspiration and innovation to every athlete\* in the world”*

**\*IF YOU HAVE A BODY, YOU ARE AN ATHLETE**

# *About Nike*

- *NIKE, Inc. is the world's leading innovator in athletic footwear, apparel, equipment and accessories.*
- *Utility Based- Basketball, Cricket, Football, Outdoor, Baseball, Tennis, Track & Field*
- *Style Based- Cleats & Spikes, Pegasus, Boots, Court Sandals & Flip-Flops*
- *Technology Based- Nike Free, Nike Shox, Air Max, Lunarlon*

# *Competitors*



## SWOT Analysis for NIKE

### Strengths

- Brand recognition
- High product quality
- Effective marketing strategy
- Capacity of innovation
- Strong distribution chain
- Strong R&D
- Strong customer relationship/satisfaction

### Weaknesses

- Overseas manufacturing dependency
- Decreasing United States market share
- High product price compared to Adidas
- Currency exposure
- Medium retail presence

### SWOT Analysis

### Opportunities

- Expansion into emerging markets
- Increased demand in product innovation
- Growing segment of women athletes
- Increase in the number of sports events like Olympic, FIFA

### Threats

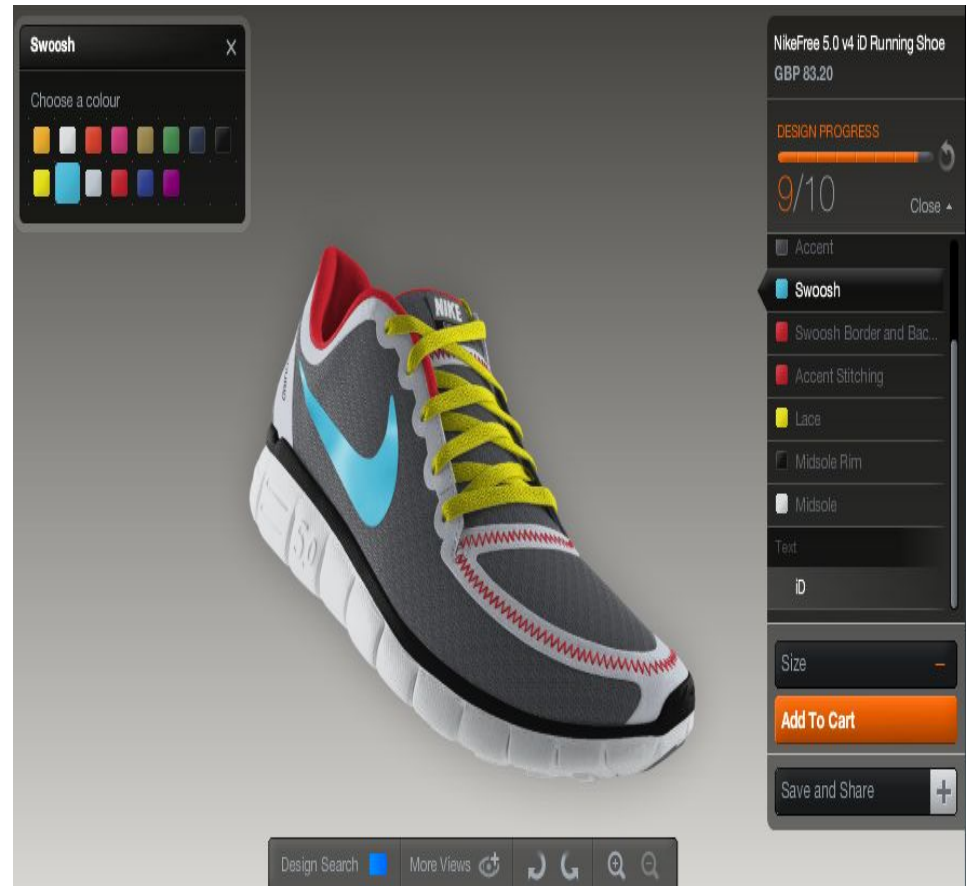
- Fierce industry competition
- Revenue relies on consumers' discretionary income
- Economic rescission
- Fluctuation in the currency

# *Nike Innovations*

- *Nike with Apple*



*Design your own shoes*



# NIKE product differentiation Strategy

Licensees to produce & sell NIKE brand products aside from athletic footwear & accessories

Men, Women & children on the basis of needs, physiology, design preference & choices trend

NIKE's wholly-owned five footwear & apparel companies specializing in sports

Accessories/Apparels like gym bags, eyepieces & Sports equipments for almost all sports

School supplies

Children's clothing

Electronic media device

Cole Haan

Converse Inc

Hurley International LLC

Umbro Ltd

NIKE Golf



# *Building a Global Brand*

## *1. Nike's brand image and source of brand equity in the United States*

*Nike is-*

- Nike is selling a feeling; an emotion.*
- An aggressive and performance oriented brand.*
- Has always given priority to performance and durability along with fashion.*
- Purchased by all types of consumers especially by young people who admire.*
- Always provides higher quality with high price.*  
*Uses various slogans in its advertising and marketing campaigns.*

# *Source of brand equity*

- The main source of Nike's brand equity is the professional athletes and players of international sports.*



## *2. How have Nike's efforts to become a global corporation affected its source of brand image in the United States, Europe, and Asia?*

- Strategy is putting emphasis on individuality and appealing to each sport in the United States, Europe, and Asia.
- The changing strategy to Fashion oriented and not Performance oriented
- Separate promotional campaigns were conducted in different countries in Europe.
- They have determined China to be their future number two investor for products.

*3. Are sponsorship and endorsements vital to Nike's business? For instance, what effect would Nike becoming an official sponsor for the Olympics have on the company's relationship with consumer?*

- One key tool Nike has used to drive its popularity growth is the use of celebrity endorsers and well-placed sponsorship. Nike depends seriously on its endorsements and sponsorships
- Sponsorship of the Olympic Games start of many opportunities to bring sports events into the mainstream for regional and global markets. It will establish Nike as one of the leading sportswear companies in the world

*4. Why did Nike become a target for critics of globalization? Do you think Nike's response to allegations of unfair global labor practices was appropriate and/or effective? Is Nike truly concerned about these issues?*

## *Critics of globalization attacked Nike based on-*

- Nike has been criticized for contracting with factories in countries such as China, Vietnam, Indonesia and Mexico.*
- Low Wages in Indonesia.*
- Child Labor in Pakistan.*
- Health and Safety Problems in Vietnam.*
- Workers were forced to work 65 hours a week and improperly compensated for overtime.*



*Nike's measures to defend the allegations were effective to some extent not entirely.*

- ***Nike Concerned-***
- *Nike's recent efforts in the area of labor and environmental/health standards shows that the company is serious about doing the right thing.*
- *Nike created several new departments (e.g., Labor Practices (1996), Nike Environmental Action Team (NEAT)).*
- *Nike has pushed its suppliers to obey standards through increased monitoring and inspection efforts.*
- *Nike has been active in founding and/or supporting an array of different international and non-profit organizations.*
- *Increasing the minimum age of footwear factory workers to 18, and minimum age for all other light-manufacturing workers to 16.*



- ***Nike Concerned-***

- *Expanding education programs, including junior and high school equivalency courses, for workers in all Nike footwear factories*
- *60-hour work week has been enforced*
- *Has assured an average salary well above national salary average*
- *Created a corporate responsibility division.*

*From all these, it appears as if Nike is truly conscious about these issue.*

***5. Nike's acquisitions and the brands now under its control.  
Do these acquisitions make sense for Nike? What if any,  
brands should Nike try to acquire next?***

***Nike's acquisitions and brands controlled by Nike are as  
follow...***

***–Cole Haan***



***Converse***



***–Hurley International***



***–Nike Bauer Hockey***





*Yes, these acquisitions make sense for Nike because it had many goals behind these acquisitions.*

*They were searching for-*

- Brand diversity*
  - Ways providing additional avenues for growth*
  - Segmenting this business by customer*
  - Opportunity to address the low end through distribution at retailers.*
- Nike should try to acquire the Chinese brand 'Li-Ning' next if it is possible.*



*6. How is "fashion" to Nike? Are they a performance apparel company or a fashion company? What is more important for Nike when they enter a new market like China?  
Fashion or performance?*

- fashionable athletic footwear and apparel.
- Fashion is an integral part of their production.
- Nike Goddess store.

**Fashion is more important for Nike along with performance when they enter a new market like China**



*7. Should Nike do anything different to defend its position now that Adidas and Reebok have joint forces?*



- **Nike should do is to differentiate them from Adidas and Reebok.**
- **They should preserve their reputaion as an innovator and maintain Nike brand equity demestically and perhaps more importantly abroad.**

## *To defend Nike's position it should-*

- ✓ Targeting some of its promotions to female consumers.
- ✓ Service differentiation.
- ✓ Apparel and equipment customization.
- ✓ Product Differentiation.
- ✓ Unique shoe technology and innovation.
- ✓ Low price range.
- ✓ Distinctive Competency-  
Marketing (Consumers Loyalty).
- ✓ Think about latest trends and style and introduce fashionable shoe.
- ✓ Nike should go after Asian country markets with reasonable price because demand is elastic here.
- ✓ Be more socially responsive to show concern for the society



Reebok



# *Recommendations*

- *Gain a more positive global image, especially regarding labor laws.*
- *Pull back the extreme spending on endorsements.*
- *Better management of their fashion shoe sector.*
- *Gain a stronger presence in China.*



*Thank you for your  
attention!*

