

The learning and growth perspective marketing essay



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Nike Incorporation is the worlds leading sporting goods manufacturer. The company produces the sports goods all-encompassing: clothing, footwear, sports equipment and so on.

The company headquartered in Beaverton, Oregon. Nike with its impressive performance impresses its founder; Bill Bowerman once said the sentence: “ As long as you have a body, you are world athletes, and Nike will continue to develop grow.”

Before the company became Nike, the original name of the company is Blue Ribbon Sports on January 25, 1964. The company then officially became Nike Inc. on May 30, 1978.

Nike has been around the world will inspire every athlete and offer the best products as glorious task. Nike’s language is the language of movement. Three years later, the company has always been committed to create every opportunity to show themselves. Nike knows: Only the use of advanced technology to produce the greatest products. So, by the way, Nike put a lot of manpower and material resources for the research and development of new products.

Years ago, Nike has been sponsors a lot of high-profile athletes and sports teams around the world, with the highly recognized trademarks of “ Just Do It” and the Swoosh logo.

Nike – Nature of the Business

NIKE, Inc. is engaged in the design, development and worldwide marketing of footwear, apparel, equipment and accessory products. It sells its products

to approximately 18, 000 retail accounts in the United States and through a mix of independent distributors, licensees and subsidiaries in nearly 200 countries. NIKE's athletic footwear products are designed for specific athletic use, although some of its products are worn for casual or leisure purposes.

The Company creates designs for men, women and children. Running, basketball, children's, cross-training and women's shoes are the Company's top-selling product categories. NIKE also markets shoes designed for outdoor activities, tennis, golf, soccer, baseball, football, bicycling, volleyball, wrestling, cheerleading, aquatic activities, hiking and other athletic and recreational uses. NIKE sells active sports apparel that covers most of these categories, athletically inspired lifestyle apparel and others.

Objective of the Nike

Nikes main objective is to develop Nikes products that help athletes of every level of ability reach their potential, to create business opportunities that set Nike apart from the competition and to provide value for its shareholders.

Besides that, their aim also is to keep manufacturing costs down is driven by the intense competition of the industry in which they operate. Indeed, many other companies within the athletics industry also operate in these low-wage countries, moving between countries depending on factor cost. Their ability to move so easily is often the cause of difficulty for many less developed countries, who can become economically dependent on the corporations.

Strategies of Nike

There are four main categories of strategies of Nike to continue develop growth in this along the years. They are financial perspective, customer perspective, internal perspective, and learning & growth perspective.

Financial Perspective

Growth strategy

Focus on Emerging Markets (i. e. BRIC)

Products in new niche activities

New customer segments

Productivity strategy

Increase Asset Utilization : increase employee by 5%

Reduce Operational Cost

Customer Perspective

Maintain Product Leadership

Provide high quality & innovative products

Improve Customer Relationship and Service

Launch 250-300 Nike retail outlets in next three years

Improve image

“ Nike Community” for welfare manufacturing workers

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Align incentives of workers

Internal Perspective

Follow “ Cost Out” strategy

Reduce marketing spent

11% of revenue only, focus on local sport heroes

Integrate New Segments & Markets and their attributes with current processes like customer

Improve Innovation Cycle

With smarter and more intelligent customer feedback mechanisms through e-channels

Implement CSR

Expand its alliance with other non-profit organizations to work together

Learning & Growth Perspective

Retain and Train key employees

Ensure attrition rate is between 2-3%

Improve IT Assets

Enhance CRM, e-channel, social media platform

Invests 2-2.5% Rev in IT Systems

Create a customer centric culture

Executive team to provide a strong and visionary leadership

Targeting Market

Nike's targeting market is active people who enjoy high quality sporting goods, especially footwear. To do so, Nike focuses on creating premium consumer experiences on product innovation, brand leadership and elevated retail presence.

Nike is targeting further geographic expansion and farther marketing penetration in all regions. Though disciplined operating management, the company still continues to target long range mid teen earnings per share growth.

Size of Nike

The size or range of the Nike Company is increases throughout the years. The total number of employees of Nike Company is about 38000 people around the world. In 2009, the company had a net income of around \$1. 49 billion. They have offices in 45 different countries. Besides that, the number of Nike stores globally is 700 around the world.

Types of products sold

Nike Company has a wide range of sports equipment. The first products that Nike produce is track running shoes.

Besides that, Nike also offers a range of shoes for sports like, tennis, golf, soccer, baseball, football, bicycling, volleyball, cheerleading, hiking and

others. They manufacture casual clothes, running clothes, yoga clothes, tennis clothes (dresses and skirts), thongs, socks, caps, aquatic gear, duffel bags, sunglasses, skates, bats, gloves, women's sport bras, ice skates, roller blades, roller skates, protective gear, hockey sticks, hockey jerseys and many more small accessories.

http://upload.wikimedia.org/wikipedia/commons/thumb/1/17/Zoom_elite_2.png/220px-Zoom_elite_2.png Nike Pro Core Compression

Nike brand, athletic shoes Nike brand, Tennis(Girls' shorts)

Services

Nike Company has a great service which known as NIKEiD. It is a service that allowing customers to customize the products purchased from Nike. It must be through the online purchased.

Besides that, The NIKEiD studios give customers have a great personal experience to work with. The NIKEiD App for iPhone and iPod Touch was released on the iTunes App Store on 14 October 2009 to allow users to search products.

Nike PhotoiD service is by taking picture or image with their mobile and sends to Nike where newly designed software will then analyze the picture for its two main colors and then go about designing a shoe based on it. The consumer will then receive reply with an image of their desired shoe. From this stage they can either save the image, send it to someone else or even purchase the new design.

Strengths and weaknesses of Nike

Strengths

Weaknesses

Brand recognition

High product quality

Effective marketing strategy

Capacity of innovation

Strong distribution chain

Strong R&D

Strong customer relationship

Overseas manufacturing dependency

Decreasing United States market share

High product price compared to Adidas

Currency exposure

Medium retail presence

Competitors

Adidas is the major competitor to Nike Company. Adidas is about to launch a new innovative campaign praising the Team Spirit in sports. Any company that produces athletic footwear or athletic apparel is a competitor to Nike

such as Puma, Reebok(now is owned by Adidas), Asics, Under Armour, and so on. However, according to graph below, Nike Company is the best sells compete with others.

<http://cstl.syr.edu/fipse/TabBar/BldCirc/circlgif/fig17.gif>

Financial Model of Nike

Since year 1997, Nike Company's revenues had plateaued at around \$9 billion.

Net income had fallen from almost \$800 million to &580 million. However, market share in US athletic shoes had fallen from 48%, in 1997, to 42% in year 2000. It adverse effect of a strong dollar had negatively affected revenue.

The management is concerned about the top-line growth and operating performance. To boost revenue, the company would develop more athletic-shoe products in the mod-priced segment- a segment that Nike had overlooked on the recent years.

The company has also planned to push its apparel line. The company has planned to exert more effort on the expense control. Long term revenue growth target is 8%-10%. Earning growth target is 15%.