

# Critical success factors of nike in hong kong



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In this proposal, it will explain Nike Sportswear Company history, background, analysis the objective and the problem of Nike Company, and find out the reason why Nike Sportswear Company can to be a largest sportswear company in the world.

Aim:

This proposal is focus on what is the main point of critical success factors of Nike in Hong Kong. Cause a two man brand to be a famous and the largest sportswear company of the world, and why this sportswear brand can be so successful.

When Nike Company have any decisions and provide any new products, it will influence the sportswear market and the history.

Background:

Nike Company was founded by Bill Bowerman and Philip Knight at 1964, Bill Bowerman was a nationally respected track and field coach at the University of Oregon, and Phil Knight was a talented middle-distance runner from Portland. he think proposed quality running shoes could be manufactured in Japan that would compete with more established German brands, so Philip Knight and Bill Bowerman invest the Tiger shoes in Japan, and make Knight a distributor of Tiger running shoes in the United States, they establish the own company Blue Ribbon Sports. At first, it agent running shoes import from Japan, after that, they began to design and development the own running shoes.

At 1972, The Company takes its name from Nike, the Greek goddess of victory, and the Nike logo is created by a graphic design student.

With a new brand name, a new brand logo and a new design innovation, Nike Company product is very diversification, for example Basketball, American football, Volleyball, baseball, ice hockey, tennis, running, swim, cycling, soccer etc...

And Nike Company have create different line of the product, such as Nike basketball Nike Golf, Nike Pro, Nike Football, Air Jordan, Nike Skateboarding, Nike ID, Nike Sportswear etc... and Nike have a subsidiaries company including Umbro and Converse. Nike Company is the world's leading supplier of athletic shoes and apparel and a major manufacturer of sports equipment.

## **Nike of SWOT analysis:**

### **Strengths**

Nike Company belongs to the Fortune 500 companies, Nike is a competitive and large organization, it is a world recognized for being the number one sportswear brand, and every people know this famous brand.

Nike is also creating or sponsor different sport events and the competition to promote their brand and product, for example, World Cup and Olympics games.

Nike is stronger in research and development a new product; Nike is evolving and innovative product range to different market. Nike Company manufactures high quality at the lowest price, so it can use the lowest cost and get highest income.

, and they usually sponsor the top athletes to promote their brand.

## **Weaknesses**

Even the Nike Company is a largest company in sportswear market, but the main income of the business is dependent the footwear market, if the footwear market have any problem, it will serious effect the Nike Company income.

Nike was charged with the violation of minimum and overtime wage rates in Vietnam, and that it was also charged for the cheap workforce overseas.

Nike was also reported to have applied the child labor in Pakistan and Cambodia to produce soccer balls; it was effect to be the bad image form Nike Company.

## **Opportunities**

Nike is not a fashion brand, but they want to be create a new concept is combine sportswear and fashion brand; so that, they create a new line call “ NSW” is it a fashion line from Nike Company. In the other side, there also can develop type of products of sport, such as; sunglasses, bag and sport protect equipment etc... to extend the market and the product type.

The business also developed to the new international market, building upon its strong global brand recognition, for example, China and India, because this is the new rich economic country, and it will be a largest market in the market.

## **Threats**

The sportswear market is very competitive, for example, Adidas, Fila, Reebok, Li Ling etc... Many competitors developing a new product and techniques to take away Nike's market share.

## **Objectives/Research Questions**

a.

Nike Company is the largest sportswear is a fact, but different new sportswear brand to appear in the market, especially China brand, for example, Li Ling, Peak, ANTA, XSTEP etc... these all are the famous mainland sportswear brand, and they have a common way, they create by the big consortium, all brands have been enter the market already, and the consortium spend money to support the brand operation.

Some of the brand was getting in the world market, so the mainland brand is very powerful and a big threat with the Nike Company.

The most important dependent variable is the investor; it can measure the performance of the company in Hong Kong. It is because the investors put how many resources, and money in the company, will affect the company performance and development.

It is a continuous variable, it is because the Nike Company is the largest sport brand in the world, and they put the company information and some investor's data in the official website. In the official website, there have Investors little, and there have a big little call " Nike is a Growth Company - power of the portfolio".

On May 5, 2010, Nike Company opens an investor meeting in New York, and provides a strategy of Nike Company long term and key initiatives to deliver sustainable and profitable growth. In the Annual Report, the sales growth is maintain every years, and sales profit continuous increase.

Product is the main independent variable affecting the most important dependent variable.

It is because Nike Company is mainly provided a sport wear and equipment; they have many competitors in the market, such as, Adidas, Reebok, Fila, Li Ling etc...

These companies will threat Nike Company profit, if the quality of the product and type of product is bad. So Nike Company needs to keep the product in the high quality, to keep the competition in the market; in the other side, some other fashion brand want to increase their market share, provide some sport wear and some sport wear brand provide so fashion design wear to attack Nike Company, so Nike Company provide a new line - NSW to increase the market share and retain the competition in the market.

We can watch their product line and their sales situation to measure the product is it affects the sales growth and market share.

b.

I will use the test to achieve my aim.

## Critical review of relevant literature

### Article:

In fact, the top 10 footwear companies control over 70% of the global athletic footwear market. Since displacing Adidas in the early 1980s and Reebok in the early 1990s, Nike has become the largest and most important athletic shoe company in the world. (Richard M. Locke, July 2002)

This article data is explain the Nike Company and the other sportswear brand is control over 70% of the global market, and the data show Nike has displacing Adidas and Reebok to become the largest sportswear company in the world. This article is support our background and know which famous brand is Nike Company mainly competitor.

### Pointing the finger: The first allegations

Early that June, Bob Herbert, a New York Times columnist, boldly criticized Nike labor conditions with a harsh op-ed piece (1996). The accusations alleged that Nike built its wealth and products with the "slave" labor of young Asian women. The article said Nike used "sweatshops" of "wretched origins," and compared the corporation to a giant pyramid that crushed the backs of oppressed laborers (Herbert, 1996). This column created a nationwide stir among consumers, activists, and international corporations. Soon afterwards, Nike found itself in a sweltering spotlight, with several nonprofit groups' studies hitting the newsreel. The accounts described human rights abuses, violence to laborers, and hideous working conditions within Nike's Asian facilities (Savage, 2002). The news rooted itself quickly in consumers, and protests and small boycotts sprang up around the country.

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Over 40 demonstrations occurred at nationwide Nike towns, with one Nike town grand opening being marred by the arrest of 19 demonstrators (Emerson, 2001). Nike's image was stained, and it was pressured to respond. (Kristen Bell DeTienne, Lee W. Lewis, 2005)

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The other paragraph is talk about the Nike company described human rights abuses, violence to laborers, and hideous working conditions, it make the citizen very resentment and started to protest and destroy their own brand image.

Research Methods

a.

## **Category**

## **Options**

The method of data collection

Communication Study

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The purpose of the study

Reporting

The time dimension

Cross-sectional

b. Data collection method:

Self-administrated survey (intercept, central location, [e. g. shopping mall, sportswear shop], computer/ internet)

Personal Face to face interview [interviewer controlled environment; Pre-scheduled, Intercept]

## **Project Plan**

### **Tasks**

**Jan**

**Feb**

**Mar**

**Apr**

**May**

**Jun**

**Jul**

Meeting with supervisor, focus group meeting

Revise proposal

Expand literature review

Submission of finalized proposal

Drafting the questionnaire

Pilot test

Finalizing questionnaire

Actual survey

Data collection and analysis

Report writing

Oral present

Revise project report

Submission of final report

The meeting with supervisor, focus group meeting is a ongoing tasks, and the other tasks, is a step-by step tasks, all step will be follow the Project Plan Table.