

Nike

Business, Management



Nike Corporation was founded by Bill Bowerman and Phil Knight in 1971. One of the first branded shoes the company released was the “ Swoosh” which debuted in 1972. Two innovations the shoes included were a superior outsole for better traction and lighter materials. The first sponsor athlete the company hired was Steve Prefontaine, a track and field star. He tragically died at the age of 24 and is still considered today by the company as the “ soul of Nike” (Nikeinc).

The 1980's was a tremendous decade for Nike. At the end of 1980 the company went public through an IPO. This helped the firm a lot because it enabled the company the ability to raise money for future expansion. In 1985 Nike made its best decision ever by signing rookie basketball star, Michael Jordan, to a sponsorship contract. Jordan was given signature shoes which became extremely popular among the youth. The success of the Air Jordan shoes made Nike the industry leader. Innovations such as the external air bags made Nike products unique from the competition. Nike used superior marketing campaigns to showcase its products. It's slogan “ Just do it” was created in 1988. A year later Nike signed another popular athlete, Bo Jackson, which helped the company increased its market share in the cross training product segment. In 1996 Nike signed another incredible athlete to become a sponsor in gulf superstar Tiger Woods.

Today Nike has become the world's leading innovator in footwear, apparel, equipment, and accessories (Nikeinc). In fiscal year 2013 Nike Corporation generated total revenues of \$25. 13 billion and a net income of \$2. 48 billion. The firm is very well managed led by its CEO and President Mark Parker. Phillip H. Knight is the Chairman of the board of directors. The company has

many popular brands including Converse, Hurley International, Jordan brand, and Nike Golf. Its branding strategy has helped the company obtain a tremendous customer retention rate. Based on Pareto's 80/20 rule 80% of a company's sales come from 20% of its customers.

In the late 1990's Nike was involved in a sweatshop scandal that hurt its reputation and depleted its sales by 50% a year after the revelation of the scandal, but since then the firm has cleaned up its act to become one of the most socially responsible companies in the world. " The Nike Foundation works to unleash the unique potential of adolescent girls to end poverty for themselves and for the world" (Nikeinc). Nike believes in the value of cultural diversity. It has several employ networks that promote diversity including the Native American employee network, Latino employee network, Asia Pacific employee network, and Black employee and friend network. The success of Nike through the years is a great American story. The firm has been able to become the market leader in the industry due to a variety of factors. Some of the factors that led to the success of Nike are superior marketing capabilities, great management, product innovation, supply chain mastery, and tremendous product distribution.

Work Cite Page

Nikeinc. com. 2013. " About Nike, Inc." 1 December 2013. Nikeinc. com. 2013. " History & Heritage." 1 December 2013. Nikeinc. com. 2013. " The Nike Foundation." 1 December 2013.