

# Nike's marketing success assignment

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In a world of intensely competitive multi-billion dollar corporations, Nike's continued drive towards innovation and developing diverse marketing techniques has propelled them to the forefront of the athletic shoe and apparel industry. The pursuit of success has its costs and risks and Nike is continually faced with challenges that exploit their vulnerabilities and areas of risk. This paper will focus on Nike's key successes as well as potential risks.

It will also provide some recommendations for Nike's short term marketing future. From its early days, Nike has been a trend setter within the athletic shoe and apparel industry. This can best be personified by the groundbreaking development of the Nike Air sole. It was designed by Frank Rudy, a NASA engineer who invented the concept of compressing air in the sole of the shoe to alleviate a good amount of the shock athletes encounter while training. This technological breakthrough jetted the Nike brand to the upper echelon of the athletic shoe industry.

Continuing with the "air" concept, Nike then created the Nike Air Pump that allowed the sole to be manually adjusted to provide a custom fit to different areas of the foot through multiple individualized chambers with varying volume capacities. Taking into consideration the marketing mix, it is evident that the value of the product, building a strong innovative brand, is Nike's strength. Their most recent latest creation blends the superiority of the Nike cross trainer with the technology of the iPod to create a unique running experience.

Superior product quality, itself, lacked panache without recognizable authorities within the sports world endorsing them. A clear indicator to the power of the testimonial was evidenced when tennis superstar John McElroy began wearing Nike three-quarter top shoes while rehabbing an ankle injury. The presence of the Nike “ swoosh” on the feet of tennis’ premier player sent sales from 10, 000 pairs to 1 million (Entrepreneur, par. 7). 1985 ushered in an Inspiring era of the celebrity testimonial when a young Chicago Bulls rookie named Michael Jordan mystified the world with his athletic talent and magnetic charisma.

Cordon’s marketability was so Intense that Nike produced the Air Max Jordan, its est.. Selling shoe to this day, and the catalyst that pushed Nike into the billions in annual revenue” a number that they surpass annually in exponential fashion. Another success factor was the branding of Nike wares for product recognition. The “ Just Do It” slogan campaign originated in the sass’s as a response to Rebooks stranglehold on the emerging fitness and aerobic apparel market niche.

The “ Just do It” motto became an invitation to consumers of all shapes and sizes to be what they can be and do what they can to the best of their abilities while wearing the Nike logo(Advertising, par. ). Nike has continued to use its brand recognition effectively in global markets, most notably, China. As China’s economy continues to swell, several competitors within the Industry vie to carve out their own distinct market niche. Ideas landed an official sponsorship of the 2008 Beijing Olympics prompting Paul Pi, UP of Marketing for Ideas to say “ If you want to lead globally, you have to lead In China” .

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Nikkei has also been heavily vested in Chinese athletics, sponsoring 22 of 28 China's gold medal winning hurdler, Lie Axing (Braining, the Guardian, par. 4-5). While Nikkei has found great success in establishing and maintaining over 43% market share, it has also encountered its share of vulnerabilities within the competitive market. One is negative media attention. Corporate entities that reap major profits and accumulate abundant market shares make desirable targets for bad press and media scrutiny.

Nike's use of Asian factory workers as cheap labor became a big story in the press resulting in a decline in market share as media and consumers worldwide advocated for a greater sense of social responsibility.

Consequently, Nike is working to improve its foreign labor practices, increasing wages and conditions for a better global appearance. Another vulnerability is the potential loss of relevance in both the domestic market and as it expands globally. Nike rose to power by blending top quality products with the proper people to pitch it.

Michael Jordan's reign as Nike's best known spokesman lasted nearly 20 years, but now that his playing days are over Nike must rely on a new generation of athletes like Tiger Woods to fill his sizable shoes. With the changing of the guard comes the potential of a drop off in the market. Additionally, the immersion into foreign markets requires Nike to become well versed in a whole new set of cultural norms, market conditions, and consumer demographics that will, in turn, shape their future marketing campaigns. Part of staying relevant within a market involves having a firm grasp on how the market is evolving.

With the rise of extreme sports, Nike has dedicated more attention to its All Condition Gear (ACG) which continues to show a diminishing market share, due to downscaling production in waning markets like in-line skating and roller hockey merchandise, using a shutdown of its manufacturing operations at Bauer Nike Hockey. Based on Nike's successes and vulnerabilities stated above I recommend that Nike continue to expand in social networking technology, identify the next generation of loyal customers and their price point, and continue to look at social issues like "going green" to market as environmentally minded corporation.

One recommendation for Nike's marketing strategy going forward is to expand its presence in social networks. One area where Nike has made strides in this is the recent creation of the Nike running shoe implanted with iPod technology. This running shoe allows its owner to document various statistical components to their run and download them online to share with other running enthusiasts. Virtual communities like the philosopher, Backbone, and Twitter offer an abundance of opportunities for Nike to establish a low cost, high volume market presence in the World Wide Web.

This iPod technology may also be well suited to be included in Nike's other footwear, like basketball shoes or cross trainers. Another recommendation is to identify the next generation of loyal customers and their respective price points. The cultural mix in the United States is changing and demographic groups are constantly shifting. Nike needs to make firm, efficiency based decisions that connect to the most profitable markets My final

recommendation is for Nike to develop a marketing strategy chronicling their informal conversation.

Today, several consumers ascribe a heightened sense of social merit to products and manufacturers that appear to be environmentally conscientious, while those that aren't or don't attract more scrutiny. Nike's ability to efficiently demonstrate its devotion to reducing its carbon shoe print will likely inept their corporate image and reduce the risk of future environmental scrutiny.

Nike's long tenure atop the sports shoe and apparel industry is a testament to the effective marketing techniques they accomplished, from its early stages of building a strong innovative brand , to using recognizable authorities within the sports world as endorsements, and finally the branding of Nike wares for product recognition. Regardless, the ever-evolving market will continue to present them with challenges from a multitude of sources and will force them to make difficult decisions.

Some of the above stated suggestions like expanding its presence in social networks and “ going green” are certainly things that Nike is or will be taking into account, but a continued devotion to its core competencies, top quality merchandise and effective marketing strategies will be the key components to their continued prosperity now and for years to come.