

# [Marketing analysis of nike inc marketing essay](https://assignbuster.com/marketing-analysis-of-nike-inc-marketing-essay/)

## 1} PRODUCTS AND SERVICES

Nike is very famous brand well known for its high quality of products. Nike is presently doing products like: – Shoes, clothes, gears, Accessories, sportswear, sports goods etc.

Earlier it was renowned for shoes and sports equipments, but now it is also famous for clothes and for Accessories. It is serviced all over the world. It has its own shops and even you can find Nike products in other famous shop for instant: – Sports direct and JD sports in UK.

## 2} ANALYSIS OF MARKETING

2. 1} SIZE: – It is a large enterprise having employees in thousands, and it is well known in every country. It is having its own shops more than 700 all over the world and having offices located in more than 45 countries.

2. 2} COMPETITORS: – Nike’s competitors are in huge numbers, as this company is not manufacturing only one product. It is dealing with all the sports equipment, sports wear, shoes, clothes etc. so, every company who is collectively doing these products like:- Adidas, Umbro, Reebok, Puma, Lonsdale, FILA etc. and the company who are doing particularly 1-2 products like:- Asics and Air walk{ famous for shoes}, Ever last, Golddigga{ famous for clothes} etc. are its competitors.

2. 3} TRENDS: – Trends means what people like now a days. People like to wear branded clothes because it shows individual’s status and symbol, it gives satisfaction, and it is current fashion. It depends on individual why he want to wear the branded clothes, probably all people are interested to wear branded clothes nowadays because it is current fashion.

## 3} MARKET RESEARCH

3. 1} SECONDARY RESEARCH: – It is second hand information which is already existing somewhere. I have used following ways to complete my secondary research

Internet

Nike official website

Newspapers

Magazines

Articles

Books etc.

3. 2} PRIMARY RESEARCH: – It is first hand information either collected through face-to face interaction or over the phones. I have met the following persons for primary research:

Mr. Poul { store manager of Sports direct on new market road}

Mrs. Jastinna { duty manager of sports direct on new market road}

Mr. Andrew { Casual sales assistant of JD sports in City centre}

## 3} TOOLS OF ANALYSIS

## 3. 1} PEST {MACRO -INVIRONMENT}

A} POLITICAL:-Laws and regulations are made for everybody nobody can break it. The government is responsible for framing certain laws, under which the work is to be done. Nike has been widely supported by the US government who offers low interest rates, stable currency conditions. In a way the International competitiveness of tax system creates a hurdle in Nike’s growth.

B} ECONOMIC: – Recession would stand to be the biggest threat for Nike. There are several economic reasons that would affect the growth of Nike:

Due to downturn in the economy, consumer purchases are slowing down.

The economic crisis going on in Asia would also affect Nike as its goods are manufactured in Asia.

It is not only the local economy, but also the International economy, i. e. Euro and Asian recession has also been responsible for weakening the sales of Nike.

C} SOCIO-CULTURAL: – Now a day’s people have started to take more care of their health and they are more involved in the process of keeping themselves fit. And this has resulted in high demand for fitness products like exercise apparels, shoes, clothes and helpful equipments. Nike has proved itself successful in this run. But certainly the issue related to labour and factory conditions in Asia, caused bad publicity and declining sales as the consumers look forward to have socially responsible companies.

D} TECHNOLOGY: – Nike has effectively used IT in its marketing information systems. The system applies for innovation, segmentation and differentiation for the development of its businesses. Nike believes in using IT and applying it each aspect of a particular product- starting from development to distribution. IT as a way helps Nike to boost its marketing efforts.

## 3. 2} SWOT {MICRO- INVIRONMENT}

## INTERNAL FACTORS

## EXTERNAL FACTORS

## POSITIVE

## STRENGTHS

## OPPORTUNITIES

## NEGATIVE

## WEAKNESSES

## THREATS

A} STRENGTH: – Nike is one of the leading international brands, it is doing re-branding. It belongs to 500 companies and it has exceeded its revenue {2007} $16 billion {US}. It has strong marketing strategy because they are doing strong advertisements by involving top-class athletes and sportsmen. It has chain of retail Nike town stores. Nike manufactures wide variety of products related to sports and leisure activities.

B} WEAKNESS: – Nike Company is not disclosing its information concerning partnering companies because it is having criticism from other companies. Nike is not providing good working condition to its employees. In some region it was reported to apply child labour for ex: Pakistan and Cambodia where soccer balls are produced. It has been said that they even pay under-standard wages, unfair working practices, and violet overtime laws.

C} OPPORTUNITIES: – Nike promotes its market strategy by promoting corporate brand and by sponsorship certain agreements. It also produces products from the manufacture waste; further it is planning to do eco-friendly projects like: – ‘ REUSE-A-SHOE’.

D} THREATS: – Nike textile industry is worried about its eco-friendly reputation because its manufacturing has direct effects on the environment. There are shortages of job because of financial crisis. They are getting bad feedback because of advertisement for instance: – Minor Threat and many more.

## 4} FUTURE RESEARCH {IN NEXT 10 YEARS}

4. 1} OPORTUNITES: – In foreseeable future, it is expected that Nike will enjoy more financial success. It will increase its advertisement campaigns not only with Athletes and sportsmen but also with top models so, that it can attract other customers also. It is also expected that it will do more eco-friendly projects and also sponsorship agreements. It will continue its programs and projects to suit the demands and needs of the customers all over the world.

4. 2} THREATS: – If we see now a days Nike is in some situation which may become threats for it in future, for example:

1} ADVERTISEMENT: – There is no doubt that Nike had spent more than over $ 1 billion {1999} on their advertisement. This market strategy and promotional idea made Nikes familiar world, but on the other hand these commercial advertisements dragged Nike into all time conflicts and controversies. All these commercials made Nike’s reputation very bad in the market.

2} LABOUR EXPLOITATION: – It is believed that Nike Company is not providing good working condition to the workers, paying under standard wages, undergoing unfair working practices, violent overtime laws, apply child labour in some region and it is believed that they are earning large amount of profit by doing all these cheap things.

3} OVER CHARGE: – It is true that every single company covers its advertisement cost through products but on the other hand, not every company covers large amount of its advertisement cost through products. According to an article from the Graduate school of business at Stanford University, a shoe whose net value is $ 24. 71 is sold in retail by Nike for $100. According to this article Nike overcharges the customers.

## 5} THE WAYS {NEED TO ADOPTD} TO MEET THE CHANGING REQUIREMENTS OF ITS ENVIRONMENT

5. 1} POLITICAL:- Nike has got a great support from the Government in terms of laws; covered under various rules and regulations. But in the future there is a need for the company to grow by its own hard work and effort and take steps to make the company and the brand- the most established one in the market. Wrong support from the government; may hinder the trust of the people on the company- which may end up affecting the sale and repute of the company.

5. 2} ECONOMICAL: – As far as the figures are concerned; Nike has been impressive having a market share of 30. 4% in 1998, compared to 15. 5% and 11. 2% of Adidas and Reebok respectively. Moreover, certain products of Nike are experiencing downturn; in that case Nike should make efforts to overcome the problems with the products by undergoing proper product design, materials and manufacturing process. Nike should not go on promoting the same product which has high reputation in the market, instead it should take proper care and plan promotional strategy for the products that are not that much successful.

5. 3} SOCIO-CULTURAL:- Earlier in Asia, Nike has been in certain controversies; but to its best, people have stopped thinking about it; as they have become more concerned about their health, as they want to remain fit. This approach by the people turned to be helpful for the company. Nike attracts customers through its phrases like, “ Just Do It.” Such tactic adopted by the company offers value and benefit to the customers. Nike reaches millions of people through its financial and social strength. Through its hard work and painful efforts Nike has been able to get socially attached to the lives of the people, attracting the customers to buy the products of their need.

5. 4} TECHNOLOGY: – Nike’s main approach is towards differentiation. Nike provides the best design through innovation and use of available modern technology. Nike has made its business more successful through internet. It has created a technology through which customer can design the shoes of his own choice. There is a need for the company to make its website simple so that it can be easily used by the common people.

## 6} STEPS NEED TO BE TAKEN FOR DEVEOLPMENT AND PROSPER {IN NEXT 10 YEAR}

6. 1} SKILLS: – Nike’s most of the manufacturing companies are in Asia for instant; Indonesia, China, Taiwan, India, Thailand, Vietnam and Pakistan etc. In these areas labor is very cheap and available easily. Nike is ignoring the importance of skills because of cheap labor, it started hiring the unskilled staff which led to more waste, which not only caused loss to the company but also affected the environment. So, there should be a skilled labor and a proper training period so that they can do well.

According MASLOW {1908-1970} there are five levels of need:

1} PHYSIOLOGICAL NEEDS: – In this category, only those need are included which are basic or keep a man alive. It can be food, water, cloth, shelter and sleep etc.

2} SAFETY NEED: – When individual basic needs fulfilled he thinks about his safety and it includes PHYSICAL SAFETY {which refers to safety from accidents, diseases and other unexpected problem.}, ECONOMIC SAFETY {which refers a safety from livelihood, security of employment, of resources, of property and arrangement for old age.}, PHYSIOLOGICAL SAFETY {it include one’s prestige}.

3} AFFILIATION OR SOCIAL NEEDS: – Man is a social animal and he wants every to respect him in the society. So, therefore he should have friends, family and relatives, with whom he can spend time, share his joys and sorrows. After first two an individual also wants his social needs to get fulfilled.

4} ESTEEM AND STATUS NEEDS: – some scholars call this need as an ego needs of man. This need includes self-esteem, confidence, achievement, respect by others and high status in society.

5} SELF-ACTUALIZATION NEEDS: – At last an individual want to satisfy himself by attaining all self- actualization needs. He wants morality, creativity, lack of prejudice, problem solving etc.

## 6. 2} KNOWLEDGE:-

Nike’s approach to knowledge includes worker empowerment – it provides the labourers and workers working in the factory with proper knowledge, skills and abilities needed to manage production and overcome the sudden issue staking place while working. These changes and approach checks the potential of the workers- that hoe far are they able to overcome the sudden problems occurring while working.

The idea of providing proper knowledge to the workers regarding their work, helps them to monitor and self manage certain things. These is rather the most successful and systematic approach adopted by the company for the workers.

6. 3} EXPERIENCE: – There should be a selection of qualified, good know ledged, potential and experienced or capable person. The employees should be recruited by the following process. So, that Nike Company can select right person, at right time and for right position.

## CONCLUSION

## It can noticed from the above research that Nike is very famous company manufacturing all the products at large. Now a days Nike is facing many problems related to some issues, but on the other hand it is earning good profits and doing lots of projects. It is clear that Nike will enjoy great time in future, because of its reputation in the market.