

Nike shoes essay



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CONSUMER BEHAVIOR Shopping locations, Department stores were the most preferred type of retailers, followed by outlets in shopping malls and chain stores.

Product variety, guaranteed quality, brand choice, price, services and store environment were cited as the major reasons for visiting a leather consumer goods store. **SHOPPING TIME** Thirty-eight percent of respondents visited leather consumer goods shops at least once a month. Shopping during weekends is common. Other popular shopping occasions include National Day (1st October), Chinese New Year (January/February), New Year's Day (January) and Labour Day (1st May). **MARKETING CHANNELS** Promotional activities in shopping malls and department stores are the most popular promotional and sales activities, followed by discount/price reduction, TV commercials, discount coupons, promotional stands, exhibitions, buy-one-(or more) gets-one-free.

PURCHASING POWER On average, respondents owned 4. 2 pairs of shoes, 1. 2 pieces of wallets, 1. 3 pieces of belts and 1. 3 pieces of handbags/briefcases. Over the past 12 months, an average respondent's spending on leather consumer goods was as follows: – Shoes: RMB 597 (total) RMB 328 (per pair) Wallet: RMB 226 (total) and RMB 193 (per piece) – Belt: RMB 220 (total) and RMB 194 (per piece) – Handbag/briefcase: RMB 476 (total) and RMB 359 (per piece) **SELECTION CRITERIA** When choosing leather consumer goods, product quality stood out as the principal consideration for respondents, followed by product material, craftsmanship, style/design, price and brand.

POPULAR BRANDS Most respondents considered brands important. 4PS OF NIKE Nike's 4Ps comprised of the following approaches to pricing, distribution, advertising and promotion, and customer service: Pricing: Nike's pricing is designed to be competitive to the other fashion shoe retailers. The pricing is based on the basis of premium segment as target customers. Nike as a brand commands high premium. Place: Nike shoes are distributed to Multi Brand store front and the exclusive Nike stores across countries.

While this necessitates a second trip for the customer to come and pick up the shoes, it allows Nike to offer a much wider selection than any of the competition. Promotion: Location, targeted advertising in the newspaper and strategic alliances serves as the foundation of Nike advertising and promotion effort. The athletes and other famous sports personalities are always taken as brand ambassadors. They form the prime building blocks of their portion strategy. Product: The product range of Nike comprise of shoes, sports wear, watches etc.

Its product history began with long distance running shoes in 1963. (Past 17 years: Air Jordan basketball shoes). Wide range of shoes, apparel and equipment. For example: ? Nike Oregon Digital Super Watch ? Nike Presto Cee Digital Medium Watch ? Nike Presto Cee Digital Small Watch ? Nike Ron Analog Watch ? Nike Triax 10 Regular Watch Nike Triax Armored II Analog Super Watch ? Nike Women's Imara Fit Digital Watch SWOT ANALYSIS SWOT ANALYSIS NIKE, INC.

STRENGTHS ? Nike is a very competitive organization. Phil Knight (Founder and CEO) is often quoted as saying that ' Business is war without bullets. '

Nike has a healthy dislike of its competitors. At the Atlanta Olympics, Reebok went to the expense of sponsoring the games.

Nike did not. However Nike sponsored the top athletes and gained valuable coverage. ? Nike has no factories. It does not tie up cash in buildings and manufacturing workers. This makes a very lean organization.

Nike is strong at research and development, as is evidenced by its evolving and innovative product range. They then manufacture wherever they can produce high quality product at the lowest possible price. If prices rise, and products can be made more cheaply elsewhere (to the same or better specification), Nike will move production. ? Nike is a global brand. It is the number one sports brand in the World. Its famous ‘ Swoosh’ is instantly recognizable, and Phil Knight even has it tattooed on his ankle.

WEAKNESSES ? The organization does have a diversified range of sports products. However, the income of the business is still heavily dependent upon its share of the footwear market. This may leave it vulnerable if for any reason its market share erodes. ? The retail sector is very price sensitive. Nike does have its own retailer in Nike Town.

However, most of its income is derived from selling into retailers. Retailers tend to offer a very similar experience to the consumer. Can you tell one sports retailer from another? So margins tend to get squeezed as retailers try to pass some of the low price competition pressure onto Nike.

OPPORTUNITIES Product development offers Nike many opportunities. The brand is fiercely defended by its owners whom truly believe that Nike is not a fashion brand.

However, like it or not, consumers that wear Nike product do not always buy it to participate in sport. Some would argue that in youth culture especially, Nike is a fashion brand. This creates its own opportunities, since product could become unfashionable before it wears out i. e. consumers need to replace shoes.

? There is also the opportunity to develop products such as sport wear, sunglasses and jewellery. Such high value items do tend to have associated with them, high profits. ? The business could also be developed internationally, building upon its strong global brand recognition. There are many markets that have the disposable income to spend on high value sports goods. For example, emerging markets such as China and India have a new richer generation of consumers. There are also global marketing events that can be utilized to support the brand such as the World Cup (soccer) and The Olympics.

THREATS ? Nike is exposed to the international nature of trade. It buys and sells in different currencies and so costs and margins are not stable over long periods of time. Such an exposure could mean that Nike may be manufacturing and/or selling at a loss. This is an issue that faces all global brands. ? The market for sports shoes and garments is very competitive. The model developed by Phil Knight in his Stamford Business School days (high value branded product manufactured at a low cost) is now commonly used and to an extent is no longer a basis for sustainable competitive advantage.

Competitors are developing alternative brands to take away Nike's market share. ? As discussed above in weaknesses, the retail sector is becoming

price competitive. This ultimately means that consumers are shopping around for a better deal. So if one store charges a price for a pair of sports shoes, the consumer could go to the store along the street to compare prices for the exactly the same item, and buy the cheaper of the two. Such consumer price sensitivity is a potential external threat to Nike.