

# [Nike marketing research](https://assignbuster.com/nike-marketing-research/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [Marketing](https://assignbuster.com/essay-subjects/business/marketing/)

Nikkei, Inc. 's debut in the sass's was a milestone for the athletic industry. Starting with a simple of objective of selling affordable, quality athletic footwear, Nikkei has undergone an incredible transformation over the years into a dominating sporting goods company due to an efficient marketing mix. Today, Nikkei has reached annual sales exceeding over $20 billion, and has developed its business all over the world. In this study, these four marketing components will be reviewed: Target Market Product Price Placement

Promotion Nine's product variation, pricing, distribution, and promotional strategy have created a positive marketing approach for the company, and have largely attributed to Nine's success and global recognition. Key findings show that Nikkei has a wide product differentiation as well as complex pricing, placement, and promotional methods that market its products. With a diverse marketing strategy and operations spreading in primary regions such as North America, Europe, and Asia, Nikkei has established itself as a key player in the athletic goods industry, and will continue to succeed in the rumination and sale of its products in future years.

Company Nikkei was founded in 1978 by two powerful sports figures, Bill Borrower and Phil Knight. Over thirty years later, Nikkei, Inc. And its " swoosh" logo have become a household name, and it is recognized as one of the largest sporting goods company in the world. Nikkei has evolved throughout the years. Today, its key consumer products are footwear, apparel, equipment, and sport accessories. The company offers products for multiple sports including running, basketball, football, soccer, baseball, golf, tennis, skateboarding, and snowboarding.

In addition to these sports, Nikkei sells reduces for athletic training in general, and for many other athletic and recreational uses. Target Market Being a sporting goods company, Nikkei targets athletes and active consumers. " Most of the consumers of Nine's products are mainly athletic. Nikkei is the master of segmentation, its segmenting market typically target's athletes, both women and men from the age 15 to 35. Nine's targeting market is active people who enjoy high quality sporting goods, especially footwear.

Nikkei focuses on creating premium consumer experiences on product innovation, brand leadership and elevated retail presence"(A Marketing Case Study on Nikkei). Nikkei has segmented its consumer market by age, gender, and interest. By doing this, Nikkei is able to effectively penetrate numerous Nikkei has a very diversified product line. With over thousands of shoes to choose from, Nikkei is the world-leading supplier in athletic footwear. In addition to shoes, Nikkei is renowned for its athletic apparel and training equipment to groom an athlete or active consumer for success in their endeavors.

From sport Jackets and socks to footballs and golf balls, Nikkei offers consumers a very, very wide selection of sporting goods. The variety of products for numerous different sports gives Nikkei a large product width and product depth, making the company a recognizable name across the globe. Nearly all of Nine's products have reached the maturity stage of the life cycle (Appendix A). " Products can be categorized into sports equipment, athletic apparel, and athletic footwear.

The product life cycle (PL) for each of these product categories has reached maturity. Athletic apparel and footwear products are primarily in the maturity stages, with the exception of trendy items. " (Statistics). Nine's products have entered maturity due to a stabilizing rate of sales and fermentation of its products in the past few years, which is a necessity in order to survive at this stage (Nikkei, Inc. 10-K). As depicted in Appendix B, Nikkei has a 5% market share for apparel and a 20% market share for footwear, respectively (MS Money).

Nine's main competitors, Ideas and Rebook, each produce a similar product mix to Nine's, and in order to keep a competitive edge, these companies attempt to optimize its current products and showcase new innovative products. The Summer Olympics, the biggest sporting event series in the world held every four years, presents Nikkei and other sporting DOD companies with a huge opportunity to showcase new products and fuel the competition in their industry through sponsorships of teams and individual athletes.

By the next Summer Olympics in 2016, sporting companies will have another chance to show off their brand, enhancing the competitive rivalry between each other. Another competitive issue that inhibits Nine's product distribution is the large amount of substitutes in the sporting goods industry. Consumers have a wide selection of footwear, apparel, and sporting gear retailers to choose from, which requires sporting goods companies to enhance their marketing strategy to sell their reduces in order to survive in the industry.

On the contrary, there are some economic factors that may benefit Nine's marketing of product in the next few years. Since 2008 recession, real personal consumption expenditures have increased, indicating that consumers are willing to spend more of their money on certain items (Appendix B). This may be an opportunity for Nikkei to intensify marketing to consumers in order to increase sales at time where there is an increasing trend of consumer expenditures.

Product packaging is important to retain a positive sale for Nikkei and increase brand loyalty. Also, Nikkei has taken measures to become CEO-friendly, and as a result, the company has formulated a way to package its products in a professional and environmentally responsible manner. " Nine's corporate packaging was redesigned to manufacturing, and reduce costs. The boxes are flex-printed on 100% recycled E- flute with soy-based inks, two colors on one side. No glue is used in the packaging, which is rotary die cut, and it is 100% recyclable" (GAGA).

Nine's pricing objective is to target consumers who care about quality and will pay a higher price for a high quality product. Nikkei has a large number of loyal consumers and has set a slightly higher price than competitors and ensures quality and loyalty to these consumers who choose quality and the brand name over price. Variation of marketing strategies has induced high costs in product production and promotion for Nikkei. These costs include inventory, designing, and advertising expenditures. Additionally, inflation has increased raw materials and transportation costs.

To compensate for these high costs, Nikkei has decreased its marketing expenditures and has increased the prices for their products (Marketing Case Study on Nikkei). Once the consumers develop the product intimacy, they come to associate their person with the products and will pay whatever price quoted on the products. Nikkei use vertical integration price strategy in which they take ownership of the participants at channel level that differ and they also engage in various channel level operations both to control costs and thus influence the pricing function" (Marketing Case Study on Nikkei).

Since Nikkei has established itself in the industry, the company has used a premium pricing strategy and will continue to do so until the decline stage of its products. This tragedy is uses a fixed price based on the quality of the product. Although critics note the relatively high prices of Nine's products, they also point out that price ultimately reflects quality and loyalty to consumers (Marketing Case Study on Nikkei). The product life cycle and competitive rivalry in the industry has also had an effect of Nine's product prices.

When Nikkei first entered the market and its products were in the introductory stage of the life cycle, Nikkei used an introductory pricing strategy to attract consumers to purchasing its products and establishing a consumer base as well as consumer loyalty. Now that most of Nine's products have matured in the life cycle, Nikkei is able to set a premium on their products to showcase quality and brand loyalty to consumers. Place Nikkei has a large distribution channel. Appendix C indicates the distribution channels for Nikkei as it uses a traditional selling method.

Nikkei produces and manufactures its products to distributors and retailers all over the globe. Nikkei has nearly 800 retail stores operates in over 160 countries today including six of the seven continents. To include Nine's retail chains, it also sells its products at other sporting goods retailers eke Foot Locker, Shells, Dick's Sporting Goods, to name a few. In addition to Nikkei products, the company has a list of affiliate brands such as Converse, Hurley, Jordan Brand, and Nikkei Golf. Nikkei uses selective distribution by offering its products at select wholesalers and retailers. By carefully selecting wholesalers or retailers, the manufacturer can concentrate on potentially profitable accounts and develop solid Nikkei has a large number of distributors, and has established a process for prospective distributors to become affiliated with the Nikkei trademark. " Becoming a Nikkei distributor requires following the protocol set forth by the company for those desiring to become Nikkei distributors. Becoming a Nikkei distributor requires completion and submission of an application, and then subsequent review for approval by the company.

The review process is conducted based on Nine's corporate criteria, and not everyone who applies will gain approval to become a Nikkei distributor" (Messes). Throughout the years, Nikkei has partnered with many companies to gain higher promotion and enhance its products. For example, Nine's recent partnership with Apple to launch the Nikkei+pod application incorporates exercise and music into one product and allows consumers to utilize both brands in the same activity. With Nikkei+pod, users can record exercises by timing a long distance run or measuring the distance of an early morning walk.

Another example of a successful Nikkei partnership is the Livingston brand. This partnership was highly promotional for both companies and led to a special Nikkei product line that launched the famous yellow apparel and equipment to inspire athletes and sport enthusiasts to " live strong. " Nine's promotional objective is to showcase its brand creating awareness, increasing emend, differentiating its products, and creating value for its products. Sponsorships with professional teams and individual athletes are popular marketing technique for Nikkei.

Teaming up with famous, recognizable athletes like Michael Jordan, Tiger Woods, Christian Ronald, and Kobo Bryant and launching product lines under these individual athletes gives Nikkei a big promotional advantage and value for its products. If consumers see professional athletes sporting the Nikkei brand, they will assess the quality and recognition of Nine's products. Over the years, society has moved with the " fit" trend. According to the Bureau of Labor Statistics, the fitness industry is growing at an increasing rate (Thompson).

Companies like Nikkei use this trend to its advantage to sell footwear, apparel, and equipment needed for those in the " fit" trend to succeed. With higher demand, Nikkei can produce higher sales revenue and higher profits. Since Nine's products are at the maturity stage of the product life cycle, product differentiation is crucial to survival in this kind of industry. Nikkei offers virtual customization of footwear and apparel to create a very wide spectrum of products ND increase consumer interest and demands. A wide selection of apparel and sporting equipment also attracts consumers, as Nikkei is able to meet the needs of the buyer.

Nikkei has adopted both a push and pull marketing strategy. Being a sponsor for numerous sports teams, whether college or professional, team members are inclined to use Nikkei products prescribed to them, which implements a push strategy for Nikkei. The Nikkei brand, Nikkei attracts consumers by linking Nikkei with athletic success, which implements a pull strategy for the company. Nikkei uses a number of different media channels to communicate with consumers. From commercial advertisements to Sport's Illustrated posters, Nikkei largely utilizes the media to promote its products.