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## NIKE

The success of Nike lies in its pledge to a detailed analysis of future opportunities in meeting the requirements of the customer wants in accordance with the current trends. In addition, tapping in new segments is also a significant endeavor of Nike.
The primary focus of any business has to be the customer; marketing management has to take the lead in researching the customer and the markets, in order to promote strategies and Nike has been leading in all the mentioned fronts with aplomb.
It is imperative to delve into Nike’s historical perspective, the word “ Nike” is derived from the Greek Goddess of victory and its Swoosh logo is one which instantly resonates with the brand i. e. Nike, Inc (Nike About Nike Inc, 2014).
As a brand, Nike is the world’s leading & innovative brand in athletic footwear and is omnipresent when it comes to sports of all kinds. Besides footwear, apparel, equipment and accessories are also part of the Nike range.
Nike has in essence spawned on all genres of games like cricket, football, tennis, golf, basketball to name a few, also big sports names have been the Nike brand ambassadors who are known for a winning attitude which resonates with the Nike corporate culture.
The tagline ‘ Just Do It’ has in essence created an emotive connect with the target audience in view of achieving greatness through its communication. The tagline creates the determination and desire of a can do attitude.
NIKE
- Determine the impact of the company’s mission, vision, and primary stakeholders on its overall success.
The values and mission are the starting point of any organization in view of their way forward both in the short and long term. This serves as a pathway to clear the hurdles in a professional and efficient manner and how it wants to be seen going forward and how it wants to be viewed.
The impact and the success of Nike started with its visionary founders Bill Bowerman and Phil Knight, laying the groundwork for a revolution in athletic footwear which redefined the business.
They believed in following the dictates of their heart, as passion comes from the heart. It was this passion that serves as the right fuel to chase their dream. It is passion that makes all the difference as you learn from their story.
Nike’s mission is “ to bring inspiration and innovation to every athlete in the world. If you have a body, you are an athlete.” As a brand with a global appeal and reach the mission in essence creates an instant effect of localization with its innovative and trendy products catering to athletes of most sports (Nike About Nike Inc, 2014).
The slogan as discussed above is part and parcel of extending the mission statement and positioning it to both the consumers and the company employees to achieve greatness and efficiency in whatever they do.
NIKE
As a result of Nike’s commitment to its mission statement and its amalgamation into all facets of its process and culture at Nike, has set standards in quality.
Nike infuses the best quality in its products and customers are willing to pay any price for the brand. In other words it is not only the product of Nike; the consumer is purchasing the philosophy of Nike.
The vision at Nike is to innovate and consistently increase the revenue each year, this can be gauged by the fact that Nike’s 2015 revenue target to $28-30 billion, which is up from the previous target of $27 billion (Nike Inc History & Heritage, 2014).
The shareholders have also impacted by making the mission and vision by taking care of key issues and Nike’s corporate policies. At Nike the stakeholders are a diverse mix ranging from government, civil society, shareholders and most importantly the consumers.
All the stakeholders help Nike in risk mitigation and innovation which are the key pillars in the success of Nike (Nike Biz Stockholder Engagement & Report Reviews, 2014).
The spirit at Nike in view of its vision and mission can be summed by the President and CEO of Nike Mark Parker who said that at Nike, the commitment is focused and based around innovation and that is how Nike stays ‘ opportunistic, serve the athlete, reward the shareholders and lead the industry’(Nike Inc History & Heritage, 2014).
NIKE
- Analyze the five (5) forces of competition to determine how they impact the company.
The 5 forces of competition given by porter are the basis on which an organization conducts an analysis on its competition and where the company stands in view of its vision and mission and most importantly how it compares with its completion both on brand and profit level (Katharina Klier, 2011).

## The analysis of five forces of competition on Nike is as follows:

- Competitive Rivalry - The Industry: The main competition to Nike is from Puma, Reebok and Adidas. Due to this competition Nike focus on innovation and is keeping itself abreast with trend changes on a constant basis to keep ahead of its competitors.
Innovation is based on technological advancement and Nike has been able to give innovative products consistently thus making it a leader of industry.
In view of the globalized economy and the changing consumer’s trends many companies have focused on a niche market and numerous companies like Asics, Under Armour, Lululemon Athelitca, VF corporation among many, gives Nike competition in both footwear and apparel market (Forbes, 2013).
Thus the competition is significant and can be a hindrance both in the footwear and apparel division; however with its innovative products and processes, Nike has been a runaway leader.
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- The Threat of Substitute Products: The primary threat is from counterfeit products of Nike which eats up sizeable markets and revenues especially in third world countries.
The need and wants of the footwear and apparel will grow with time however the quality of the counterfeit products have been alarmingly improving with time and this could eat up the revenues but also impact on the vision of Nike’s yearly revenues in an adverse manner.
Another impact is on Nike the brand as it’s not only about the product it’s about a promise which it delivers consistently.
- The Threat of New Entrants: The threat of entry in the footwear is relatively low due to the requirement of the facilities, however in the apparel market the threat of new entrants is there since the manufacturing set up of apparel is much lower and can be acquired.
Another aspect which needs to be taken into account is the emergence of the online space and the ease at which anybody can target a specific target market depending on their products and services.
This in essence is leading to companies having a viral presence which is helping them in saving cost and also at the same time creating a niche for themselves.
- Power of Suppliers: Due to the nature of the industry the demand will always be there for footwear and apparel products especially sports related, thus, due to Nike’s strategy of manufacturing abroad, i. e. in Indonesia, China and Vietnam, India, Bangladesh to name a few which are in essence third party contracts.
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- Power Of Customers: In view of the technological advances and changing trends on a constant basis the loyalty level of consumers has far more diminished.
With choices available in abundance the buyers look out for deals and discounts. Still depending on the consumer the brand Nike has an emotive connect with its consumers and it is unlikely that they make a switch easily.
Thus the barraging power is low according to author and thus Nike enjoys immense advantage in terms of revenues due to its loyal base of consumers.
- Create a SWOT analysis for the company to determine its major strengths, weaknesses, opportunities, and threats.
A giant like Nike have to explore and comprehend the strategic initiatives in terms of its standing in the market and the feasibility of a way forward in a profitable manner.
Thus a SWOT analysis is conducted in order to come up with different options and eventually pick the best options for the company going forward (Robert Lussier, David Kimball, 2009).
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The above stated SWOT is based on the details given on the website, books referred and the general understanding of the author.
- Based on the SWOT analysis, outline a strategy for the company to capitalize on its strengths and opportunities, and minimize its weaknesses and threats.
Nike should focus on its brand name and strengthen its position through tactical strategies i. e. deals and discounts to make sure there is no switching to other brands amidst aggressive approach by Adidas and Puma.
The need to keep producing Innovative product is paramount, besides being looked upon as an organization which is environment friendly will help in enforcing an already heavy image.
The weakness should be looked into diligently as the wage issues and labor issues i. e. child labor accusations in third world countries should be dealt with in an effective manner as a company this big can be negatively positioned in the minds if these issues are constant.
The opportunities for Nike is to keep innovating in products and also create a new market segment using the online media, to keep with the trend and changes in consumers tastes. Sponsoring new teams and stars is one area which needs to be pursued, besides emerging markets should have Nike stores with grandeur like the one in UK (Robert Lussier, David Kimball, 2009).
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The threats of competition should be taken into account aggressively, also tactical strategies based on discounts and deals should be strategized and the ethical issues be addressed promptly.
- Discuss the various levels and types of strategies the firm may use to maximize its competitiveness and profitability.
At Nike the strategies that utilized to maximize its competitiveness and profitability starts from Product Differentiation which in essence has helped Nike in mitigating risk as in if one product fails there are plenty to choose from for consumers (Ming Li, Eric MacIntosh, Gonzalo Bravo, 2012).

## Expansion in emerging markets has also helped in both profitability and also gaining a worldwide presence and thus competitiveness.

The integration of the brand in view of sponsorship in different sports, sports events and stars has helped in gaining a strong presence in the minds of the consumers as they follow their stars and Nike being an important sports element has helped in gaining ground (Ming Li, Eric MacIntosh, Gonzalo Bravo, 2012).
- Outline a communications plan the company could use to make the strategies you recommend above known to all stakeholders.
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## According to the author the following is the plan:

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7. Select two (2) corporate governance mechanisms used by this corporation and evaluate how effective they are at controlling managerial actions.
The governance committee was established in 2001. The primary objective to review policies, labor issues, environmental practices, diversity & equal opportunity initiatives among many others.

## The corporate governance helps in maintaining discipline worldwide with a singular message in terms of operations and quality.

The managerial actions are controlled by the ethics and conduct guideline’s which is called Inside the Lines at Nike, which in essence the standard of behavior.
The managerial actions are looked into consistently in view of the ethics code both in terms of operational and strategic implementation and keep the safety and morale of the employees at a high level through constant check and balance (Nike Responsibility, 2012).
8. Evaluate the effectiveness of leadership within this corporation and make at least one (1) recommendation for improvement.
The leadership helps in cultivating a culture to help in achieving the potential at Nike in an effective manner. Also, at Nike the focus is on needs from a futuristic perspective, thus leader development is paramount at Nike.
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The one aspect of leadership which the author thinks needs improvement is transparency in operations i. e. the issue of child labor and wages needed to be sorted and then explained to the general public in full detail (NikeBiz Human Resources, 2014).
9. Assess efforts by this corporation to be a responsible (ethical) corporate citizen and determine the impact these efforts (or lack thereof) have on the company’s bottom line. Provide specific examples to support your response.
Addressing impacts in the supply chain, creating value for business and innovating for a better world, Nike Inc takes pride in being an ethical company, to create a positive social and environmental change is embedded in all the stakeholders both internal and external.
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